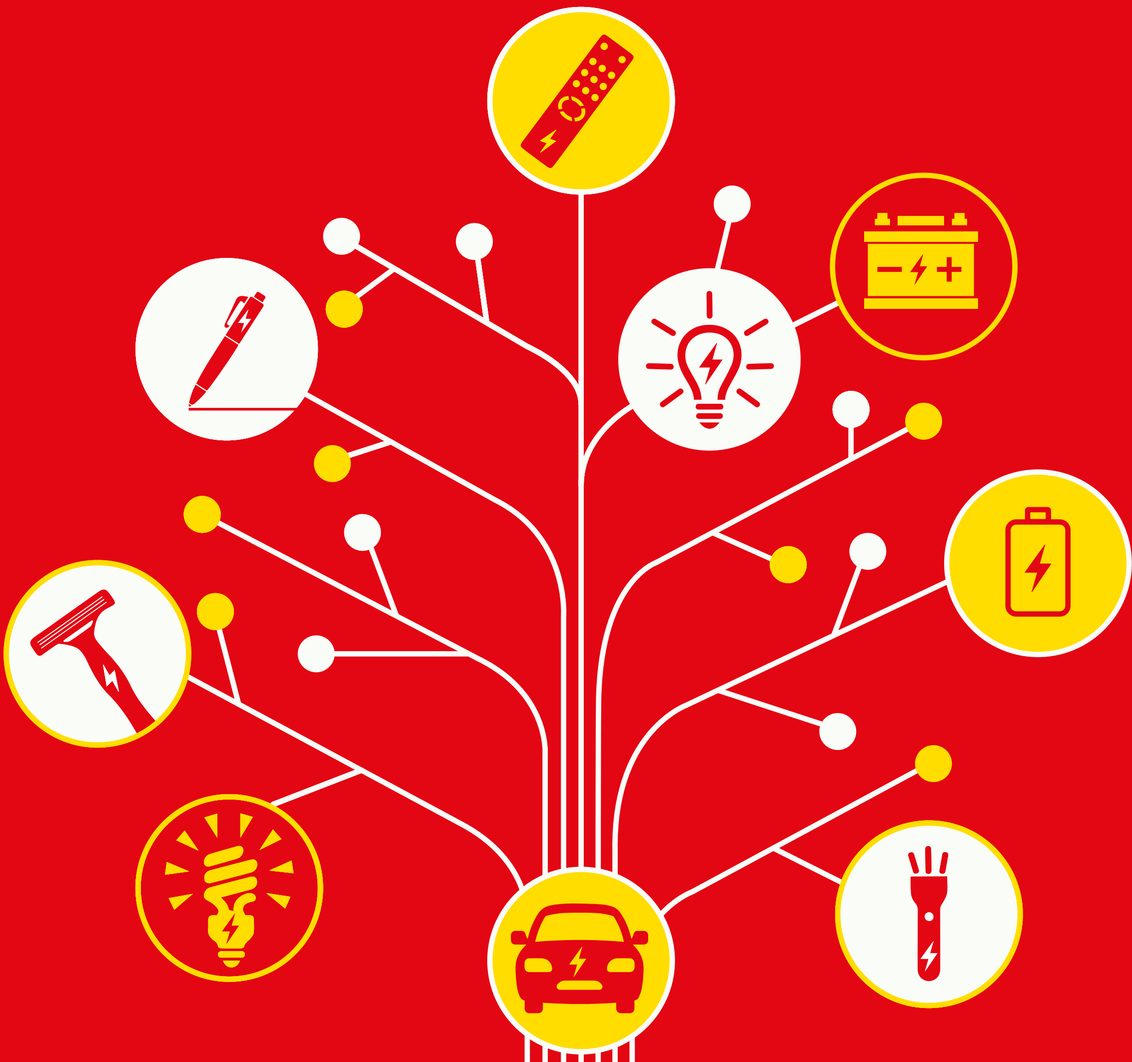
EVEREADY ANNUAL REPORT AND FINANCIAL STATEMENTS | 2015

EVEREADY®
EAST AFRICA LIMITED



We help you enjoy your world.

Annual Report and Financial Statements | 2015

Our Mission
To profitably meet customer needs through the best use of available resources.

Our Vision
To be the partner of choice within the region in the provision of lifestyle solutions.

Our Values
» Passion
» Integrity
» Respect
» Teamwork
» Initiative

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EAST AFRICA LIMITED

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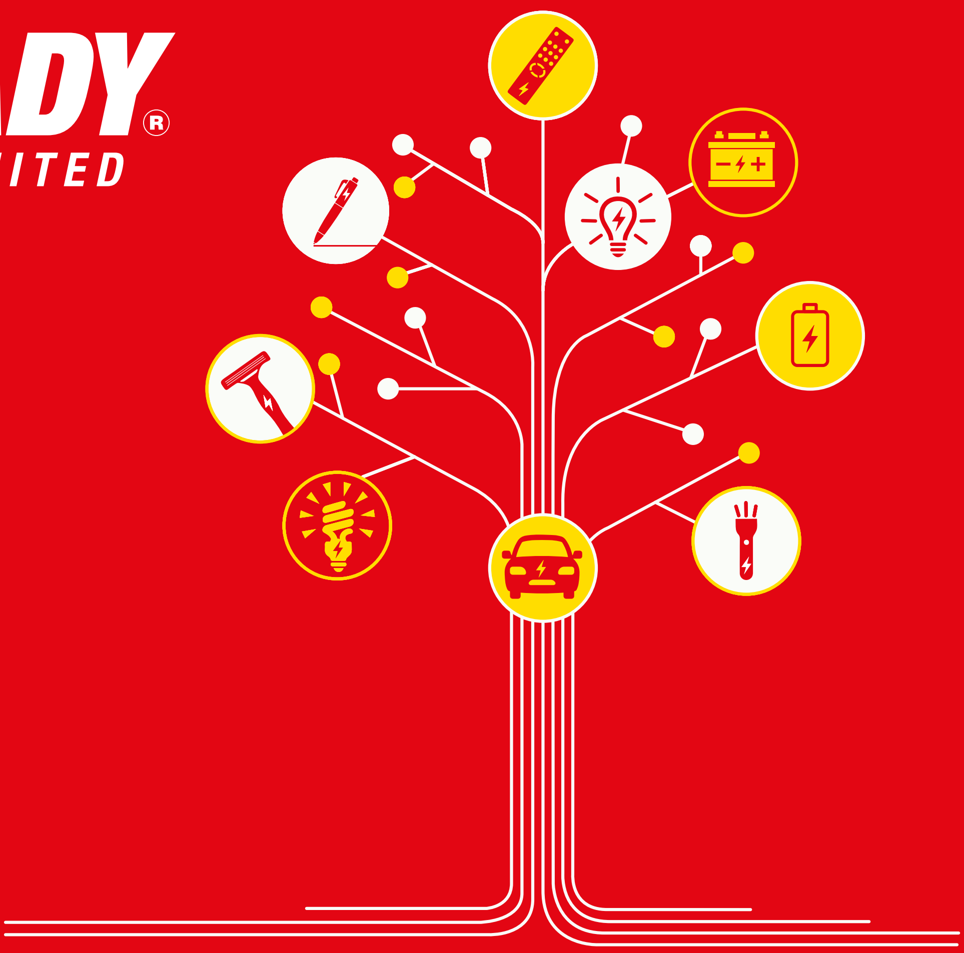


CORPORATE INFORMATION

Directors	Mrs. Lucy Waithaka - Chairperson Mr. J K Mutua - Managing Director Mr. A H Butt Industrial Commercial Development Corporation (ICDC) (Alternate Ms. Mbatha Mbithi) Mr. P Scott (Alternate Mr. M Yep) Ms. S Mudhune, MBS Ms. F B Shah Ms. Catherine Ngahu, EBS
Finance and Risk Committee Members	Ms. Catherine Ngahu, EBS - Chairperson Industrial Commercial Development Corporation (ICDC) (Alternate Ms. Mbatha Mbithi) Mr. A H Butt
Audit Committee	Ms. S Mudhune, MBS-Chairperson Mr. P Scott (Alternate Mr. M Yep) Ms. F B Shah Mr. A H Butt
Remuneration & Nomination Committee	Ms. Catherine Ngahu, EBS-Chairperson Industrial Commercial Development Corporation (ICDC) (Alternate Ms. Mbatha Mbithi) Ms. F B Shah
Auditors & Tax Advisors	BDO East Africa Kenya Certified Public Accountants of Kenya Unit C1, Block C, Sameer Business Park Mombasa Road P O Box 10032 GPO Nairobi 00100
Share Registrars	Image Registrars Limited 5th Floor,Barclays Plaza, Loita Street P O Box 9287 Nairobi 00100
Advocates	Kaplan & Stratton Advocates P O Box 40111 Nairobi 00100 Mukite Musangi & Company Advocates P O Box 149 Nakuru 20100 Ogola & Mujera Advocates P O Box 49393 Nairobi 00100
Secretary	Image Registrars Limited 5th Floor, Barclays Plaza, Loita Street P O Box 9287 Nairobi 00100
Company Registered Office	MCFL Logistics Centre, 1st Floor Mombasa Road P O Box 44765 Nairobi 00100
Bankers	Commercial Bank of Africa Limited Citibank N.A

BOARD OF DIRECTORS

FRONT ROW (From left):

Ms. Mbatha Mbithi

Mrs. Lucy Waithaka – Chairperson

Mr. Jackson Mutua – Managing Director

BACK ROW (From left):

Mr. Peter Kemei

Ms. Susan Mudhune

Ms. Catherine Ngahu

Mr. Akif H. Butt

Ms. Fauzia Shah

Mr. Michael Yep – Not in picture*

BOARD OF DIRECTORS – BIOGRAPHIES

Mrs. Lucy W. Waithaka - Chairperson

Mrs. Waithaka is an export development specialist. She holds a Master of Science degree in Horticulture/Agronomy and a BSC in Agriculture from the University of Nairobi. Her last formal employment was at the Export Promotion Council (EPC), the national trade promotion organization in charge of development and promotion of Kenya's exports.as the General Manager, Enterprise and Product Development, up to November 2015. She has extensive experience in agriculture, export marketing and business management having held senior positions in agriculture and international trade related institutions, namely, the Horticultural Crops Development Authority (HCDA) and the Fresh Produce Exporters Association of Kenya (FPEAK), where she was the Chief Executive before joining the Export Promotion Council of Kenya. She has served as a member of the Board of Directors of the Kenya Plant Health Inspectorate Service (KEPHIS) and is currently a member of Sasini Ltd. Board of Directors, where she chairs the Sasini Audit Committee.

Mrs. Waithaka has carried out research work and published widely in the areas of cut flowers, post-harvest handling of horticultural produce and export marketing. She has organized and led market study and export promotion missions to several international markets in Europe, USA, Japan, Middle East and Africa, providing business to business linkages for Kenyan exporters. At the EPC, she managed several programmes, all aimed at enhancing the export supply base and export competitiveness through enterprise development initiatives and capacity building. These included product development and test marketing; market penetration and promotion; and training in export trade and business management skills. 60

Mr. Jackson Mutua - Managing Director

Mr. Mutua holds a Bachelor of Commerce degree (Accounting option) from the University of Nairobi and a Masters of Business Administration from the same University. He is a qualified Accountant and Company Secretary and is a member of both ICPA(K) and ICPS(K). He has over 18 years' experience having previously worked with BestFoods Kenya Ltd and Karirana Estates Ltd (Member of First Chartered Group of Companies). He joined Eveready East Africa Ltd in July 2007. 45

Ms. Fauzia B. Shah

Ms. Shah holds a Bachelor of Laws Degree and is an advocate of the High Court of Kenya with over 20 years experience in corporate and commercial matters. Fauzia is also a Certified Public Secretary with over 15 years of company secretarial matters. She has worked for the Sameer Group as Company Secretary and In-house Counsel and is presently practicing as an advocate at Shapley Barret & Company, Advocates. 52

Mr. Akif H. Butt

Mr. Butt is a fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Public Accountant (CPA) and has over 25 years experience in financial management, corporate planning and strategic management. Akif initially trained and worked with PricewaterhouseCoopers in Kenya and the East African Region, Liberia and England. He joined the Sameer Group in 1989 and currently holds the position of Finance Director. 58

Ms. Susan Mudhune

Ms. Mudhune holds a Bachelor of Arts Degree and an MBA from the University of Nairobi. She is a member of the Kenya Institute of Directors and former Chairman of the Kenya Commercial Bank Group (KCB). Prior to joining KCB, Susan worked in various management positions in the local banking industry for over 20 years. In recognition of her outstanding achievements, the Kenya Institute of Bankers (KIB) awarded her Fellow of the Institute of Kenya Bankers (KIB) in December 2003. Currently, she sits in the board of Safaricom Limited and Pan Africa Insurance Holding Ltd. 66

Mr. Michael Yep

Mr. Yep is the Business Director at Energizer Middle East & Africa Ltd (Energizer), a position he has held since July 2015. He has a background in sales and marketing having worked in various capacities at Energizer and La Senza. Michael holds a Bachelor's degree in Marketing from the University of Huddersfield. 38

Ms. Catherine Ngahu, EBS

Ms. Ngahu holds a Bachelor of Education and MBA from the University of Nairobi. She studied entrepreneurship as a Business Research Fellow at Wharton Business School, University of Pennsylvania and Value-based leadership under the African Leadership Initiative program of the Aspen Leadership Institute. She has also studied Corporate Governance with the Institute of Directors Kenya and IOD UK, and holds the International Certificate in Company Directorship from IOD, UK.

