EVEREADY EAST AFRICA LIMITED

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE 6 MONTH PERIOD ENDED 31 MARCH 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP		COMPANY	
	31.03.2016 Kshs'000	31.03.2015 Kshs'000	31.03.2016 Kshs'000	31.03.2015 Kshs'000
Revenue	300,015	602,845	287,511	597,795
Cost of sales	(244,732)	(453,348)	(235,876)	(450,025)
Gross Profit	**55,283**	**149,497**	**51,635**	**147,770**
Other Income	783	2,907	783	2,907
Operating Expenses	(116,457)	(134,779)	(111,265)	(129,244)
Operating Loss	**(60,391)**	**17,625**	**(58,847)**	**21,433**
Finance Costs	(30,500)	(35,395)	(30,431)	(35,395)
Loss before taxation	**(90,890)**	**(17,770)**	**(89,278)**	**(13,962)**
Taxation	31,978	5,331	31,978	4,188
(Loss)/profit after tax	**(58,912)**	**(12,439)**	**(57,300)**	**(9,774)**
Basic Earning/(Loss) per share	**(0.28)**	**(0.06)**	**(0.27)**	**(0.05)**
Issued shares of Ksh 1 each	210,000,000	210,000,000	210,000,000	210,000,000

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.03.2016 Kshs'000	30.09.2015 Kshs'000	31.03.2016 Kshs'000	30.09.2015 Kshs'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	23,286	30,047	20,428	26,430
Leasehold land	684,971	691,623	684,972	691,623
Investment in Subsidiary	-	-	12,754	12,754
Deferred tax	143,556	145,957	143,556	145,957
Retirement benefit asset	3,418	3,418	3,418	3,418
	855,231	871,045	865,128	880,182
Current Assets				
Inventories	202,472	398,767	188,146	377,280
Receivable from group companies	-	-	66,717	67,094
Trade and other receivables	151,939	223,734	133,211	209,152
Current tax receivable	46,217	11,140	41,321	6,944
Cash and cash equivalents	8,368	6,979	531	2,373
	408,996	640,620	429,926	662,843
TOTAL ASSETS	1,264,227	1,511,665	1,295,054	1,543,025
EQUITY & LIABILITY				
Equity				
Share Capital	210,000	210,000	210,000	210,000
Reserves	666,170	667,004	666,170	666,170
Retained (Loss)/earnings	(118,263)	(70,716)	(95,064)	(37,763)
Proposed dividends	-	-	-	-
	757,907	806,288	781,106	838,407
LIABILITIES				
Non-Current Liabilities				
Deferred tax	54,071	54,071	54,071	54,071
Provisions	-	-	-	-
	54,071	54,071	54,071	54,071
Current Liabilities				
Trade and other payables	70,519	323,896	69,273	323,137
Provision for liabilities	-	-	-	-
Borrowings	376,126	34,912	385,000	34,912
Bank Overdraft	5,604	292,498	5,604	292,498
Total Current liabilities	452,249	651,306	459,877	650,547
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES	1,264,227	1,511,665	1,295,054	1,543,025

STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	31.03.2016 Kshs'000	30.09.2015 Kshs'000	31.03.2016 Kshs'000	30.09.2015 Kshs'000
Cash flows from operating activities				
Cash generated from operations	(31,099)	106,852	(34,776)	109,094
Finance costs	(30,500)	(104,082)	(30,431)	(94,920)
Tax Paid	-	(1,574)	-	-
Net Cash from Operating Activities	(61,598)	1,196	(65,207)	14,174
Cash flows from investing activities				
Purchase of property, plant and equipment	-	(8,006)	-	(8,006)
Disposal of property, plant and equipment	(207)	64,205	(207)	64,205
Disposal of asset(prepaid operating lease)	-	14	-	14
Net movement on related party balances	-	-	-	(13,428)
Net cash from investing activities	(207)	56,213	(207)	42,785
Cash flows from financing activities				
Net movement in borrowings	350,088	(57,083)	350,465	(57,083)
Net cash from investing activities	350,088	(57,083)	350,465	(57,083)
Total Cash movement for the period	288,283	326	285,051	(124)
Cash at the beginning of the period	(285,519)	(285,845)	(290,125)	(290,001)
Total Cash at the end of the period	2,764	(285,519)	(5,074)	(290,125)

STATEMENT OF CHANGES IN EQUITY

GROUP	Share Capital Kshs'000	Translation Reserve Kshs'000	Acturial Reserve Ksh '000	Revaluation Reserve Kshs'000	Retained Earnings Kshs'000	Total Kshs'000
Balance at 1 October 2014	210,000	(197)	1,668	-	6,994	218,465
Profit for the period	-	-	-	-	(77,710)	(77,710)
Other Comprehensive income	-	1,031	(5,248)	669,750	-	665,533
OCI Movement(restated)	-	-	-	-	-	-
Dividends paid in the year	-	-	-	-	-	-
Dividends proposed	-	-	-	-	-	-
Balance at 30 September 2015	210,000	834	(3,580)	669,750	(70,716)	806,288
Balance at 1 October 2015	210,000	834	(3,580)	669,750	(70,716)	806,288
Loss for the year	-	-	-	-	(58,912)	(58,912)
Other Comprehensive income	-	-	-	-	-	-
OCI Movement(restated)	-	-	-	-	-	-
Dividends paid in the year	-	-	-	-	-	-
Dividends proposed	-	-	-	-	-	-
Balance at 31 March 2016	210,000	834	(3,580)	669,750	(129,628)	747,376

COMPANY						
Balance at 1 October 2014	210,000	-	1,668	-	20,513	232,181
Profit for the period	-	-	-	-	(58,276)	(58,276)
Other Comprehensive income	-	-	(5,248)	669,750	-	664,502
Dividends paid in the year	-	-	-	-	-	-
Dividends proposed	-	-	-	-	-	-
Balance at 30 September 2015	210,000	-	(3,580)	669,750	(37,763)	838,407
Balance at 1 October 2015	210,000	-	(3,580)	669,750	(37,763)	838,407
Profit for the period	-	-	-	-	(57,300)	(57,300)
Other Comprehensive income	-	-	-	-	-	-
Dividends paid in the year	-	-	-	-	-	-
Dividends proposed	-	-	-	-	-	-
Balance at 31 March 2016	210,000	-	(3,580)	669,750	(95,063)	781,107

COMMENTS ON THE RESULTS

Diversification initiatives that saw introduction of new product lines in 2015 are yielding positive results. Revenues from these products continue to record steady growth.The Group however recorded a drop in revenue in the half year results for the period ended 31 March 2016 compared to same period last year as a result of changes within our main global supplier of Carbon Zinc and Alkaline batteries which adversely affected the supply of product for a considerable period of time. This aspect led to an out of stock situation, a factor that compromised revenue performance and contributed to a loss before tax of Kshs 90M compared to a loss of Kshs 18M in prior period.

OUTLOOK

The out of stock situation has been addressed and recovery is expected going forward. We continue to avail to our consumers our traditional products under the portable power business. Diversification into new products remains important to our strategic efforts towards achieving sustainable growth in revenues. To this end, Eveready will be introducing new product lines in 2016. This will broaden our portfolio mix, enhance revenues and mitigate supplier risks inherent in the business.

By Order of the Board

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

This extract is based on the unaudited accounts of Eveready East Africa Limited for the six months period ended 31 March 2016, which were approved by the Board of Directors on 27 May 2016. The interim financial statements can be accessed on the Company's website www.eveready.co.ke The principal accounting policies adopted in the preparation of the financial statements are similar to those applied in the previous financial statements.



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