ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

EVEREADY E.A. PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Company	
	2017 Shs '000	2016 Shs '000	2017 Shs '000	2016 Shs '000
Continuing operations				
Sales	338,931	553,311	338,931	553,311
Cost of sales	(251,610)	(425,016)	(251,610)	(425,016)
Gross profit	87,321	128,295	87,321	128,295
Other income	49,546	4,872	54,112	4,872
Gain on disposal of assets	452,468	-	452,468	-
Reversal of impairment of assets	-	17,021	-	17,021
Overhead expenses	(330,465)	(296,782)	(330,468)	(355,968)
Finance costs	(9,736)	(72,368)	(9,736)	(72,368)
Profit / (loss) before tax	249,134	(218,962)	253,697	(278,148)
Tax income/(expense)	16,947	47,138	16,947	47,138
Profit / (loss) for the year from continuing operations	266,081	(171,824)	270,644	(231,010)
Profit / (loss) for the year from discontinued operations	1,092	(34,681)	-	-
Profit / (loss) for the year	267,173	(206,505)	270,644	(231,010)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Deferred tax relating to surplus on revaluation of property, plant and equipment	-	-	-	-
Actuarial losses	3,270	310	3,270	310
Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
Currency translation differences on foreign operations	2,349	10,284	-	-
Other comprehensive income for the year, net of tax	5,619	10,594	3,270	310
Total comprehensive (loss)/ income for the year attributable to the owners of the Company	272,792	(195,911)	273,914	(230,700)
Earnings per share	Shs	Shs	Shs	Shs
Profit/(loss) per share - basic and diluted	1.27	(0.98)	1.29	(1.10)

BALANCE SHEET AS AT 30TH SEPTEMBER 2017

	Group		Company	
	2017 Shs'000	2016 Shs'000	2017 Shs'000	2016 Shs'000
Equity				
Share capital	210,000	210,000	210,000	210,000
Actuarial reserve	-	(3,270)	-	(3,270)
Translation reserve	13,467	11,118	-	-
Revaluation reserve	-	657,073	-	657,073
Retained earnings	325,903	(388,343)	337,822	(379,895)
Total Equity	549,370	486,578	547,822	483,908
Non-current Liabilities				
Provisions for liabilities charges	8,847	8,847	8,847	8,847
	8,847	8,847	8,847	8,847
	558,217	495,425	556,669	492,755
REPRESENTED BY				
Non-current assets				
Property, plant and equipment	9,312	18,293	9,312	18,293
Non-current assets held for sale	-	695,658	-	693,797
Investment in subsidiary	-	-	-	333
Deferred income tax	185,480	98,087	185,480	98,087
Retirement benefit asset	-	4,215	-	4,215
	194,792	816,253	194,792	814,725
CURRENT ASSETS				
Inventories	182,798	161,997	182,798	161,997
Trade and other receivables	149,235	94,805	149,235	94,805
Current tax	-	6,007	-	6,007
Cash at bank and in hand	245,827	3,744	244,279	562
	577,860	266,553	576,312	263,371
Current liabilities				
Trade and other payables	149,600	144,107	149,600	142,067
Current tax	60,335	-	60,335	-
Borrowings	4,500	443,274	4,500	443,274
	214,435	587,381	214,435	585,341
Net current liabilities	363,425	(320,828)	361,877	(321,970)
	558,217	495,425	556,669	492,755

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Share Capital Kshs'000	Translation Reserve Ksh '000	Acturial Reserve Ksh '000	Revaluation Reserve Ksh '000	Retained Earnings Ksh '000	Total Ksh '000
As at 1st October 2015	210,000	834	(3,580)	669,750	(194,515)	682,489
Changes in equity in 2016						
Loss for the year	-	-	-	-	(206,505)	(206,505)
Total comprehensive income for the year	-	10,284	310	-	-	10,594
Total comprehensive income for the year	-	10,284	310	-	(206,505)	(195,911)
Transfer of excess depreciation (net of deferred tax)	-	-	-	(12,677)	12,677	-
At 30th September 2016	210,000	11,118	(3,270)	657,073	(388,343)	486,578
At 1st October 2016	210,000	11,118	(3,270)	657,073	(388,343)	486,578
Changes in equity in 2017						
Profit for the year	-	-	-	-	267,173	267,173
Other comprehensive income	-	2,349	3270	-	-	5,619
Total comprehensive income for the year	-	2,349	3,270	-	267,173	272,792
Transactions with owners:	-	-	-	-	(210,000)	(210,000)
Transfer of revaluation surplus on disposal of assets	-	-	-	(657,073)	657,073	-
At 30th September 2017	210,000	13,467	-	-	325,903	549,370