Currently, she is the Chairman of Boards of Uchumi Supermarkets Ltd and Universal Advisory Council. She also sits in the board of AAR Insurance Kenya. She previously served in the Boards of Kenya ICT Board , Kenya Women Finance Trust, InvesteQ Capital, Suntra Investment Bank and KASNEB Syllabus Committee. She was a member of the governing council of Marketing Society of Kenya and Marketing and Social Research Association (MSRA). Catherine was awarded the Elder of the Order of the Burning Spear (EBS) by His Excellency the President of the Republic of Kenya for devoted service in 2011. 54

Ms. Mbatha Mbithi

Ms. Mbithi is the Chief Manager Operations, a position she has held since September 2009. She has a solid background in Finance and Banking having worked in middle and senior management level positions in five commercial banks. Prior to joining ICDC, she was Head of Credit at Family Bank Ltd. She also sits on the Boards of Uchumi Supermarkets Ltd., Development Bank of Kenya Ltd. and IDB Capital Ltd. She holds a Master of Business Administration degree in Strategic Management from Moi University and a Bachelor of Science Degree in International Business Administration from the United States International University. She is a member of the Kenya Institute of Management. 49

MANAGEMENT TEAM

1. **Noah Ochanda**
Supply Chain Manager

2. **Geoffrey Mbwika**
Finance Manager

3. **Margaret Odhiambo**
H/O Corporate Services

4. **Simon Githae**
Key Accounts Manager

5 **Jackson Mutua**
Managing Director

6 **Timothy Muriithi**
Sales Manager-Indirect trade

NOTICE & AGENDA OF THE 49TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the forty nineth (49th) Annual General Meeting of Eveready East Africa Limited (the "Company") will be held at Merica Hotel, Nakuru on Thursday 14 April, 2016 at 11 a.m. for the following business:

AGENDA

1. **Constitution of the Meeting**
   To determine if a quorum is present, and to read the notice convening the meeting.
2. **Confirmation of Minutes**
   To confirm the minutes of the forty eigth (48th) Annual General Meeting held on Thursday April 16, 2015.
3. **Ordinary Business**
   (i) Report of the Auditors and Consolidated Financial Statements for the year ended 30 September 2015:
   To receive, consider and approve, adopt the Financial Statements for the year ended September 30, 2015 together with the Directors' and Auditors' Reports thereon.
   (ii) Election of Directors
   a) Ms. Fauzia Shah will retire by rotation in accordance with Article 91 of the Company's Articles of Association and being eligible offers herself for re-election as a Director of the Company.
   b) Mr. Akif Butt will retire by rotation in accordance with Article 91 of the Company's Articles of Association and being eligible offers himself for re-election as a Director of the Company.
4. **Remuneration of Directors**
   To approve the Directors' remuneration for the year ended September 30, 2015.
5. **Appointment and Remuneration of Auditors**
   To re-appoint BDO East Africa as auditors of the Company for Financial Year 2015 and to authorize the Board to fix the Auditors' remuneration.
6. **Any Other Business**
   To transact any other business for which appropriate notice has been issued and received.

By Order of the Board,

Image Registrars Ltd, Company Secretary
January 30, 2016

Note:

1. A member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Company. To be valid must be duly completed and signed by the member and must either be lodged at the offices of the Company's shares registrars, Image Registrars Limited, Barclays Plaza, 5th Floor, Loita St. P.O. Box: 9287-00200 City Square, Nairobi or lodged at the Company's registered office at MCFL Logistic Centre, 1st Floor, Mombasa Road P.O. Box 44765 - 00100 Nairobi, Kenya not later than 11a.m on Tuesday April 12, 2016 failing which it will be invalid. In the case of a corporate body the Proxy Form must be under its common seal or by notification in writing under the hand of some officer of the corporation duly authorized in that behalf.

   A Proxy Form may be downloaded from the Company's website at www.eveready.co.ke. Alternatively, shareholders may contact our Company registrars at the above mentioned address for the same.
2. Any member may, by notice duly signed by him or her and delivered to the Company Secretary, not less than 7 or more than 21 days before the date appointed for the Annual General Meeting, give notice of his intention to propose any person for election as director to the Board, such notice is to be accompanied by a notice signed by the person proposed indicating his or her willingness to be elected.
3. A copy of the Annual Report & Financial Statements, 2015 may be viewed on the Company's website at www.eveready.co.ke

SHAREHOLDING STRUCTURE

	TOP 10 FOREIGN INVESTORS			
	NAMES	ADDRESS	SHARES	PERCENTAGE
1	Energizer International Inc.	533 Maryville University Drive 99999 St. Loius, Mo 63141 United States of America	22,061,559	97.06%
2	Navin Raichand Haria	P.O. Box 48811 - 00100 Nairobi Kenya	150,000	0.66%
3	Abdulrasul Ismail Thawer	P.O. Box 45544 - 00100 Nairobi Kenya	100,200	0.44%
4	Saroj Gulabchandrajpal Shah	P.O. Box 858 - 00606 Nairobi Kenya	35,100	0.15%
5	Pritee Narendra Shah & Narendra Pethraj Shah	P.O. Box 45145 - 00100 Nairobi Kenya	29,900	0.13%
6	Roger Alandainty	P.O. Box 95918 - 80106 Mombasa Kenya	22,700	0.10%
7	Steven Georgesmith	P.O. Box 44765 - 00100 Nairobi Kenya	19,000	0.08%
8	Rakeshkashyap	P.O. Box 44080 - 00100 Nairobi Kenya	16,200	0.07%
9	Seraphimkykkotis	1096 Houghton 2041 Johannesburg South Africa	14,000	0.06%
10	Taban Loliyong Iburaimumbi	P.O. Box 237 Juba S. Sudan	13,200	0.06%
11	Others -685		268,184	1.18%
		Grand Totals	**22,730,043**	**100.00%**

	TOP 10 GLOBAL INVESTORS			
	NAMES	ADDRESS	SHARES	PERCENTAGE
1	East Africa Batteries Limited	P.O. Box 55358 - 00200 Nairobi Kenya	73,425,029	34.96%
2	Industrial & Commercial Development Corporation	P.O. Box 45519 - 00100 Nairobi Kenya	36,583,575	17.42%
3	Energizer International Inc.	533 Maryville Universitydrive-99999 St. Loius, Mo 63141 United States Of America	22,061,559	10.51%
4	Karim Jamal	P.O. Box 49863 - Nairobi Kenya	9,426,687	4.49%
5	Best Investment Decisions Ltd	P.O. Box 40127 - 00100 Nairobi Kenya	6,198,700	2.95%
6	CFCFS Nominees Ltd A/C 210	P.O. Box 47198 - 00100 Nairobi Kenya	830,300	0.40%
7	Naran Khimji and Virji Khimji Hirani	P.O. Box 99093 - Mombasa Kenya	658,500	0.31%
8	Mohanlal Dharamshi Shah	P.O. Box 16-01000- Thika Kenya	613,700	0.29%
9	Wilson Kimeli Maiyo	P.O. Box 1188 - 40100 Kisumu Kenya	488,000	0.23%
10	Parotiben Sudhir Kumar Premchand Shah	P.O. Box 45594 - 00100 Nairobi Kenya Kenya	469,600	0.22%
11	Others		59,244,350	28.21%
		Grand Totals	**210,000,000**	**100.00%**

SHAREHOLDING STRUCTURE (CONTINUED)

	TOP 10 LOCAL INDIVIDUALS			
	NAMES	ADDRESS	SHARES	PERCENTAGE
1	Karim Jamal	P.O. Box 49863 Nairobi Kenya	9,426,687	15.19%
2	Naran Khimji and Virji Khimji Hirani	P.O. Box 99093 Mombasa Kenya	658,500	1.06%
3	Mohanlal Dharamshi Shah	P.O. Box 16 - 01000 Thika Kenya	613,700	0.99%
4	Wilson Kimeli Maiyo	P.O. Box 1188 - 40100 Kisumu Kenya	488,000	0.79%
5	Parotiben Sudhir Kumar Premchand Shah	P.O. Box 45594 - 00100 Nairobi Kenya	469,600	0.76%
6	Mahendra Dahyabhai Patel & Jasumati Mahendra Patel Patel	P.O. Box 178 - 00606 Nairobi Kenya	431,500	0.70%
7	Shila Jayant Ruparel	P.O. Box 42882 - 00100 Nairobi Kenya	418,500	0.67%
8	David Nganga Kinyanjui	P.O. Box 6050 - 00300 Nairobi Kenya	410,000	0.66%
9	Peterson Karuu Mwangi	P.O. Box 13224 - 00100 Nairobi Kenya	409,600	0.66%
10	Johnson Mwangi Gitari	P.O. Box 68472 - 00622 Nairobi Kenya	365,300	0.59%
11	Others -113752		48,365,879	77.94%
		Grand Totals	**62,057,266**	**100.00%**

	TOP 10 LOCAL INSTITUTIONS			
	NAMES	ADDRESS	SHARES	PERCENTAGE
1	East Africa Batteries Limited	P.O. Box 55358 - 00200 Nairobi Kenya	73,425,029	58.64%
2	Industrial & Commercial Development Corporation	P.O. Box 45519 - 00100 Nairobi Kenya	36,583,575	29.22%
3	Best Investment Decisions Ltd	P.O. Box 40127 - 00100 Nairobi Kenya	6,198,700	4.95%
4	CFCFS Nominees Ltd A/C 210	P.O. Box 47198 - 00100 Nairobi Kenya	830,300	0.66%
5	Best Investment Decisions Ltd	P.O. Box 40127 - 00100 Nairobi Kenya	450,800	0.36%
6	Denroma Investment Limited	P.O. Box 5133 - 00200 Nairobi Kenya	216,700	0.17%
7	Kericho Wholesalers Ltd	P.O. Box 55 Kericho Kenya	201,400	0.16%
8	Tausi Assurance Company Limited	P.O. Box 28889 - 00200 Nairobi Kenya	162,600	0.13%
9	Goodwill (Nairobi) Limited A/C855	P.O. Box 40100 - 00100 Nairobi Kenya	137,800	0.11%
10	Continental Publishing & Comm. Network Ltd	P.O. Box 35226 - 00200 Nairobi Kenya	137,200	0.11%
11	Others - 4026		6,868,587	5.49%
		Grand Totals	**125,212,691**	**100.00%**

CHAIRPERSON'S STATEMENT

Mrs. Lucy Waguthi Waithaka -
Chairperson

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of EVEREADY EAST AFRICA LIMITED ("Eveready" or the "Company") and its subsidiary companies for the financial year ended 30 September 2015.

Company net profit after tax was KShs.587m, up from the loss of KShs.177m in 2015. Included in that was KShs. 665m other income from revaluation of Company assets. Total Company sales was KShs.1.1b, down 7% from the previous year's figure of KShs.1.2b.

The result was achieved against a backdrop of economic and market uncertainty that prevailed throughout the year. We implemented certain strategic decisions in our export markets which resulted to a 7% reduction in revenues for the period. These changes are expected to pay of going forward. Certain unforeseeable events also affected our financial performance in 2015; the depreciation of the Kenya shilling by close to 20% subjected our business to significant forex losses and that factor, taken together with the escalating interest rate (increased by 84% in the year), resulted to a total of KShs.104m finance cost to the Company. This situation had a negative impact on our profit projections for the year and contributed significantly to the profit performance recorded for the year. Net profit after tax from normal business before significant items was a negative KShs.78m compared to a loss of KShs.177mm recorded in the previous year.

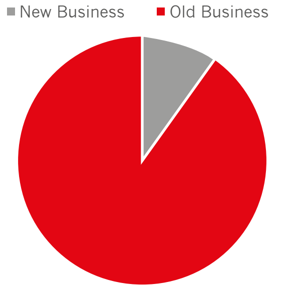
PROGRESS AGAINST OUR STRATEGIC INITIATIVES AND WAY FORWARD

At the heart of Eveready's current strategic plan is its focus on product diversification.

As a Board, we recognised that the needs of our consumers continue to evolve and that we need to evolve with them by giving them solutions to their everyday wants that meet their expectations. This customer focused approach is the only way we can harness value for our shareholders as well. This therefore meant that as of necessity we must offer greater superior and diverse product to our consumers. Traditionally, Eveready has maintained strong brands but the D dry cell' portfolio's contribution to our business has declined over the years due to market related factors.

