



Dt.30<sup>th</sup> November 2017

**The Chief Executive Officer  
Nairobi Securities Exchange  
The Exchange  
55 Westlands Road  
Nairobi**

Dear Sir,

**NAIROBI BUSINESS VENTURES UN-AUDITED RESULTS FOR THE SIX MONTH PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2017**

The board and management of Nairobi Business Ventures ("NBV") wishes to submit the un-audited financial accounts for the 6 months period to 30<sup>th</sup> September 2017.

The period under review was turbulent one for NBV alongside many others in retail and fashion sector in Kenya. This was the period NBV continued making losses due to very low sales turnover coupled with working capital shortage, banks credit seize, economic slowdown, low purchasing power many due to uncertainty in political situation and ongoing election disputes during the period.

During the period, NBV reported a 76.8% decline in sales to Kes 8.0 million compared to Kes 34.6 million the half year ended 30<sup>th</sup> September 2016. This was despite numerous challenges in the business environment in the country in 2017 owing to an economic slowdown that impacted a majority of retail traders across the country. Profit after tax declined by 65.1% to loss of Kes 14.9 million down from profit of Kes 1.04 million for a similar period in the previous year.

NBV management have taken steps to support working capital needs of the company by way of providing shareholder loans as a short term measure and exploring possibilities of raising long term capital to support the revival of company's performance as well as continue planned expansion of the Company. NBV management believes that the business will continue to grow and realize the potential of the strategic business model they have adopted.

There Board of Directors did not declare a dividend for the period under review.

Yours Sincerely,

  
Vasu N. Abotula  
C.E.O

*Nairobi Business Ventures Limited*  
*Un-Audited Financial Results*  
*For the Period ended 30 September 2017*

**STATEMENT OF PROFIT OR LOSS**

	Notes	6 Months to 30 September 2017 Shs	6 Months to 30 September 2016 Shs
Revenue		8,007,940	34,663,639
Cost of sales		<u>(3,504,367)</u>	<u>(13,483,245)</u>
<b>Gross profit</b>		4,503,573	21,180,394
Administrative expenses		(5,160,316)	(3,617,007)
Other operating expenses		<u>(13,729,434)</u>	<u>(12,888,750)</u>
<b>Operating profit</b>		(14,386,177)	4,674,637
Finance costs		<u>(517,057)</u>	<u>(3,189,189)</u>
<b>Profit before tax</b>		(14,903,234)	1,485,448
Tax (charge)		<u>-</u>	<u>(445,634)</u>
<b>Profit for the period/year</b>		<u><u>(14,903,234)</u></u>	<u><u>1,039,813</u></u>



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**STATEMENT OF FINANCIAL POSITION**

	Notes	6 Months to 30 September 2017 Shs	6 Months to 30 September 2016 Shs
<b>CAPITAL EMPLOYED</b>			
Share capital		23,600,000	46,000,000
Share premium		22,400,000	
Capital pending allotment			
Retained earnings		(31,709,981)	17,081,082
<b>Reserves &amp; Surplus</b>			
Revaluation of Assets		15,802,334	15,802,334
<b>Shareholders' funds</b>			
		30,092,353	78,883,416
<b>Non-current liabilities</b>			
Borrowings		64,882,196	65,541,703
		94,974,549	144,425,119
<b>REPRESENTED BY</b>			
<b>Non-current assets</b>			
Property and equipment		31,617,494	36,245,677
Intangible assets		8,346,288	9,330,909
		39,963,782	45,576,586
<b>Current assets</b>			
Inventories		74,456,735	83,507,211
Trade and other receivables		25,229,568	42,646,116
Cash and cash equivalents		(5,391,187)	1,036,166
		94,295,116	127,189,493
<b>Current liabilities</b>			
Trade and other payables		24,371,776	10,665,665
Borrowings		14,912,573	15,334,034
Tax payable			2,341,261
		39,284,349	28,340,960
<b>Net current assets</b>			
		55,010,767	98,848,533
		94,974,549	144,425,119

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**STATEMENT OF CHANGES IN EQUITY**

	Note	Ordinary Share capital Shs	Share premium Shs	Capital pending allotment Shs	Retained earnings Shs	Proposed dividends Shs	Total Shs
<b>Period ended 30 September 2016</b>							
At start of period		46,000,000	-	-	16,041,268	-	62,041,268
Profit for the period		-	-	-	1,039,813	-	1,039,813
At end of period		<u>46,000,000</u>	<u>-</u>	<u>-</u>	<u>17,081,081</u>	<u>-</u>	<u>63,081,081</u>
<b>Period ended 30 September 2017</b>							
At start of period		23,600,000	22,400,000	-	(16,806,748)	-	29,193,252
Profit for the period		-	-	-	(14,903,234)	-	(14,903,234)
At end of period		<u>23,600,000</u>	<u>22,400,000</u>	<u>-</u>	<u>(31,709,982)</u>	<u>-</u>	<u>14,290,019</u>

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**STATEMENT OF CASH FLOWS**

	Notes	6 Months to 30 September 2017 Shs	6 Months to 30 September 2016 Shs
<b>Operating activities</b>			
Cash (used in)/from operations		870,592	(17,697,356)
Interest paid		(96,788)	(2,728,061)
Tax			
Net cash (used in)/from operating activities		<u>773,804</u>	<u>(20,425,417)</u>
<b>Investing activities</b>			
Cash paid for purchase of property and equipment		(65,000)	(58,519)
Cash paid for purchase of software		0	0
Cash paid for purchase of intangible assets		0	-
Net cash (used in) investing activities		<u>(65,000)</u>	<u>(58,519)</u>
<b>Financing activities</b>			
Proceeds from borrowings:			
- Bank loans		-	(927,198)
- shareholders loan		-	-
Repayment of borrowings:			
- shareholders loan		-	-
Share capital		-	-
Cash from share capital introduced		-	28,000,000
Net cash from/(used in) financing activities		<u>0</u>	<u>27,072,802</u>
(Decrease)/increase in cash and cash equivalents		<u>708,803</u>	<u>6,588,865</u>
<b>Movements in cash and cash equivalents</b>			
At start of period/year		(21,012,563)	(20,886,733)
(Decrease)/increase		<u>708,803</u>	<u>6,588,865</u>
At end of period/year		<u>(20,303,760)</u>	<u>(14,297,868)</u>