CONSOLIDATED CASH FLOW STATEMENT

	Group		Company	
	2017 Shs'000	2016 Shs'000	2017 Shs'000	2016 Shs'000
Cash flows from operating activities				
Profit/ (loss) before tax	267,173	(206,505)	270,644	(231,010)
Adjustments for:				
Income tax	(16,947)	(47,138)	(16,947)	(47,138)
Depreciation charge	11,781	26,521	11,781	24,662
Gain on disposal of assets	(452,468)	(1,752)	(452,468)	(1,752)
Interest expense	9,736	72,368	9,736	72,368
Impairment of investment in subsidiary	-	-	333	-
Movement in retirement benefit asset and liabilities	7,485	(487)	7,485	(487)
Reversal of impairment loss on property plant and equipment	-	(17,021)	-	(17,021)
Write off of assets	2,768	4,460	982	-
Operating profit before working capital changes	(170,472)	(169,554)	(168,454)	(200,378)
Decrease in trade and other receivables	(20,801)	111,056	(20,801)	154,983
Decrease in inventories	(54,430)	194,720	(54,430)	172,236
(Decrease) / increase in trade and other payables	5,911	(171,329)	7,533	(172,223)
Cash (used in)/generated from operations	(239,792)	(35,107)	(236,152)	(45,382)
Interest paid	(9,736)	(72,368)	(9,736)	(72,368)
Tax paid	(4,104)	-	(4,104)	-
Net cash (used in)/generated from operating activities	(253,632)	(107,475)	(249,992)	(117,750)
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,782)	(3,090)	(3,782)	(3,090)
Proceeds from disposal of property, plant and equipment	1,146,265	3,164	1,146,265	3,164
Net cash generated from investing activities	1,142,483	74	1,142,483	74
Cash flows from financing activities				
Receipt/(repayment) of borrowings	(433,969)	383,558	(434,299)	403,887
Dividend paid	(210,000)	-	(210,000)	-
Net cash generated from /(used in) financing activities	(643,969)	383,558	(644,299)	403,887
Net increase in cash and cash equivalents	244,882	276,157	248,192	286,211
Cash and cash equivalents at start of the Year	(731)	(285,519)	(3,913)	(290,124)
Effects of exchange rate changes on cash and cash equivalents	1,676	8,631	-	-
Cash and cash equivalents at end of the year	245,827	(731)	244,279	(3,913)

COMMENTS ON THE RESULTS

We launched our brand of portable power solutions under the brand name TURBO® in November 2016. The brand has grown since its launch as we have used our knowledge of the industry and market to make significant progress in entrenching our brand to our consumers.

During the year under review, we experienced a significant downturn in the economy following a prolonged period of electioneering, insecurity in certain segments of the market, weak credit growth, creeping inflation and drought. These factors, together with our status as a new entrant in the battery business resulted to a decline in revenues to Kes.339m representing 39% of prior period performance.

The sale of our Nakuru property, which was finalized in the year under review, led to a gain of Kes.452m from the sale proceeds. The proceeds were used to clear the Company's debts and provide working capital to support the business.

Overall, the Company registered a pre-tax profit for the year of Kes.273m.

Dividend

The Board declared a dividend of Kes.1/- per share (Kes.210m), payable to shareholders on the register on 14 August 2017. The Board does not recommend the payment of a final dividend in respect of FY2017.

Annual General Meeting

The 51st Annual General Meeting of Eveready East Africa PLC will be held at Merica Hotel, Nakuru on Tuesday 27th March 2018 at 11.00am.

Future Outlook

Going forward, we be will committing our efforts on *enhancing revenues* and *achieving profitability* by focusing effort on key drivers of our business that will assist the business generate sufficient revenues in order to bring the business to profitability within the shortest time possible. We are also focusing on *execution excellence* as we are cognisant of the fact that the business as a new set up, requires that we review and re-engineer our route to market programs and also enhance and/or improve our efficiencies and organizational capabilities. We are projecting growth in revenues in key markets, segments and/or categories that we participate in.

By Order of the Board

Mrs Lucy Waithaka, **Board Chair** Jackson Mutua, **Managing Director**

The above extract is based on the accounts of Eveready E.A. PLC for the year ended 30 September 2017 as audited by RSM East Africa.

ABOUT EVEREADY

EVEREADY East Africa PLC (the "Company") is a public limited liability company incorporated in Kenya in 1967 and headquartered in Nairobi, Kenya. The Company distributes TURBO® and TURBO Plus® branded car batteries,bulbs, flashlights, lanterns and dry cell batteries in carbon zinc, alkaline and rechargeables constructions in various sizes and configurations. The Company also distributes EVERCLEAN®, our fabric care and household cleaing range and the world renown CLOROX® brand of household bleach, surface cleaners and fabric care solutions, thereby continuing our history of bringing our consumers products that are recognized for their distinct quality.



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TURBO TRUSTED QUALITY TURBO UNSTOPPABLE POWER TURBO PERFECT BRIGHTNESS TURBO THE SMART WAY TO DRIVE everclean washing powder CLOROX