We are making significant progress in achieving our strategic aim of a diversified business. Current new

REVENUE CONTRIBUTION (%)



business, comprised of three new product lines which are in various stages of introduction, contributed approximately 10% of the Company's revenues in 2015. We introduced TURBO brand of quality car batteries to our consumers, the EVEREADY brand of household bulbs as well as the PIANO range of writing instruments. We intend to grow this contribution and enhance it further with two new additional product lines in 2016. In that regard, we have also entered into a partnership with Clorox Sub-Saharan Africa Ltd (Clorox SSA) in 2016 in respect of the Clorox bleach brand, and we look forward to introducing our consumers to a product that is trusted by millions of women across the world. We will utilize our distribution capability to harness value from this focus. We will continuously review our product portfolio offering and mix in order to ensure that we continue to meet the needs of our consumers and add value to our shareholders.

DIVIDENDS

The Board has not recommended the payment of a dividend in line with our present focus - investment in diversification.

PEOPLE

Eveready remains a well-managed company that is committed to growth and improvement. The Board acknowledges the hard work and commitment from the staff members across the business for their part in the business. I believe that we have built a team capable of delivering the demands of our business in the current challenging environment.

2016 poses continuing challenges, particularly from an uncertain economy, but we are committed to taking the steps necessary to deliver value for shareholder.

I BELIEVE THAT WE HAVE BUILT A TEAM CAPABLE OF DELIVERING THE DEMANDS OF OUR BUSINESS IN THE CURRENT CHALLENGING ENVIRONMENT.

SOCIAL RESPONSIBILITY

Eveready is a proud member of United Nations (UN) Global Compact a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals. Eveready continues to implement and sustain the ten (10) principles of the UN Global Compact through its value system and ways of doing business.

Eveready also continues to play its role in the society by supporting charities that complement its ongoing focus on women and children. This year, through our Kike (Women's) Network we extended support by availing resources and time to the Nairobi Children's Home - Lower Kabete. We also continue to support the Beyond Zero Campaign, an initiative by the first lady of Kenya, Her Excellency Margaret Kenyatta whose focus is reducing maternal and child mortality.

Eveready has also participated in the internship component of the Kenya Youth Empowerment Project (KYEP), a collaboration between the Government of Kenya and KEPSA since the year 2010. As an employer, Eveready is proud to be part of the program's success story as it has retained staff previously recruited out of this program. We are happy to be a part of the solution to youth un-employment in Kenya. These initiatives reiterate our commitment to making a difference in the communities that we operate in.

CONCLUSION

Before closing, and on behalf of the Board, I want to thank the employees of Eveready whose efforts helped us achieve so much in 2015 as we lay the foundations for our business and returning to growth.

Finally, I would like to thank all my fellow Directors for the contribution they have made to the progress of our Company throughout 2015. We look forward to welcoming as many of you as possible to our Annual General Meeting in April, 2016.

TAARIFA YA MWENYEKITI

Mrs. Lucy Waguthi Waithaka -
Mwenyekiti

Wahisa Wapendwa

Kwa niaba ya Halmashauri ya Wakurugenzi, ninafuraha kuwasilisha Ripoti ya Kila Mwaka na taarifa za kifedha zilizokaguliwa za EVEREADY EAST AFRICA LIMITED ("Eveready" au "Kampuni") na kampuni zake tanzu za mwaka ulioishia tarehe 30 Septemba 2015.

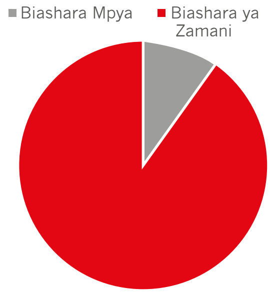
Jumla ya faida ya Kampuni baada kodi ilikuwa milioni Kshs. 587, ongezeko kutoka hasara ya Kshs. milioni 177 katika mwaka 2015. Ndani yake imejumlishwa pato lingine la Kshs. milioni 665 kutoka kuthaminisha upya mali ya Kampuni. Mauzo ya jumla ya Kampuni yalikuwa Kshs. bilioni 1.1, punguo la asilimia 7 kutoka kwa hesabu ya mwaka jana ya Kshs. bilioni 1.2.

Matokeo haya yalifikiwa dhidi ya muktadha wa kutokuwa na uhakika wa kiuchumi na soko uliokuwepo katika mwaka wote. Tulitekeleza mabadiliko fulani katika masoko yetu ya biashara nje yaliosababisha upungufu wa asilimia 7 katika mapato ya kipindi. Mabadiliko haya yanatarajiwa kuzalisha matunda tukiendelea mbele. Pia matukio fulani yasiyotarajiwa yaliathiri utendaji wetu wa kifedha katika mwaka 2015; kupungua kwa thamani ya shilingi ya Kenya kwa karibu asilimia 20 kuliifanya biashara yetu kupata hasara kuu ya ubadilishaji fedha za kigeni na hali hiyo, ikijumuishwa pamoja na uongezekaji haraka wa kiwango cha riba (iliongezeka kwa asilimia 84 katika mwaka), ilisababisha jumla ya Kshs. milioni 104 za gharama za kifedha kwa Kampuni. Hali hii ilikuwa na athari hasi katika makisio yetu ya faida ya mwaka na kuchangia pakubwa katika utendaji wa faida iliyopatikana kwa mwaka. Faida ya jumla baada ya kodi kutoka shughuli za kawaida kabla mambo muhimu ilikuwa ni hasi ya Kshs. milioni 78 ikilinganishwa na hasara ya Kshs. milioni 177 iliopatikana katika mwaka uliotangulia.

MAENDELEO DHIDI YA JUHUDI ZETU ZA KIMKAKATI NA NJIA YA SIKU ZA USONI

Katika kitovu cha mpango wa kimkakati wa sasa wa Eveready ni ulengaji wake katika upanuzi wa bidhaa. Tulitambua kama Halmashauri kuwa mahitaji ya wanunuzi wetu yanaendelea kukua na kuwa tunahitaji kukua nao kwa kuwapa utatuzi kwa mahitaji yao ya kila siku yanayoafiki matarajio yao. Mtazamo huu unaomlenga mteja ndiyo njia ya pekee tunayoweza pia kupata thamani kwa wahisa wetu. Kwa hivyo hii ilimaanisha kuwa kama hitaji lazima tutoe bidhaa kuu, bora na tofauti kwa wateja wetu. Asilia, Eveready imedumisha chapa imara lakini mchango wa aina za seli kavu D kwa biashara yetu umepungua miaka ikiendelea kutokana na sababu zinazohusiana na soko.

MCHANGO WA MAPATO (%)



Tunapiga hatua muhimu katika kutekeleza lengo letu la kimkakati la biashara iliopanuliwa. Biashara mpya ya sasa, ni pamoja na aina tatu mpya za bidhaa ambazo zipo katika hatua mbalimbali za uanzilishi, ziliochangia karibu asilimia 10 ya mapato ya Kampuni katika mwaka 2015. Tulianzisha kwa wanunuzi wetu, aina ya betri za magari ya chapa ya Tabo, glopu za nyumbani za chapa ya EVEREADY na pia vifaa vya kuandikia vya aina ya Piano.

Tunanuia kukuza mchango huu na kuimarisha zaidi na aina mbili mpya zaidi katika mwaka 2016. Katika suala hilo, katika mwaka wa 2016 pia tumeanza ushirikiano na Clorox Sub –Saharan Africa Ltd (Clorox SSA), kuhusiana na chapa ya Clorox na tunatarajia kuwajulisha wanunuzi wetu kwa bidhaa ambayo inaaminiwa na mamilioni ya wanawake ulimwenguni kote. Tutatumia uwezo wetu wa ugawaji kupata thamani kutoka kulenga huku.

Tutapitia aina za bidhaa zetu tunazotoa kila uchao na kuchanganya ili kuhakikisha kuwa tunaendelea kutimiza mahitaji ya wanunuzi wetu na kuongeza thamani kwa wahisa wetu.

MAGAWIO

Halmashauri haikupendekeza ulipaji wa gawio kufuatana na kulenga kwetu kwa sasa - uwekezaji katika upanuzi.

WATU

Eveready inabakia Kampuni inayoendeshwa vyema na imejitolea katika ukuaji na uimarishaji. Halmashauri inatambua bidii na kujitolea kwa wafanyikazi katika maeneo yote ya biashara na nafasi yao katika biashara. Ninaamini kuwa tumejenga timu inayoweza kutekeleza mahitaji ya biashara yetu katika mazingira ya sasa yenye changamoto.

Mwaka 2016 unatoa changamoto zinazoendelea, hasa kutoka kwa uchumi usio na uhakika, lakini tumejitolea kuchukua hatua zinazohitajika kupata thamani kwa mwanahisa.

NINAAMINI KUWA TUMEJENGA TIMU INAYOWEZA KUTEKELEZA MAHITAJI YA BIASHARA YETU KATIKA MAZINGIRA YA SASA YA CHANGAMOTO.

WAJIBU WA KIJAMII

Eveready ni mwanachama wa fahari wa Mapatano ya Kilimwengu ya Umoja wa Mataifa ari ya kujitolea ilioegemezwa kwenye kujitolea kwa Mkuu wa Shirika kutekeleza misimamo ya kimaendeleo ya kilimwengu na kuchukua hatua kusaidia malengo ya Umoja wa Mataifa. Eveready inaendelea kutekeleza na kuendeleza misimamo kumi (10) ya Mapatano ya Kilimwengu ya Umoja wa Mataifa kupitia mfumo wake wa thamani na njia za ufanyaji biashara.

Pia Eveready inaendelea kutimiza wajibu wake katika jamii kwa kusaidia mashirika ya msaada yanayosaidia kulenga kwake kunakoendelea katika wanawake na watoto. Mwaka huu, kupitia mfumo wetu wa Kike tulitoa usaidizi kwa kutoa rasilimali na wakati kwa Nyumba ya Watoto ya Nairobi-Kabete. Tutaendelea kusaidia Kampeni ya Kupita Sufuri, mradi wa bibi wa kwanza wa Kenya, Mheshimiwa Margaret Kenyatta inayolenga kupunguza vifo vya akina mama na watoto.

Eveready pia imeshiriki katika kitengo cha majaribio ya kazi cha Mradi wa Kuwawazesha Vijana Kenya, ushirikiano baina ya Serikali ya Kenya na KEPSA kutokea 2010. Kama mwajiri, Eveready inajivunia kuwa na nafasi katika ufaulu wa mpango huu kwa vile imewaajiri wafanyikazi ambao kimbele waliandikwa kazi kutoka kwa mpango huu. Tuna furaha kuwa sehemu ya utatuzi wa ukosefu wa kazi kwa vijana nchini Kenya.

Juhudi hizi zinasisitiza kujitolea kwetu kuleta tofauti katika jamii tunazo jishughulisha ndani.

HITIMISHO

Kabla ya kumaliza, na kwa niaba ya Halmashauri, ninataka kuwashukuru wafanyikazi wa Eveready ambao juhudi zao zilisaidia kutekeleza mengi katika mwaka 2015 tunapoweka misingi ya biashara yetu na kupata tena ukuaji.

Hatimaye, ningependa kuwashukuru wakurugenzi wenzangu kwa mchango waliotoa katika majadiliano yetu katika mwaka wote wa 2015. Tunatarajia kuwakaribisha wengi wenu inavyowezekana kwa Mkutano wetu wa Kila Mwaka mwezi Aprili 2016.


EVEREADY
EAST AFRICA LIMITED
N 70
70D31R
HEAVY DUTY
TURBO
12 (V) - 70(Ah) - Rc 110 (Min.)
CCA 390 (DIN) - 560 (EN) - 510 (SAE) - 585 (IEC)
Made in A.R.E Under License of Chloride England
Distributed By Eveready East Africa Limited
TURBO
MF
TURBO
THE SMART WAY TO DRIVE!


PIANO
Sayyed
CAR BATTERY

MANAGING DIRECTOR'S STATEMENT

Mr. Jackson Mutua
Managing Director

HIGHLIGHTS OF 2015

Eveready safeguarded shareholder value and further expanded its product offering in order to meet the needs of its consumers in 2015.

Revenue performance was however down 7% as we made changes to some non-profitable export operations.

The Kenya shilling depreciated by 17% in the period which eroded our margins by an equivalent amount. Financing cost also increased significantly (by 84%) and cost the Company KShs.104m.

Upon the revaluation of the Company's asset, the profit for the year attributable to the owners of the business is KShs.627m.

We are pleased at the performance of our new products which saw good momentum with higher sales compared to prior year. We will remain focused on growing the contribution of the new products to our business.

GOOD PROGRESS AGAINST OUR STRATEGIC PRIORITIES

All new products delivered growth in revenue. This good momentum, and the progress we are making against our strategic priorities continue to lay the bedrock against which we will register growth.

