

LONGHORN

PUBLISHERS PLC

expanding minds

UNAUDITED CONDENSED GROUP RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED

	31-Dec-19	31-Dec-18
	Kshs 000'	Kshs 000'
Revenue	725,412	697,565
Cost of sales	(349,236)	(271,041)
Gross profit	376,176	426,524
Operating expenses	(241,444)	(294,543)
Finance Cost	(41,879)	(41,796)
Profit before tax	92,853	90,185
Income tax expense	(23,886)	(21,354)
Total comprehensive income	68,967	68,831

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT

	31-Dec-19	30-Jun-19
	Kshs 000'	Kshs 000'
ASSETS		
Non - current assets	931,182	870,384
Current assets	1,676,403	1,473,850
Total Assets	2,607,585	2,344,234
EQUITY AND LIABILITIES		
Equity & Reserves	1,166,268	1,104,304
Liabilities	1,441,317	1,239,930
Total equity and liabilities	2,607,585	2,344,234

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR SIX MONTHS ENDED

	31-Dec-19	31-Dec-18
	Kshs 000'	Kshs 000'
Net cash generated from operating activities	5,243	53,431
Net cash used in investing activities	(170,157)	(134,978)
Net cash generated from financing activities	69,616	189,835
Net (decrease)/increase in cash and cash equivalents	(95,298)	108,288
Cash and cash equivalents at start of period	95,295	(15,661)
Cash and cash equivalents at end of period	(3)	92,627

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital & Premium	Retained earnings	Other reserves	Total
	Kshs 000'	Kshs 000'	Kshs 000'	Kshs 000'
At 1 July 2018	640,729	443,673	(44,764)	1,039,638
Comprehensive income	-	185,236	(111)	185,125
Exchange differences on translation of foreign operations	-	-	(7,616)	(7,616)
Dividends	-	(112,843)	-	(112,843)
At 30 June 2019	640,729	516,066	(52,491)	1,104,304
Comprehensive income	-	69,236	(269)	68,967
Exchange differences on translation of foreign operations	-	-	(7,003)	(7,003)
At 31 December 2019	640,729	585,302	(59,763)	1,166,268

COMMENTARY ON RESULTS

The Board of Directors of Longhorn Publishers PLC is delighted to announce the unaudited results for the half-year period ended 31 December 2019. Gross revenue for the period increased by 4% from the prior period. This has been driven by the significant rise in sales of our reference products such as Kamusi ya Karne and the Comprehensive Atlas due to the improvements made to the products over the last 12 months and an aggressive marketing push. The sales volumes for the Competency Based Curriculum (CBC) products and the new Secondary School Revision Encyclopaedias continue to rise further, boosting our performance in Kenya. The regional markets of Tanzania and Uganda have also recorded a revenue growth of 21% and 15% respectively.

The total comprehensive income and net margins remained relatively flat from the prior period due to development costs for new products. However, the margins are set to improve in the second half of the financial year as the group is set to realise higher returns from investments made earlier in the year. The business remains dedicated to the implementation of the Competency Based Curriculum for which we have successfully completed the distribution of over 2.4 million Grade 4 books countrywide.

The decline in cash and cash equivalents in the period is mainly due to the change in the sales cycle, which resulted in a rise in the sales in the months of November and December, hence increasing the amount of payments owed by customers at half-year.

The digital transformation journey is ongoing and we continue to develop new products as we improve the existing content for our platforms based on market feedback. The Board is satisfied with the growth experienced in the regional markets and the expected finalisation of the route to market strategy into additional African markets which will solidify our presence in the continent.

These unaudited financial statements were approved by the Board of Directors on 17 February 2020.

By Order of The Board

Hon. Francis T. Nyamwo OGW, MBS
Group Chairman

Maxwell Wahome
Group Managing Director

