

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March 2016, which disclose the state of affairs of the company.

PRINCIPAL ACTIVITY

The principal activity of the company is that of selling and servicing of motor vehicles.

RESULTS	2016 Shs '000	2015 Shs '000
(Loss) before tax	(17,431)	(20,393)
Tax	<u>-</u>	<u>-</u>
(Loss) for the year	<u>(17,431)</u>	<u>(20,393)</u>

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2015: Nil).

DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

INDEPENDENT AUDITOR

During the year Mawji Sennik & Co were appointed as the company's auditors and has indicated its willingness to continue in office in accordance with Section 159(2) of the Kenyan Companies Act.

BY ORDER OF THE BOARD



.....
DIRECTOR

NAIROBI

Date 14 October 2016

Marshalls (East Africa) Limited
Annual report and financial statements
For the year ended 31 March 2016

STATEMENT OF PROFIT OR LOSS

	Notes	2016 Shs '000	2015 Shs '000
Revenue	3	81,247	105,254
Cost of sales		<u>(60,570)</u>	<u>(79,548)</u>
Gross profit		20,677	25,706
Other operating income	4(a)	35,680	15,202
Provisions	4(b)	(5,726)	(69,394)
Administrative expenses		(62,316)	(60,679)
Other operating expenses		<u>(18,956)</u>	<u>(24,555)</u>
Operating (loss)	5	(30,641)	(113,720)
Finance income/(costs)	7	(11,290)	21,592
Share of profit of joint venture	15	<u>24,500</u>	<u>71,735</u>
(Loss) before tax		(17,431)	(20,393)
Tax	8	<u>-</u>	<u>-</u>
(Loss) for the year		<u><u>(17,431)</u></u>	<u><u>(20,393)</u></u>
(Loss) per share - basic and diluted	25	<u><u>(1.21)</u></u>	<u><u>(1.42)</u></u>


The notes on pages 10 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 4 to 5.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	As at 31 March	
		2016 Shs '000	2015 Shs '000
CAPITAL EMPLOYED			
Share capital	9	71,966	71,966
Retained earnings		<u>169,829</u>	<u>187,260</u>
Shareholders' funds		<u>241,795</u>	<u>259,226</u>
Non-current liabilities			
Preference shares	10	500	500
Borrowings	11	-	9,521
Trade and other payables	18	<u>16,738</u>	<u>17,670</u>
		<u>17,238</u>	<u>27,691</u>
		<u>259,033</u>	<u>286,917</u>
REPRESENTED BY			
Non-current assets			
Property and equipment	13	22,001	27,434
Investment in joint venture	14	<u>422,665</u>	<u>398,165</u>
		<u>444,666</u>	<u>425,599</u>
Current assets			
Inventories	15	42,856	71,053
Trade and other receivables	16	14,142	40,930
Cash and cash equivalents	17	8,364	12,859
Tax recoverable		<u>506</u>	<u>757</u>
		<u>65,868</u>	<u>125,599</u>
Current liabilities			
Borrowings	11	8,344	8,616
Trade and other payables	18	<u>243,157</u>	<u>255,665</u>
		<u>251,501</u>	<u>264,281</u>
Net current liabilities		<u>(185,633)</u>	<u>(138,682)</u>
		<u>259,033</u>	<u>286,917</u>

The financial statements on pages 6 to 29 were approved and authorised for issue by the Board of Directors on 14 October 2016 and were signed on its behalf by:


.....
DIRECTOR


.....
DIRECTOR

The notes on pages 10 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 4 to 5.

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital Shs '000	Retained earnings Shs '000	Total Shs '000
Year ended 31 March 2015				
At start of year		71,966	207,653	279,619
(Loss) for the year		-	(20,393)	(20,393)
At end of year		71,966	187,260	259,226
Year ended 31 March 2016				
At start of year		71,966	187,260	259,226
(Loss) for the year		-	(17,431)	(17,431)
At end of year		71,966	169,829	241,795

The notes on pages 10 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 4 to 5.

STATEMENT OF CASH FLOWS

	Notes	2016 Shs '000	2015 Shs '000
Operating activities			
Cash (used in) operations	20	(5,784)	(50,850)
Interest paid		(3,293)	(7,268)
Tax paid		-	-
Net cash (used in) operating activities		<u>(9,077)</u>	<u>(58,118)</u>
Investing activities			
Purchase of property and equipment	14	-	(2,526)
Dividend received from joint venture	15	-	50,000
Proceeds from disposal of property and equipment		<u>22,371</u>	<u>400</u>
Net cash from investing activities		<u>22,371</u>	<u>47,874</u>
Financing activities			
Proceeds from finance leases		-	-
(Repayment) of finance leases		<u>(9,257)</u>	<u>(7,656)</u>
Net cash (used in)/from financing activities		<u>(9,257)</u>	<u>(7,656)</u>
(Decrease)/increase in cash and cash equivalents		<u>4,037</u>	<u>(17,900)</u>
Movements in cash and cash equivalents			
At start of year		11,900	940
(Decrease)/increase		4,037	(17,900)
Effect of exchange rate changes		<u>(7,997)</u>	<u>28,860</u>
At end of year	18	<u>7,940</u>	<u>11,900</u>

The notes on pages 10 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 4 to 5.