We have acted on our portfolio to maximise shareholder value.

We introduced three new products lines to date that meet our consumers' needs and give us a favourable portfolio mix.

We will continue to focus on these new products in order to grow them and deepen their contribution to our business.

We will continue to review our product portfolio in order to continue to exceed our consumers experience with our products and to ensure that they continue to enjoy their world. We expect two more product lines in 2016.

The strategic repositioning of Eveready is underway and we are working hard to offer value to our consumers, shareholders and other stakeholders.

We have put in place the fundamentals that will enable future growth.

We have consistently driven our business to be more efficient. Our retail automation program is on course which will mean that we will transform the field in customer and consumer insights and understand our customers and consumers better than ever before.

SUSTAINABLE, PROFITABLE GROWTH INTO THE FUTURE

The work we have undertaken to focus Eveready on delivering sustainable, profitable future growth through our strategic priorities will deliver results. But there is a lot more to do and we remain committed to that future.

We will continue to focus on delivering shareholder value through our existing portfolio whilst also looking to the future with new growth businesses. This is the path to a sustainable future for Eveready.

While there is more to do to realise our ambition of double digit profit growth in the future, we are heading in the right direction.

Thank you for your support in 2015 and be assured that we are working hard to deliver gains in 2016 financial year.

DELIVERING SUSTAINABLE, PROFITABLE FUTURE GROWTH THROUGH OUR STRATEGIC PRIORITIES WILL DELIVER RESULTS. BUT THERE IS A LOT MORE TO DO AND WE REMAIN COMMITTED TO THAT FUTURE.

Front Row from Left to Right
Bradley Saunders: PSO Manager Clorox South Africa, Justin Watling: Commercial Director Clorox Africa, Jackson Mutua: Managing Director Eveready East Africa Ltd, Giles Malone: Finance Director Clorox International, Amit Sodha: Commercial Leader Orbit Chemicals

Back Row from Left to right
Mike Leel : Marketing Manager Clorox South Africa,
Davis Ndwiga : Commercial Leader Clorox Sub-Sahara Africa

TAARIFA YA MKURUGENZI MKUU

Mr. Jackson Mutua
Mkurugenzi Mkuu

MAMBO MUHIMU YA MWAKA 2015

Eveready ililinda thamani ya mhisa na zaidi ilipanua bidhaa inazotoa ili kutimiza mahitaji ya wanunuzi wake katika mwaka 2015.

Ijapokuwa utendaji wa kifedha ulishuka kwa asilimia 7 tulipofanya mabadiliko katika baadhi ya shughuli zetu za biasharanje zisizozalisha faida.

Shilingi ya Kenya ilipungua kwa asilimia 17 katika kipindi ambacho kilipunguza faida yetu kwa kiwango sawa. Gharama ya kifedha pia iliongezeka kwa kiasi kikuu (kwa asilimia 84) na kugharimu Kampuni Kshs m 104.

Kutokana na utathmini upya wa mali ya Kampuni, faida ya mwaka inayowastahili wenye biashara ni Kshs m 627.

Tunafurahia utendaji wa bidhaa zetu mpya ambazo zilifanya vyema na mauzo ya juu ikilinganishwa na mwaka uliotangulia.Tutabaki tumelenga kukuza mchango wa bidhaa mpya katika biashara yetu.

MAENDELEO MAZURI DHIDI YA VIPAUMBELE VYETU VYA KIMKAKATI

Bidhaa zote mpya zilileta ukuaji katika mapato. Mwendo huu mzuri, na maendeleo tunayofanya dhidi ya vipaumbele vyetu vyote vinaendelea kuweka msingi ambao kwamba utatupa ukuaji.

Tumechukua hatua katika biashara zetu kuongeza thamani ya mwanahisa. Tulianzisha aina tatu mpya za bidhaa kufikia sasa kukidhi mahitaji ya wanunuzi wetu na kutupa mchanganyiko unaofaa wa aina. Tutaendelea kulenga katika bidhaa hizi mpya ili kuzikuza na kuongeza mchango wake katika biashara yetu.

Tutaendelea kupitia aina za bidhaa zetu ili kuendelea kuzidi tajriba ya wanunuzi wetu kwa bidhaa zetu na kuhakikisha kuwa wanaendelea kufurahia ulimwengu wao.Tunatarajia aina mbili zaidi mpya katika mwaka 2016.

Kujipanga upya kimkakati kwa Eveready kunaendelea na tunafanya bidii kutoa thamani kwa wanunuzi wetu,wahisa na washikadau wengine.

Tumeweka misingi na kanuni ambazo zitawezesha ukuaji wa siku za usoni. Tumeiendesha biashara yetu wakati wote kuwa fanisi zaidi.Mpango wetu wa kutumia mitambo kuendesha biashara ya rejareja unaendelea ambao itamaanisha kuwa tutageuza uwanja wa utambuzi wa wateja wa wanunuzi na kuwaelewa wateja na wanunuzi wetu vizuri zaidi kuliko awali.

UKUAJI WA FAIDA WA KUENDELEA, WA SIKU ZA USONI KUPITIA VIPAUMBELE VYETU VYA KIMKAKATI VITATOA MATOKEO. LAKINI KUNA MENGI ZAIDI YA KUFANYA NA TUNABAKI TUMEJITOLEA KWA SIKU HIZO ZA USONI.

UKUAJI WA FAIDA WA KUENDELEA WA SIKU ZA USONI

Kazi tulioifanya kuelekeza Eveready katika kupata ukuaji wa faida wa kuendelea, wa siku za usoni kupitia vipaumbele vyetu vya kimkakati vitatoa matokeo. Lakini kuna mengi zaidi ya kufanya na tunabaki tumejitolea kwa siku hizo za usoni.

Tutaendelea kulenga kupata thamani ya mwanahisa kupitia aina zetu zilizopo hali pia tukitazamia siku za usoni na ukuaji wa biashara mpya. Hii ndiyo njia ya siku za usoni za kuendelea kwa Eveready.

Wakati kuna mengi ya kufanya kufikia lengo letu la ukuaji wa faida ya nambari mbili katika siku za usoni, tunaelekea upande sawa.

Asanteni kwa msaada wenu katika mwaka 2015 na kuweni na hakikisho kuwa tunafanya bidii kupata faida katika mwaka wa kifedha wa 2016.

mstari wa mbele kutoka kushoto kwenda kulia
Bradley Saunders: PSO Manager Clorox South Africa, Justin Watling: Commercial Director Clorox Africa,
Jackson Mutua: Managing Director Eveready East Africa Ltd,
Giles Malone: Finance Director Clorox International, Amit Sodha: Commercial Leader Orbit Chemicals

safu ya nyuma kutoka kushoto kwenda kulia
Mike Leel : Marketing Manager Clorox South Africa,
Davis Ndwiga : Commercial Leader Clorox Sub-Sahara Africa

DIRECTOR'S REPORT

The Directors submit their report together with the audited financial statements for the year ended 30 September 2015.

1. Principal Activity

Main business and operations

The Company is engaged in selling of imported Eveready dry cells "D" size batteries in East Africa and trading in an assortment of imported Eveready and Energizer flashlights, batteries, Schick razors, accessories and Turbo car batteries.

2. Results for the year

The results for the year ended 30 September 2015 are set out on pages 27 to 63.

3. Dividends

No dividend has been paid or proposed for the year ended 30 September 2015 (2014: Nil).

4. Directors

The present composition of the Board is set out on page 5.

5. Auditors

BDO East Africa Kenya have expressed their willingness to continue in office in accordance with section 159(2) of the Kenyan Companies Act (Cap 486).

By Order of the Board

Jackson Mutua

Managing Director

28 January 2016

CORPORATE GOVERNANCE

At Eveready, we acknowledge in order to create and build sustainable value to our shareholders we must be committed to achieving the highest standards of corporate governance. Eveready continues to support the Corporate Governance Guidelines issued by the Capital Markets Authority. Eveready complied with the guidelines except as may be indicated in this statement.

The Board of Directors is the highest governance body responsible for Eveready's strategic direction and activities. The Board is governed by a Code of Business Conduct and written Corporate Governance guidelines that comply with the Nairobi Stock Exchange (NSE) & the Capital Markets Authority (CMA) listing standards and guidelines. The guidelines set out the requirements relating to director responsibilities, qualification, compensation, orientation and continuing education and assessment of board performance among other things.

The Board has the following standing committees Audit Committee, Finance & Risk Committee, and the Remuneration & Nominations Committee. The descriptions of the mandates as well as the requirements of committee members are spelt out in the respective committee charters which are routinely updated. The role and function of the Committees are spelt out below:

a) Audit Committee

The Audit Committee of the Board of Directors assists the Board in fulfilling its responsibilities with respect to accounting and management controls, and financial reporting. Specifically, the Audit Committee is responsible for overseeing:

- The internal audit function and the work of the external auditor; that the system of management controls in place in the company is robust and effective, and protects the assets of the Company on a reasonable and economic basis
- Provides for proper authorization and recording of transactions
- Ensures financial information is reliable and accurate
- Monitors compliance with laws and regulations;
- The issuance of financial statements and ensuring that these reflect fairly the financial situation and results of the company, in accordance with generally accepted accounting principles.

b) Finance & Risk Committee

The Finance and Risk Committee assists the Board in reviewing the financial plans, budgets and strategies of the company, and ensures that all major risks facing the business are identified and addressed in a systematic fashion. The Committee works with management officers to examine and strengthen the quality of financial planning, and to maintain a comprehensive risk management framework.

c) Remuneration & Nominations Committee

The Remuneration and Nominations Committee assists the Board in addressing issues pertaining to remuneration levels and employee development and motivation. It ensures that the correct incentives and reward mechanisms are in place at the highest levels of the Company, whilst maintaining the principles of equity and appropriateness of compensation. The Committee is also the custodian of a systematic and transparent process for bringing new Directors on to the Board, and for proposing appointments to Board committees. It is comprised mainly of independent shareholders.

All matters deliberated upon by the Committees are tabled before the full Board as recommendations for the Board's decision.

Eveready's Board is required to be made up of up to nine (9) member three (3) of whom should be independent. We closed the year with eight (8) Directors. One third (1/3) of the Directors were independent.

The Board has delegated the management of the company to the Managing Director who together with the management team are charged with the day to day operations of the Company. The Chairman meets separately with the Managing Director on a regular basis and other informal meetings take place between the Managing Director and the other directors as appropriate.

The Directors are usually authorized to fix their remuneration and the amounts paid are subsequently approved in gross terms by the shareholders at the Annual General Meetings. The Directors' costs which are related to their responsibilities to the Company as approved by the Chairman, is met by the Company. The fees and emoluments paid out to Directors in fiscal year 2015 are set out in Note 30 (vii) in page 56.

Remuneration of senior management is based on market rates and performance in line with the company's polices on remuneration and is outlined in page 56 of this Report under Note 30(vi).

There were no share option plans implemented in FY 2015 and no Director was advanced a loan by the Company in the same period.

Audit & Accounting Functions

The Board has recruited an internal audit manager who will spearhead the function going forward. Audit findings and recommendations are tabled before the Audit Committee for review who approve any changes to company operations.

The Company's external Auditors, BDO Associates, and the Company's Head of Finance are members of the Institute of Certified Public Accountants (ICPAK). The Auditors comply with the International Auditing Standards.

Board & Committees

The Board convenes at least four (4) times a year. The various board Committees also meet in the year to discuss various issues relating to the company.

The time, date, venue and agenda of the meetings are communicated in advance of the meetings. The Chairman manages the conduct of the meeting to ensure that open and constructive discussions are held between the board and management. Ad hoc committee and Board meetings are convened to consider particular matters.

The formal sessions recorded are outside of other meetings held between the Chairmen of the various committees and the Board Chairman and those between the Managing Director and the Board Chairman.

CORPORATE GOVERNANCE (CONTINUED)

Board & Committee Attendance Record F2015

DIRECTORS	BOARD	R & N COMMITTEE	AUDIT COMMITTEE	FINANCE & RISK COMMITTEE
Mrs. Lucy N. Waithaka	6 (out of 6)	n/a	n/a	n/a
Jackson Mutua	6 (out of 6)	3 (out of 3)	3 (out of 3)	5 (out of 5)
Akif Butt	5 (out of 6)	n/a	3 (out of 3)	5 (out of 5)
Michael Yep[1] (Alt. Paul Scott)	1 (out of 6)	n/a	n/a	n/a
Paul Scott	n/a	n/a	n/a	n/a
Fauzia Shah	6 (out of 6)	3 (out of 3)	3 (out of 3)	5 (out of 5)
Mbatha Mbithi[2] (Alt. ICDC)	2 (out of 6)	2 (out of 3)	2 (out of 3)	n/a
Isaac Ole Ntiki (Alt. ICDC)	3 (out of 6)	1 (out of 3)	1 (out of 3)	n/a
Catherine Ngahu, EBS	6 (out of 6)	3 (out of 3)	n/a	5 (out of 5)
Susan Mudhune	5 (out of 6)	n/a	2 (out of 3)	n/a

1 Appointed on June 2015

2 Appointed on June 2015

Securities trading

As a public company Eveready operates in an increasingly regulated and scrutinized environment. Eveready's culture is rooted in strong ethical behavior and this is evidenced by the sets of guidelines adopted by the company to guide everyday behavior. We have an ongoing ethics program and also have a set of codes and standards that we expect our suppliers and business partners to adhere to.

