

Longhorn Publishers Ltd Audited Full Year Results, 30th June 2016

Consolidated Income Statement

	2016 KES '000	2015 KES '000
Sales	1,503,512	848,377
Cost of sales	(748,082)	(373,729)
Gross profit	755,430	474,648
Other operating income	3,259	2,662
Selling & distribution expenses	(194,314)	(92,357)
Administrative expenses	(400,096)	(279,634)
Operating profit	164,279	105,319
Finance costs	(25,002)	(8,403)
Profit before tax	139,277	96,916
Income tax expense	(35,214)	(25,190)
Profit/(Loss) after tax	104,063	71,726
Other comprehensive income		
Exch difference on translation of financial operations	(3,256)	(8,668)
Total comprehensive income for the year	100,807	63,058
EARNINGS PER SHARE-BASIC AND DILUTED	0.66	0.70

Consolidated Statement of Financial Position 30th June 2016

	2016 KES '000	2015 KES '000
ASSETS:		
Non-current assets	354,026	225,844
Current assets	1,512,918	463,476
	1,866,944	689,320
EQUITY AND LIABILITIES		
Capital and reserves	947,567	380,378
Current liabilities	919,377	308,942
	1,866,944	689,320

Consolidated Statement of Cash flow Position

	2016 KES '000	2015 KES '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	(521,637)	29,689
Taxation paid	(16,296)	(16,711)
Net exchange gain/(loss)	7,478	(7,789)
Net cash (used in) / generated from operating activities	(530,455)	5,189
Net cash used in investing activities	(182,505)	(54,848)
Net cash generated from (used in) financing activities	901,434	(75,324)
Net increase/(decrease) in cash and cash equivalents	188,474	(124,983)
At start of the period	825	130,104
Translations differences oncash & cash equivalents	14,749	(4,296)
Cash & cash equivalents at the end of the year	204,048	825

Condensed Consolidated Statement of Changes in Equity Year ended 30th June 2016

	Share Capital KES '000	Share premium KES '000	Retained earnings KES '000	Translation reserve KES '000	Total KES '000
At 1st July 2014	58,500	5,039	378,050	(7,269)	434,320
Profit for the year	-	-	71,726	-	71,726
Other comprehensive loss for the year	-	-	-	(8,668)	(8,668)
2014 dividends paid	-	-	(117,000)	-	(117,000)
Issue of bonus shares	87,750	-	(87,750)	-	-
At 30th June 2015	146,250	5,039	245,026	(15,937)	380,378
Year ended 30th June 2016					
At 1st July 2015	146,250	5,039	245,026	(15,937)	380,378
Total Comprehensive income for the year	-	-	104,063	-	104,063
Other comprehensive loss for the year	-	-	-	(3,256)	(3,256)
2014 dividends paid	-	-	(23,058)	-	(23,058)
Rights issue shares	126,190	403,810	-	-	530,000
Rights issue expenses paid	-	(40,560)	-	-	(40,560)
At 30th June 2016	272,440	368,289	326,031	(19,193)	947,567

Commentary

During the period under review, the Group recorded an after tax profit of Kes. 104M against the previous year's profit of Kes. 72M. The turnover grew from Kes 848M to Kes. 1,503M. The increase in turnover was mainly attributed to good uptake of reference products.

The growth in both revenue and profit was attributed to the achievement of the Company's strategies of product and geographical diversification. In the course of the year, the Company acquired distributorship rights of key products from Cambridge University Press, Bible Society of Kenya, Biblica Kenya, Scripture Union of Kenya and Educat of South Africa. These products enabled Longhorn to firmly take market leadership in the reference market segment. The Company realized 26% of its sales from its export market with Zambia, Malawi and Rwanda recording the highest sales. The product and geographical diversification strategy greatly reduced over-reliance on our primary market, Kenya.

The Board is happy that the company is on track with its strategic objectives. The Company had a successful Rights Issue in April 2016. The proceeds raised have been used to increase the digital content offering, innovation and strategic alliances.

Dividend

The Directors are pleased to recommend the payment of a first and final dividend of Kshs 0.35 per share. The dividend will be paid on or before 30th December 2016, subject to the shareholders' approval at the Annual General Meeting.

Closure of Register

The register of members will be closed at the closure of business on 30th September 2016 for the purpose of determining shareholders' entitlement of dividend.

Annual General Meeting

The Annual General Meeting will be held on 30th September 2016.

By Order of the Board

Hon. F.T. Nyammo OGW. MBS

Chairman

18th August 2016

Simon Ngigi
Group Managing Director