In accordance with the CMA guidelines on price sensitive information, Eveready has adopted an Insider Trading policy. Under this policy, Directors and employees of the company are prohibited from trading or otherwise dealing in company stock if they are in possession of price sensitive information which is not generally available to the public. In addition, Directors and employees are prohibited from trading in or otherwise dealing in company stock when a major announcement is imminent such as prior to the release of interim and annual results and when major negotiations are being undertaken.

TAARIFA YA UTAWALA WA KIMASHIRIKA

Katika Eveready, tunatambua kuwa ili kujenga thamani imara kwa wanahisa wetu ni lazima tujitolee kufikia kiwango cha juu cha vigezo vya utawala wa kimashirika. Eveready inazidi kuungamkono Miongozo ya Utawala wa Kimashirika kama ilivyotolewa na Capital Markets Authority. Eveready imezingatia miongozo hii isipokuwa pale tu panapobainishwa na taarifa hii. Halmashauri ndicho kiungo kikuu cha utawala chenye wajibu wa kutoa mwongozo wa kimikakati kwa Eveready. Halmashauri hii inaongozwa na maadili ya kibiashara na mwongozo wa maadili ya kimashirika ambao unafungamana na Soko la Hisa la Nairobi (Nairobi Stock Exchange) pamoja na Capital Markets Authority. Mwongozo huu unatoa matarajio ya mkurugenzi, wajibu wake, sifa zake, marupupurupu yake, mafunzo pamoja na utathmini wa utendakazi wa halmashauri pamoja na matarajio mengineyo.

Halmashauri inajumuisha kamati zifuatazo; Kamati ya Uhasibu, Kamati ya Fedha na Hatari, na Kamati ya Mishahara na Uteuzi. Ufafanuzi wa majukumu pamoja na sifa za wanakamati hizo umefafanuliwa kwenye hati husika ambazo huwa zinaboreshwa mara kwa mara. Wajibu na majukumu ya Kamati hizi ni kama ufuatao:

a) Kamati ya Uhasibu

Kamati hii inasaidia Halmashauri kutimiza wajibu kuambatana na uhasibu na utawala pamoja na taarifa za kifedha. Hususan Kamati ya Uhasibu uangazia:

- Jukumu la kishirika la uhasibu pamoja na kazi za mhasibu wa nje;
- Kuwa mfumo wa kumudu utawala uko imara na unalinda mali za kampuni katika kiwango cha kifaacho cha kiuchumi;
- Kutoa idhini na kuweka kumbukumbu za hesabu;
- Kuhakikisha kuwa taarifa za kifedha zinaweza kutegemewa na vilevile zi sahihi;
- Kufuatilia utimizwaji wa sheria;
- Kutolewa kwa taarifa za kifedha pamoja na kuhakikisha kuwa taarifa hizo zinaashiria hali sahihi ya kifedha kwa mujibu wa maadili husika.b) Finance & Risk Committee

b) Kamati ya Fedha na Hatari.

Kamati hii husaidia Halmashauri kuhakiki mipango ya kifedha, bajeti na mikakati, pamoja na kuhakikisha kuwa hatari zote kuu zinazoikumba kapuni zimetambuliwa na kushughulikiwa kwa mfumo mwafaka. Aidha, kamati hii hushirikiana na maafisa wa kiutawala kutathmini ubora wa mipango ya kifedha pamoja na kuhakikisha kuwepo kwa muudo murua wa kukabiliana na hatari.

c) Kamati ya Mishahara na Uteuzi

Kamati hii husaidia Halmashauri kushughulikia masuala ya mishahara pamoja na ukuaji na utoaji motisha kwa wafanyakazi. Inahakikisha kuwa motisha zifaazo pamoja na mifumo ya mshahara iko imara katika daraja kuu la Kampuni huku ikizingatia maadili na ufaafu wa marupurupu husika. Kamati hii vilevile ndiyo ilindayo mifumo murua ya kuteua wakurugenzi wapya kwenye Halmashauri na pia kupendekeza wale watakaoteuliwa kwenye kamati mbalimbali. Kamati hii inajumuisha tu wanahisa wa kujitegemea.

Masuala yote yaliyoshughulikiwa na Kamati hizi hupelekwa kwa Halmashauri kama ripoti ya kamati mbalimbali kuwa mapendekezo kwa uamuzi wa Halmashauri.

Halmashauri ya Eveready inapaswa kujumuisha watu tisa (9). Watatu wa wanachama hawa wanaa kuwa wa kujitegemea–wasiogemea upande wowote. Tulifunga mwaka tukiwa na wakurugenzi wanane (8). Thuluthi (1/3) ya wakurugenzi hawa walikuwa wa kujitegemea.

Halmashauri imekabidhi utawala wa kampuni kwa Mkurugenzi Mkuu ambaye kwa pamoja na jopo la watawala wana jukumu la kushughulikia utendakazi wa kampuni wa kila siku. Mwenyeki hukutana na Mkurugenzi Mkuu mara kwa mara huku mikutano mingineyo inayohusu taarifa mbalimbali ikifanyika baina ya Mkurugenzi Mkuu na wakurugenzi wengine husika.

Wakurugenzi wamepewa mamlaka ya kumudu mishahara na malipo yatolewayo kwa kuidhinishwa na wanahisa kwa misingi ya wanahisi waliohudhuria Mikutano Mikuu ya kila mwaka. Gharama za Mkurugenzi zinazohusiana na majukumu ya kikampuni na ambazo zimeidhinishwa na kampuni husimamiwa na Kampuni. Ujira na malipo mengineyo yanayotolewa kwa wakurugenzi katika mwaka wa matumizi ya fedha wa 2015 imefafanuliwa kwenye Nakala 30 (vii) ukurasa wa 56.

Mishahara ya watawala wakuu imegemezwa kwenye viwango vya soko pamoja na utendakazi wao kuambatana na sera za kampuni kuhusu mishahara. Hii imeelezwa katika ukurasa wa 56 kwenye ripoti hii ndani ya Nakala 30(vi).

Hakukuwa na mipango ya hisa mbadala zilizotekelezwa katika mwaka wa matumizi ya fedha wa 2015 na kwamba hakuna mkurugenzi aliyepewa mkopo na Kampuni katika kipindi hiki.

Shughuli za Kiuhasibu na Kifedha

Kampuni katika mwaka wa fedha 2015, ili ajiri mhasibu wake wa ndani, ili kuongoza uhasibu wake wa ndani. Matokeo ya uhasibu huu pamoja na mapendekezo yaliyomo huwekwa mbele ya Kamati ya Uhasibu ili kutathminiwa na kisha kamati hiyo hufanya masahihisho yafaayo.

Wahasibu wa nje wa Kampuni, BDO Associates pamoja na Mkuu wa Idara ya Fedha ya Eveready ni wanachama wa Taasisi ya Wahasibu wa Umma Nchini (ICPAK). Wahasibu hawa huzingatia viwango vya kimataifa vya uhasibu.

Halmashauri na Kamati

Halmashauri hukutana takriban mara nne (4) kwa mwaka. Kamati mbalimbali za almashauri pia hukutana kila mwaka kujadili masuala kuhusu Kampuni. Wakati, saa, mahali pamoja na ajenda za mikutano hii hutangazwa kabla ya mikutano kufanyika. Mwenyekiti humudu mikutano hiyo kuhakikisha kuwa mijadala wazi inafanyika kati ya halmashauri na utawala. Kamati za dharura na zile za Halmashauri hufanyika ili kuangazia masuala mahsusi. Vikao hivi rasmi vimenakiliwa nje ya mikutano mingineyo iliyohudhuriwa baina ya Wenyekiti wa kamati mbalimbali pamoja na Mwenyekiti na ile kati ya Mkurugenzi Mkuu na Mwenyekiti.

TAARIFA YA UTAWALA WA KIMASHIRIKA (KUENDELEA)

Halmashauri na Kamati Rekodi ya mikutano F2015

DIRECTORS	HALMASHAURI	KAMATI YA MISHAHARA NA UTEUZI	KAMATI YA UHASIBU	KAMATI YA FEDHA NA HATARI
Mrs. Lucy N. Waithaka	6 (kati ya 6)	n/a	n/a	n/a
Jackson Mutua	6 (kati ya 6)	3 (kati ya 3)	3 (kati ya 3)	5 (kati ya 5)
Akif Butt	5 (kati ya 6)	n/a	3 (kati ya 3)	5 (kati ya 5)
Michael Yep[1] (Alt. Paul Scott)	1 (kati ya 6)	n/a	n/a	n/a
Paul Scott	n/a	n/a	n/a	n/a
Fauzia Shah	6 (kati ya 6)	3 (kati ya 3)	3 (kati ya 3)	5 (kati ya 5)
Mbatha Mbithi[2] (Alt. ICDC)	2 (kati ya 6)	2 (kati ya 3)	2 (kati ya 3)	n/a
Isaac Ole Ntiki (Alt. ICDC)	3 (kati ya 6)	1 (kati ya 3)	1 (kati ya 3)	n/a
Catherine Ngahu, EBS	6 (kati ya 6)	3 (kati ya 3)	n/a	5 (kati ya 5)
Susan Mudhune	5 (kati ya 6)	n/a	2 (kati ya 3)	n/a

1 Aliteuliwa Juni 2015

2 Aliteuliwa Juni 2015

Biashara ya Dhamana

Kama kampuni ya umma Eveready inatenda shughuli zake katika mazingira yenye kupigwa darubi na yenye kudhibitiwa. Kaida zake zimeegemezwa kwenye miongozo imara ya kitabia na kimaadili. Hali hii inadhihirika kupitia sheria zilizotwaaliwa ili kuongoza tabia za kila siku. Kwa sasa tunayo miradi ya kimaadili na yenye ubora ambao wagawaji wetu pamoja na washirika wetu wa kibiashara wanafaa kuwa nayo.

Kuambata na sheria za CMA za taarifa siri za bei, Eveready imetwaa Sera ya Kibiashara. Kulingana na sera hii, wakurugenzi na wafanyakazi wa kampuni hii hawafai kufanya biashara ya kuuza hisa ikiwa wanamiliki taarifa za siri za bei ambazo hazipatikani na umma. Aidha, wakurugenzi na wafanyakazi hawafai kufanya biashara za hisa ikiwa kunatarajiwa kuwepo kwa tangazo muhimu kama vile la matokeo ya muda au ikiwa mijadala inaendelea kuhusu hisa hizo.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors are required in terms of the Kenyan Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the group's cash flow forecast for the year ended 30 September 2016 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on page 26.

The financial statements set out on page 27 to 63, which have been prepared on the going concern basis, were approved by the board of directors on 28 January 2016 and were signed on its behalf by:

Jackson Mutua
Director

Mrs. Lucy Waithaka
Director

REPORT OF THE INDEPENDENT AUDITOR

BDO

To the shareholder of Eveready East Africa Limited

Report on the Financial Statements

We have audited the financial statements of Eveready East Africa Limited, which comprise the Statement of Financial Position of the Group and the Company as at 30 September 2015, and the Group and the Company Statement of Profit or Loss and Other Comprehensive Income, Group and the Company Statement of Changes in Equity and Group and the Company Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on page 27 to 63.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the Kenyan Companies Act and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the Financial Position of Eveready East Africa Limited as at 30 September 2015, and its Financial Performance and its Cash Flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Kenyan Companies Act.

Report on Other Legal and Regulatory Requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion proper books of account have been kept by the Group and the Company, so far as appears from our examination of those books; and
- The Group's and Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of account.

BDO East Africa Kenya
Certified Public Accountants of Kenya
Unit C1, Block C
Sameer Business Park
Mombasa Road
Nairobi
Kenya

Clifford Ah Chip
Signing Partner and Engagement Partner responsible for the Independent Audit
CPA, Practicing Registration Number P/1964

Date: 29 January 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		GROUP		COMPANY	
	Notes	2015	2014	2015	2014
Revenue	4	1,132,136	1,216,580	1,124,582	1,209,291
Cost of sales	5	(899,991)	(883,215)	(892,462)	(879,795)
Gross profit		**232,145**	**333,365**	**232,120**	**329,496**
Other income	6	75,929	2,585	75,929	2,585
Operating expenses		(296,202)	(281,139)	(285,905)	(261,867)
Operating profit	7	**11,872**	**54,811**	**22,144**	**70,214**
Plant closure costs		(6,702)	(246,342)	(6,702)	(246,342)
Finance costs	8	(104,082)	(56,483)	(94,920)	(56,477)
Loss before taxation		**(98,912)**	**(248,014)**	**(79,478)**	**(232,605)**
Taxation	9	21,202	70,424	21,202	69,838
Loss for the year		**(77,710)**	**(177,590)**	**(58,276)**	**(162,767)**
Other comprehensive income:					
Other comprehensive income for the year	10	**665,533**	**137**	**664,502**	**204**
Total comprehensive income/ (loss) for the year		**587,823**	**(177,453)**	**606,226**	**(162,563)**
Earning/(loss) per share					
Basic earning/(loss) per share (K Sh)	**11**	**2.80**	**(0.85)**	**2.89**	**(0.78)**
Issued shares of K Sh 1 each		**210,000,000**	**210,000,000**	**210,000,000**	**210,000,000**

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

		GROUP		COMPANY	
	Notes	2015	2014	2015	2014
Assets					
Non-Current Assets					
Property, plant and equipment	12	30,047	32,548	26,430	26,535
Leasehold land	13	691,623	198	691,623	198
Investment in subsidiary	14	-	-	12,754	12,754
Retirement benefit asset	15	3,418	6,998	3,418	6,998
Deferred tax	16	145,957	126,956	145,957	126,956
		871,045	**166,700**	**880,182**	**173,441**
Current Assets					
Inventories	17	398,767	502,405	377,280	478,663
Receivable from group companies	18	-	-	67,094	53,666
Trade and other receivables	19	223,734	242,391	209,152	224,576
Current tax receivable	20	11,140	9,566	6,944	6,944
Cash and cash equivalents	21	6,979	8,995	2,373	4,839
		640,620	**763,357**	**662,843**	**768,688**
Total Assets		**1,511,665**	**930,057**	**1,543,025**	**942,129**
Equity and Liabilities					
Equity					
Share capital	22	210,000	210,000	210,000	210,000
Reserves		667,004	1,471	666,170	1,668
Retained (loss)/earnings		(70,716)	6,994	(37,763)	20,513
		806,288	**218,465**	**838,407**	**232,181**
Liabilities					
Non-Current Liabilities					
Deferred tax	16	54,071	21,023	54,071	21,023
Provisions	23	-	118,278	-	118,278
		54,071	**139,301**	**54,071**	**139,301**
Current Liabilities					
Trade and other payables	24	323,896	185,456	323,137	183,812
Borrowings	25	34,912	91,995	34,912	91,995
Bank overdraft	21	292,498	294,840	292,498	294,840
		651,306	**572,291**	**650,547**	**570,647**
Total Liabilities		**705,377**	**711,592**	**704,618**	**709,948**
Total Equity and Liabilities		**1,511,665**	**930,057**	**1,543,025**	**942,129**

The financial statements and the notes on pages 27 to 63, were approved by the board of directors on the 28 January 2016 and were signed on its behalf by:

Jackson Mutua
Director

Mrs. Lucy Waithaka
Director

STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	FOREIGN CURRENCY TRANSLATION RESERVE	ACTUARIAL RESERVES	REVALUATION RESERVE	TOTAL RESERVES	RETAINED EARNINGS/ (LOSS)	TOTAL EQUITY
	K SH '000	K SH '000	K SH '000	K SH '000	K SH '000	K SH '000	K SH '000
Group							
Balance at 01 October 2013	**210,000**	**(130)**	**1,464**	**-**	**1,334**	**184,584**	**395,918**
Loss for the year	-	-	-	-	-	(177,590)	(177,590)
Other comprehensive income	-	(67)	204	-	137	-	137
Total comprehensive Loss for the year	-	**(67)**	**204**	**-**	**137**	**(177,590)**	**(177,453)**
Balance at 01 October 2014	**210,000**	**(197)**	**1,668**	**-**	**1,471**	**6,994**	**218,465**
Loss for the year	-	-	-	-	-	(77,710)	(77,710)
Other comprehensive income	-	1,031	(5,248)	669,750	665,533	-	665,533
Total comprehensive Loss for the year	-	**1,031**	**(5,248)**	**669,750**	**665,533**	**(77,710)**	**587,823**
Balance at 30 September 2015	**210,000**	**834**	**(3,580)**	**669,750**	**667,004**	**(70,716)**	**806,288**
Notes	22	10&27	10&28	10		10	
Company							
Balance at 01 October 2013	**210,000**	**-**	**1,464**	**-**	**1,464**	**183,280**	**394,744**
Loss for the year	-	-	-	-	-	(162,767)	(162,767)
Other comprehensive income	-	-	204	-	204	-	204
Total comprehensive Loss for the year	**-**	**-**	**204**	**-**	**204**	**(162,767)**	**(162,563)**

	SHARE CAPITAL	FOREIGN CURRENCY TRANSLATION RESERVE	HEDGING RESERVE	REVALUATION RESERVE	TOTAL RESERVES	RETAINED EARNINGS/ (LOSS)	TOTAL EQUITY
	K SH '000	K SH '000	K SH '000	K SH '000	K SH '000	K SH '000	K SH '000
Balance at 01 October 2014	**210,000**	**-**	**1,668**	**-**	**1,668**	**20,513**	**232,181**
Loss for the year	-	-	-	-	-	(58,276)	(58,276)
Other comprehensive income	-	-	(5,248)	669,750	664,502	-	664,502
Total comprehensive Loss for the year	-	-	**(5,248)**	**669,750**	**664,502**	**(58,276)**	**606,226**
Balance at 30 September 2015	**210,000**	**-**	**(3,580)**	**669,750**	**666,170**	**(37,763)**	**838,407**
Notes	22	10&27	10&28	10		10	

STATEMENT OF CASH FLOWS

		GROUP		COMPANY	
	NOTES	2015	2014	2015	2014
Cash flows from operating activities					
Cash generated from operations	26	106,852	(88,052)	109,094	(64,989)
Finance costs		(104,082)	(56,483)	(94,920)	(56,477)
Tax paid	20	(1,574)	(1,698)	-	-
Net cash from operating activities		**1,196**	**(146,233)**	**14,174**	**(121,466)**
Cash flows from investing activities					
Purchase of property, plant and equipment	12	(8,006)	(11,682)	(8,006)	(10,755)
Disposal of property, plant and equipment	12	64,205	548	64,205	548
Disposal of asset (prepaid operating lease)	13	14	-	14	-
Net movement on related party balances		-	-	(13,428)	(9,975)
Investment in subsidiary company		-	-	-	(12,754)
Net cash from investing activities		**56,213**	**(11,134)**	**42,785**	**(32,936)**
Cash flows from financing activities					
Net movement in borrowings		**(57,083)**	**(2,364)**	**(57,083)**	**(2,364)**
Net cash from financing activities		(57,083)	(2,364)	(57,083)	(2,364)
Total cash movement for the year		**326**	**(159,731)**	**(124)**	**(156,766)**
Cash at the beginning of the year		(285,845)	(126,114)	(290,001)	(133,235)
Total cash at end of the year	21	**(285,519)**	**(285,845)**	**(290,125)**	**(290,001)**

ACCOUNTING POLICIES

1. Presentation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards , and the Kenyan Companies Act. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Kenyan Shillings.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Trade receivables and Loans and receivables

The group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as exchange rates inflation interest.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 23 - Provisions.

1.1 Significant judgements and sources of estimation uncertainty (continued)

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

ACCOUNTING POLICIES (CONTINUED)

1.2 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated financial statements are presented in Kenyan Shilling which is the group functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Kenyan Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Kenyan Shillings by applying to the foreign currency amount the exchange rate between the Kenyan Shilling and the foreign currency at the date of the cash flow.

Investments in subsidiaries

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

1.3 Segment reporting

IFRS 8, Operating Segments requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the board of directors. The Company defines operating segments mainly on the basis of geographical areas.

1.4 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ACCOUNTING POLICIES (CONTINUED)

1.4 Revenue (continued)

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.5 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.6 Employee benefits

The Company operates a defined contribution scheme and a defined retirement benefit scheme for its employees.

Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The assets of both schemes are held in separate trustee administered funds, which are funded by contributions from both the Company and employees. The Company and all its employees also contribute to the National Social Security Fund, which is a defined contribution scheme.

The Company's contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate. The Company has no further obligation once the contributions have been paid.

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For the defined benefit scheme, the pension costs are assessed using the "Projected Unit Credit" method. Under this method, the cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of the employees. This is done based on advice received from the actuaries who carry out a full valuation of the plan every three years.

The liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are recognised over the remaining service lives of the employees.

Other entitlements

The Company operates an unfunded gratuity scheme for its unionised employees, under which lump sum payments are paid on retirement due to age, medical, termination of service and redundancy. The gratuity payable is dependent on the number of completed years of service by the employee.

The liability recognised in the statement of financial position and the Company contributions are assessed using the projected unit credit method. The notional contributions are charged to the statement of comprehensive income in the year to which they relate.

The estimated monetary liability for employees' accrued annual leave entitlement at the date of the statement of financial position is recognised as an expense accrual.

ACCOUNTING POLICIES (CONTINUED)

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Buildings	Straight line	25 - 30 years
Plant and machinery	Straight line	15 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	3 years
IT equipments	Straight line	3 years

ACCOUNTING POLICIES (CONTINUED)

1.8 Property, plant and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.9 Leasehold land

Prepaid operating lease rentals are recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Leasehold land are initially recognised at cost.

Prepaid operating lease rentals is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these prepaid operating lease rentals, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other prepaid operating lease rentals amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for prepaid operating lease rentals are reviewed every period-end.

Reassessing the useful life of prepaid operating lease rentals with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the prepaid operating lease rentals, on a straight line basis, to their residual values as follows:

Item	Useful life
Prepaid operating lease rentals	52 years

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.11 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

ACCOUNTING POLICIES (CONTINUED)

1.11 Impairment of assets (continued)

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.12 Investments in subsidiaries

Company financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.13 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined by the first-in-first- out (FIFO) method for manufactured goods,raw materials and work in progress and weighted average for imported finished goods.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The cost of manufactured finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs.

The cost of imported finished goods comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

ACCOUNTING POLICIES (CONTINUED)

1.14 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees These financial assets are classified as loans and receivables.
Trade and other receivables

Trade receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

ACCOUNTING POLICIES (CONTINUED)

1.14 Financial instruments (continued)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

1.15 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.16 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

ACCOUNTING POLICIES (CONTINUED)

1.17 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the group and all entities, including special purpose entities, which are controlled by the group.

Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

NOTES TO THE FINANCIAL STATEMENTS

2. Risk management

Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by the management under policies approved by the Board of Directors. The management identifies, evaluates and hedges financial risks.

A description of the significant risk factors is given below together with the risk management policies applicable:

Foreign exchange risk

The Company closely monitors foreign exchange rates. Currency exposure arising from liabilities operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At 30 September 2015, if the currency had weakened/strengthened by 1% against the US dollar with all other variables held constant, post-tax profit for the year would have been K Sh 1,739,591 (2014: K Sh 2,393,649) higher, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated trade receivables, financial assets at fair value through profit or loss, and foreign exchange losses or gains on translation of US dollar denominated borrowings.

The Company's main currency risk arises from a depreciation of the Kenya Shilling against the US Dollar since the Company has significant liabilities that are denominated in US Dollars.

Foreign currency exposure at the end of the reporting period

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Current assets				
Bank balances	63	1,580	-	1,580
Liabilities				
Overdraft USD 11,002 (2014: USD 1,913,065)	1,153	172,541	1,153	172,541
Trade payables USD 2,028,509 (2014: USD 884,098)	212,608	78,994	212,608	78,994
Borrowings USD 333,093 (2014: USD 1,029,602)	34,912	91,995	34,912	91,995
Exchange rates used for conversion of foreign items were:				
USD	105.29	89.35	105.29	89.35

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Risk management (continued)

Credit risk

Credit risk is managed on a group basis.

Credit risk arises mainly from cash deposits, cash equivalents, as well as trade and other receivables, derivative financial instruments and trade debtors. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The Company does not have any significant concentrations of credit risk. The Company's customers comprise mainly of contracted distributors and the main retail supermarkets. The Company's policies require that each customer's credit limit be supported by a bank guarantee; any excess above the credit limit are assessed on a case by case basis, and usually requires approval by the Managing Director. Individual risk limits are set based on a customer's financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment.

The amount that best represents the Company's exposure to credit risk as at 30 September 2015 is made up as follows:

	GROUP		COMPANY	
	2015	2014	2015	2014
Financial instrument				
Trade receivables	210,012	222,219	201,246	211,020
Other receivables	13,722	20,172	7,906	13,556
Cash and cash equivalents	6,979	8,995	2,373	4,839

No collateral is held for any of the above assets. All receivables that are either past due or impaired are within their approved credit limits, and no such receivables have had their terms renegotiated. None of the above assets are past due or impaired except for the following amounts in trade receivables (which are due within 30 days of the end of the month in which they are invoiced):

	GROUP		COMPANY	
	2015	2014	2015	2014
Past due				
-by up to 30 days	81,944	78,574	78,385	74,947
-by 31 to 90 days	112,667	94,063	110,346	93,891
-over 90 days	15,401	49,582	12,515	42,182
	210,012	**222,219**	**201,246**	**211,020**

All receivables past due by more than 90 days are considered to be impaired, and are carried at their estimated recoverable value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

GROUP		
At 30 September 2015		Less than 1 year
Borrowings		34,912
Bank overdraft		292,498
Trade and other payables		323,896
At 30 September 2014	Less than 1 year	Between 1 and 2 years
Borrowings	91,995	-
Bank overdraft	294,840	-
Trade and other payables	185,456	-
Gratuity	-	118,278

COMPANY		
At 30 September 2015		Less than 1 year
Borrowings		34,912
Bank overdraft		292,498
Trade and other payables		323,137
At 30 September 2014	Less than 1 year	Between 1 and 2 years
Borrowings	91,995	-
Bank overdraft	294,840	-
Trade and other payables	183,812	-
Gratuity	-	118,278

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Risk management (continued)

Cash flow and fair value interest rate risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company monitors its interest rate exposure regularly, taking into account alternative financing options to ensure that optimum interest rates are obtained and that the risk borne is reasonable.

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratio at 2015 and 2014 respectively were as follows:

		GROUP		COMPANY	
		2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Total borrowings					
Short term loan - Citi bank	25	34,912	91,995	34,912	91,995
Less: Cash and cash equivalents	21	(285,519)	(285,845)	(290,125)	(290,001)
Net debt		320,431	377,840	325,037	381,996
Total equity		806,288	218,465	838,407	232,181
Total capital		**1,126,719**	**596,305**	**1,163,444**	**614,177**
Gearing ratio		28 %	63 %	28 %	62 %

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Segmental Information

The Company defines operating segments on the basis of geographical regions. During the financial year ended 30 September 2015, Eveready East Africa Limited significantly reduced its distribution into the export markets. Export sales in terms of volumes accounted for 3% of the total sales reported during the year. Uniform accounting policies were applicable to all operating segments.

Segmental Operating Results:

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Sales				
Export sales	-	-	33,839	67,237
Local sales	1,132,136	1,216,580	1,090,743	1,142,054
Total	**1,132,136**	**1,216,580**	**1,124,582**	**1,209,291**
Gross Profits Export sales	-	-	6,985	19,770
Local sales	232,145	333,365	225,135	309,726
Total	**232,145**	**333,365**	**232,120**	**329,496**
Total assets (Debtors) Export sales	-	-	23,967	33,100
Local sales	210,012	222,219	177,279	177,920
	210,012	**222,219**	**201,246**	**211,020**

4. Revenue

Sales of manufactured goods	379,552	665,253	379,552	665,253
Sales of purchased goods	752,584	551,327	745,030	544,038
	1,132,136	**1,216,580**	**1,124,582**	**1,209,291**

5. Cost of sales

Cost of goods	899,991	883,215	892,462	879,795

6. Other income

Profit on disposal of assets	64,205	548	64,205	548
Rental income	1,789	1,775	1,789	1,775
Miscellaneous income	9,935	262	9,935	262
	75,929	**2,585**	**75,929**	**2,585**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Operating profit

Operating profit for the year is stated after accounting for the following:

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Profit on sale of property, plant and equipment	64,205	548	64,205	548
Depreciation and amortisation	23,633	25,463	21,669	23,310
Employee benefits expense	102,472	108,583	100,710	106,973
Rent	6,297	7,305	6,152	7,151
Auditors remuneration	2,150	1,875	1,829	1,875
Employee costs				
Salary and wages	149,019	217,005	147,409	217,005
Retirement benefit expense				
Defined contribution scheme	9,153	9,659	9,153	9,659
National Social Security Fund	380	230	228	230
	158,552	226,894	156,790	226,894
Expenses by nature				
Depreciation	10,072	25,459	8,108	23,306
Amortization	13,561	4	13,561	4
Employee costs	158,552	226,894	156,790	226,894
Changes in inventories of finished goods and WIP	767,366	224,260	767,366	224,260
Raw materials and consumables used	66,007	442,524	66,007	442,524
Transportation	1,140	1,582	1,140	1,582
Other expenses	163,220	270,035	156,649	270,035
	1,179,918	1,190,758	1,169,621	1,188,605

8. Finance costs

Net foreign exchange loss	53,814	15,845	44,652	15,839
Interest expenses	50,268	40,638	50,268	40,638
	104,082	56,483	94,920	56,477

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9.Taxation

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Major components of the tax (income) expense				
Deferred Originating and reversing temporary differences	(21,202)	(70,424)	(21,202)	(69,838)
Reconciliation of the tax expense				
Reconciliation between accounting loss and tax expense.				
Accounting loss	**(98,912)**	**(248,014)**	**(79,478)**	**(232,605)**
Tax at the applicable tax rate of 30% (2014: 30%)	**(29,674)**	**(74,404)**	**(23,843)**	**(69,782)**
Tax effect of adjustments on taxable income				
Income not subject to tax	(18,548)	(697)	(18,548)	(624)
Expenses not deductable for tax purposes	21,189	568	21,189	568
Adjustments on tax losses not recognised	5,830	4,109	-	-
	(21,203)	**(70,424)**	**(21,202)**	**(69,838)**
The income tax rate of 30% in 2015 (2014: 30%)				

10. Other comprehensive income

Components of other comprehensive income - Group - 2015

	Gross	Tax	Net
Items that will not be reclassified to profit or loss			
Movements on revaluation Gain on property revaluation	705,000	(35,250)	669,750
Items reclassified to profit or loss			
Translation reserves Exchange differences arising during the year	**1,031**	**-**	**1,031**
Actuarial reserves Actuarial loss	(5,248)	-	(5,248)
	(4,217)	**-**	**(4,217)**
Total	**700,783**	**(35,250)**	**665,533**

Components of other comprehensive income - Group - 2014

	Gross	Tax	Net
Items reclassified to profit or loss			
Translation reserves Exchange differences on translation	(67)	-	(67)
Actuarial reserves Actuarial gain	204	-	204
Total reclassified to profit or loss	**137**	**-**	**137**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Other comprehensive income (continued)

		Gross	Tax	Net
Components of other comprehensive income - Company - 2015				
Items reclassified to profit or loss				
Movements on revaluation Gains on property revaluation		705,000	(35,250)	669,750
Items reclassified to profit or loss				
Actuarial reserves Actuarial loss		(5,248)	-	(5,248)
Total		**699,752**	**(35,250)**	**664,502**

		Gross	Tax	Net
Components of other comprehensive income - Company - 2014				
Items reclassified to profit or loss				
Actuarial reserves Actuarial gain		204	-	204

11. Earning/(loss) per share

Basic earning/(loss) per share

Basic earning/(loss) per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parents by the weighted number of ordinary shares outstanding during the year.

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Basic earning/(loss) per share	2.80	(0.85)	2.89	(0.78)
Reconciliation of profit or loss for the year to basic earnings				
Profit or loss for the year attributable to equity holders of the Company (K Sh'000)	587,823	(177,453)	606,226	(162,563)

Dividends per share

No dividend is proposed for the year ended 30 September 2015 (2014: Nil). No interim dividend was paid during the year (2014:Nil).

Proposed dividends are accounted for as a separate component of equity until they have been ratified at an annual general meeting.

Payment of dividend is subject to withholding tax at a rate of 10% for non-resident shareholders. No withholding tax is charged to local shareholders consisting of Companies that hold more than 12.5% of the total shareholding.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Property, plant and equipment

GROUP	2015			2014		
	COST OR REVALUATION	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST OR REVALUATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
Buildings	28,211	(28,211)	-	29,448	(29,448)	-
Plant and machinery	246,622	(246,622)	-	248,711	(248,711)	-
Furniture and fixtures	44,326	(32,255)	12,071	44,559	(29,744)	14,815
Motor vehicles	61,997	(53,630)	8,367	73,164	(62,572)	10,592
IT equipment	32,003	(22,394)	9,609	26,464	(19,504)	6,960
Capital work in progress	-	-	-	181	-	181
Total	**413,159**	**(383,112)**	**30,047**	**422,527**	**(389,979)**	**32,548**

COMPANY	2015			2014		
	COST OR REVALUATION	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST OR REVALUATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
Buildings	28,211	(28,211)	-	29,448	(29,448)	-
Plant and machinery	246,622	(246,622)	-	248,711	(248,711)	-
Furniture and fixtures	42,853	(31,437)	11,416	42,853	(29,210)	13,643
Motor vehicles	57,090	(51,258)	5,832	67,642	(60,929)	6,713
IT equipment	30,489	(21,307)	9,182	24,754	(18,756)	5,998
Capital work in progress	-	-	-	181	-	181
Total	**405,265**	**(378,835)**	**26,430**	**413,589**	**(387,054)**	**26,535**

Reconciliation of property, plant and equipment - Group - 2015

	OPENING BALANCE	ADDITIONS	FOREIGN EXCHANGE MOVEMENTS	DEPRECIATION	TOTAL
Furniture and fixtures	14,815	-	(116)	(2,628)	12,071
Motor vehicles	10,592	2,450	(276)	(4,399)	8,367
IT equipment	6,960	5,737	(40)	(3,048)	9,609
Capital work in progress	181	(181)	-	-	-
Total	**32,548**	**8,006**	**(432)**	**(10,075)**	**30,047**

Reconciliation of property, plant and equipment - Group - 2014

	OPENING BALANCE	ADDITIONS	TRANSFERS	IMPAIRMENT	DEPRECIATION	TOTAL
Buildings	20,323	-	-	(18,907)	(1,416)	-
Plant and machinery	132,457	-	1,609	(120,668)	(13,398)	-
Furniture and fixtures	17,575	826	-	-	(3,586)	14,815
Motor vehicles	6,442	-	9,583	-	(5,433)	10,592
IT equipment	6,571	100	1,919	-	(1,630)	6,960
Capital work in progress	2,536	10,756	(13,111)	-	-	181
Total	**185,904**	**11,682**	**-**	**(139,575)**	**(25,463)**	**32,548**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Property, plant and equipment (continued)
Reconciliation of property, plant and equipment - Company - 2015

	OPENING BALANCE	ADDITIONS	DEPRECIATION	TOTAL
Furniture and fixtures	13,643	-	(2,227)	11,416
Motor vehicles	6,713	2,450	(3,331)	5,832
IT equipment	5,998	5,737	(2,553)	9,182
Capital work in progress	181	(181)	-	-
Total	26,535	8,006	(8,111)	26,430

Reconciliation of property, plant and equipment - Company - 2014

	OPENING BALANCE	ADDITIONS	TRANSFERS	IMPAIRMENT	DEPRECIATION	TOTAL
Buildings	20,323	-	-	(18,907)	(1,416)	-
Plant and machinery	132,457	-	1,608	(120,668)	(13,397)	-
Furniture and fixtures	16,789	-	-	-	(3,146)	13,643
Motor vehicles	1,392	-	9,583	-	(4,262)	6,713
IT equipment	5,168	-	1,919	-	(1,089)	5,998
Capital work in progress	2,536	10,755	(13,110)	-	-	181
Total	**178,665**	**10,755**	**-**	**(139,575)**	**(23,310)**	**26,535**

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings

	Group		Company	
	2015 K Sh '000	2014 K Sh '000	2015 K Sh '000	2014 K Sh '000
Land and buildings First Legal Charge - Land reference Nakuru Minicipality Block 11/46	45,000	-	-	-
Land and building First Legal Charge - Land reference number Nakuru Municipaly block 7/554	190,000	-	-	-

13. Leasehold land

GROUP	2015			2014		
	COST/ VALUATION	ACCUMULATED AMORTISATION	CARRYING VALUE	COST	ACCUMULATED AMORTISATION	CARRYING VALUE
Revaluation	705,000	(13,558)	691,442	-	-	-
Prepaid operating lease rentals	267	(86)	181	362	(164)	198
Total	**705,267**	**(13,644)**	**691,623**	**362**	**(164)**	**198**
COMPANY						
Revaluation	705,000	(13,558)	691,442	-	-	-
Prepaid operating lease rentals	267	(86)	181	362	(164)	198
Total	**705,267**	**(13,644)**	**691,623**	**362**	**(164)**	**198**

Reconciliation of leasehold land - Group - 2015

	OPENING BALANCE	DISPOSAL	REVALUATION	AMORTISATION	TOTAL
Revaluation	-	-	705,000	(13,558)	691,442
Prepaid operating lease rentals	198	(14)	-	(3)	181
	198	**(14)**	**705,000**	**(13,561)**	**691,623**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Prepaid operating lease rentals (continued)

Reconciliation of leasehold land - Group - 2014

	OPENING BALANCE	AMORTISATION	TOTAL
Other intangible assets	**202**	**(4)**	**198**

Reconciliation of leasehold land - Company - 2015

	OPENING BALANCE	DISPOSAL	REVALUATION	AMORTISATION	TOTAL
Revaluation	-	-	705,000	(13,558)	691,442
Prepaid operating lease rentals	198	(14)	-	(3)	181
	198	**(14)**	**705,000**	**(13,561)**	**691,623**

Reconciliation of leasehold land - Company - 2014

	OPENING BALANCE	AMORTISATION	TOTAL
Prepaid operating lease rentals	**202**	**(4)**	**198**

Revaluations

The revaluation was carried out by independent valuer Regent Valuers International (K) Limited on 13 November 2014. Regent Valuers International (K) Limited are not related to the Company.

The basis of valuation was based on special value assuming successful change of use from existing industrial to mixed use (commercial and residential) and extension of the remaining lease term of 52 years to 99 years.

14. Investment in subsidiary

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Investment Investment in Flamingo Properties Uganda Limited	-	-	12,754	12,754
Non-current assets Investment in flamingo properties Uganda Limited	-	-	12,754	12,754

The Company owns 100% shares in Flamingo Properties Uganda Limited. The shares held are ordinary shares. Flamingo Properties Uganda Limited is incorporated in the Republic of Uganda.

15. Retirement benefits

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Defined benefit plan **Carrying value**				
Present value of the defined benefit obligation- partially or wholly funded	(10,461)	(9,156)	(10,461)	(9,156)
Fair value of plan assets	13,879	16,018	13,879	16,018
Prior year adjustment (net deferred tax)	-	136	-	136
	3,418	**6,998**	**3,418**	**6,998**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Retirement benefits (continued)

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Movements for the year				
Opening balance	(6,998)	(5,764)	(6,998)	(5,764)
Actuarial loss/(gain) recognised in Other Comprehensive Income	4,217	(291)	4,217	(291)
Prior year adjustment (net deferred tax)	289	(136)	289	(136)
Net (income)/expense recognised in profit or loss	(926)	(807)	(926)	(807)
	(3,418)	**(6,998)**	**(3,418)**	**(6,998)**
Net (income)/expense recognised in profit or loss				
Interest cost	1,236	1,129	1,236	1,129
Expected return on plan assets	(2,162)	(1,936)	(2,162)	(1,936)
	(926)	**(807)**	**(926)**	**(807)**
Key assumptions used				
Assumptions used on last valuation on 30 September 2015.				
Discount rates used	14.25 %	13.50 %	14.25 %	13.50 %

The defined benefit scheme has been closed to future accrual of benefits with effect from 1 October 2006 for members except those within 5 years of retirement. Past service benefits remain intact with the Company meeting any under funding through either cash injection and better investment returns on the scheme assets, over a period of 3 years commencing from 1 October 2006. Future service benefits for all non-unionised employees will be through the defined contribution scheme.

Defined contribution plan

Following the closure of the defined benefit scheme, the Company commenced contributions to a defined contribution scheme for all its non-unionised employees recruited from 1 October 2005. With effect from 1 October 2006, other non-unionised employees from the defined benefit scheme except those within 5 years of retirement have migrated to the defined contribution scheme. For the year ended 30 September 2015, the Company contributed K Sh 9,153,449 (2014: K Sh 9,658,831), which has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

The Company also makes contribution to a statutory provident fund, the National Social Security Fund. Contributions are determined by local statutes and are shared between the employer and employee. For the year ended 30 September 2015, the Company contributed K Sh 202,995 (2014: K Sh 748,348), which has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

16. Deferred tax

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Deferred tax liability				
Accelerated capital allowances for tax purposes	(14,378)	(18,194)	(14,378)	(18,194)
Provision for plant closure	(3,499)	(924)	(3,499)	(924)
Provision for retirement benefit obligation	(944)	(1,905)	(944)	(1,905)
Tax effect on revaluation	(35,250)	-	(35,250)	-
Total deferred tax liability	**(54,071)**	**(21,023)**	**(54,071)**	**(21,023)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Deferred tax (continued)

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Deferred tax asset				
Provision for plant impairment	41,873	41,873	41,873	41,873
Provision for gratuity	-	31,705	-	31,705
Tax losses	72,348	24,696	72,348	24,696
Provision for staff leave	3,851	2,883	3,851	2,883
Unrealised exchange difference	5,660	6,053	5,660	6,053
Provision for obsolete stock	19,225	16,746	19,225	16,746
Provision for terminal dues	3,000	3,000	3,000	3,000
Total deferred tax asset	**145,957**	**126,956**	**145,957**	**126,956**
Deferred tax assets	145,957	126,956	145,957	126,956
Deferred tax liabilities	(54,071)	(21,023)	(54,071)	(21,023)
Total net deferred tax asset	**91,886**	**105,933**	**91,886**	**105,933**
Reconciliation of deferred tax asset / (liability)				
At beginning of year	105,933	35,993	105,933	36,560
Provision for terminal dues	-	3,000	-	3,000
Accelerated capital allowance	3,816	2,980	3,816	2,980
Provision for retirement benefit obligation	961	584	961	584
Unrealised exchange difference	(393)	4,732	(393)	4,732
Provision for impairment	-	41,873	-	41,873
Tax losses	45,078	(12,025)	45,078	(12,592)
Provision for staff leave	968	-	968	-
Provision for obsolete stocks	2,479	14,883	2,479	14,883
Provision for gratuity	(31,706)	13,913	(31,706)	13,913
Tax effect on revaluation	(35,250)	-	(35,250)	-
	91,886	**105,933**	**91,886**	**105,933**
17. Inventories				
Raw materials	-	87,482	-	87,482
Work in progress	-	11,315	-	11,315
Finished goods	399,999	402,957	378,512	379,215
Maintenance stock	(1,232)	651	(1,232)	651
	398,767	**502,405**	**377,280**	**478,663**

The cost of inventory recognised as expense by the Company and included in cost of sales amounted to K Sh 835,333,409 (2014: K Sh 678,654,228).

Borrowings are secured by floating charges on the assets of the Company including inventory.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Receivable from group companies

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Subsidiary				
Flamingo Properties Uganda Limited	-	-	67,094	53,666

19. Trade and other receivables

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Trade receivables	210,012	222,219	201,246	211,020
Prepayments	4,441	9,012	4,441	8,710
Other receivable	9,281	11,160	3,465	4,846
	223,734	**242,391**	**209,152**	**224,576**

The fair values of trade and other receivables approximate to their carrying amount.

20. Current tax payable / (receivable)

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Balance at beginning of the year	9,566	7,868	6,944	6,944
Balance at end of the year	(11,140)	(9,566)	(6,944)	(6,944)
	(1,574)	**(1,698)**	**-**	**-**

21. Cash and cash equivalents

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Cash and cash equivalents consist of:				
Cash on hand	45	138	42	114
Bank balances	6,934	8,857	2,331	4,725
Bank overdraft	(292,498)	(294,840)	(292,498)	(294,840)
	(285,519)	**(285,845)**	**(290,125)**	**(290,001)**
Current assets	6,979	8,995	2,373	4,839
Current liabilities	(292,498)	(294,840)	(292,498)	(294,840)
	(285,519)	**(285,845)**	**(290,125)**	**(290,001)**

The overdraft facility is from Commercial Bank of Africa and Citi bank. The facility is up to a maximum of K Sh 175 million for each bank.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Share capital

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Authorised, issued and fully paid up ordinary share capital				
210,000,000 ordinary shares of par value of K Sh 1	**210,000**	**210,000**	**210,000**	**210,000**

23. Provisions

Reconciliation of provisions - Group - 2015

	OPENING BALANCE	PAID DURING THE YEAR	TOTAL
Service gratuity	**118,278**	**(118,278)**	**-**

Reconciliation of provisions - Group - 2014

	OPENING BALANCE	PAID DURING THE YEAR	TOTAL
Service gratuity	**71,900**	**46,378**	**118,278**

Reconciliation of provisions - Company - 2015

	OPENING BALANCE	PAID DURING THE YEAR	TOTAL
Service gratuity	**118,278**	**(118,278)**	**-**

Reconciliation of provisions - Company - 2014

	OPENING BALANCE	PAID DURING THE YEAR	TOTAL
Service gratuity	**71,900**	**46,378**	**118,278**

An actuarial valuation was carried out to determine the present value of the gratuity component of the retirement benefit for the Company. The Company paid all the obligation as at 30 September 2015 amounting to K Sh 118,278,14 leaving no balance as at 30 September 2015 (2014: K Sh 118,278,124).

The principal actuarial assumptions used were as follows:

- Discount rate: 2015:14.25% p.a (2014: 13.5% p.a.)
- Future salary increase: 2015: 10% p.a (2014: 10% p.a.)
- Retirement age: 2015: 25% at 55 years and balance at 60 years (2014: 25% at 55 years and balance at 60 years)

24. Trade and other payables

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Trade payables	255,188	116,352	255,056	115,263
Other payables	2,810	9,525	2,715	9,525
Amount due to related party	20,741	22,917	20,741	22,917
Accrued expense	45,157	36,662	44,625	36,107
	323,896	**185,456**	**323,137**	**183,812**

The fair values of trade and other payables approximate to their carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. Borrowings

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Held at amortised cost Short term loan - Citi bank	**34,912**	**91,995**	**34,912**	**91,995**
Current liabilities At amortised cost	**34,912**	**91,995**	**34,912**	**91,995**

The borrowings are secured on Fixed and Floating Charge over the assets of the Company for USD 3,200,000 and K Sh 175,000,000 (USD 5,800,000) with Citi Bank shared on pari passu with Commercial Bank of Africa at K Sh 175,000,000.

The carrying amounts of financial liabilities at following currencies: fair value through profit or loss are denominated in the

US Dollar	**331**	**1,030**	**331**	**1,030**

26. Cash generated from (used in) operations

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
(Loss)/profit before taxation	(98,912)	(248,014)	(79,478)	(232,605)
Adjustments for: Depreciation and amortisation	23,633	25,463	21,669	23,310
Profit on sale of assets	(64,205)	(548)	(64,205)	(548)
Finance costs	104,082	56,483	94,920	56,477
Effects on foreign exchange movement	432	-	-	-
Movements in retirement benefit assets and liabilities	3,580	(565)	3,580	(565)
Movements in provisions	(118,278)	46,378	(118,278)	46,378
Foreign currency translation reserve	1,031	(49)	-	-
Impairment of plant and machinery	-	139,575	-	139,575
Movement on reserves	(5,246)	-	(5,246)	-
Changes in working capital: Inventories	103,638	(55,821)	101,383	(57,484)
Trade and other receivables	18,657	(27,660)	15,424	(18,843)
Trade and other payables	138,440	(23,300)	139,325	(20,684)
	106,852	**(88,052)**	**109,094**	**(64,989)**

27. Foreign currency translation reserve

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Translation reserve comprises exchange differences on consolidation of foreign subsidiary				
Currency translation difference -Uganda	**834**	**(197)**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. Actuarial reserve

The actuarial reserve comprises the gain and loss arising from change in fair value of retirement benefit obligation.

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Actuarial (loss)/gain	**(3,580)**	**1,668**	**(3,580)**	**1,668**

29. Related parties

Relationships

The immediate parent Company is East Africa Batteries Limited incorporated in Kenya. The Company has other related parties by virtue of common directorships or common shareholdings. The following transactions were carried out with related parties:

Related party balances	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K SH '000
Outstanding balances arising from purchase of goods, services and commissions				
Energizer Egypt	-	556		556
Energizer Middle East	195,798	45,428	195,798	45,428
Energizer Battery Company-Technical service fees	20,741	22,917	20,741	22,917
Receivables from related parties				
EBL Dubai	14	16	-	-
Flamingo Properties Uganda Limited	-	-	67,094	53,666
Related party transactions				
Technical services and trade mark fees				
Technical fees	**25,840**	**28,140**	**25,840**	**28,140**
Key Management Compensation				
Salaries and other short term employment benefits	**-**	**-**	**52,207**	**55,761**
Directors remuneration				
Fees for services as a Director	**-**	**-**	**3,891**	**7,747**

30. Commitments

	GROUP		COMPANY	
	2015 K SH '000	2014 K SH '000	2015 K SH '000	2014 K Sh '000
Authorised capital expenditure				
Already contracted for but not provided for				
• Property plant and equipment - 6,000 - 6,000	**-**	**6,000**	**-**	**6,000**

This capital expenditure has been committed but not contracted for at the date of the Statement of Financial Position and therefore not recognised in the financial statements.

Operating leases

The Company has entered into operating lease commitments with Mitchell Cotts Freight Kenya Limited where Eveready East Africa Limited has leased the office space and rent is payable on quarterly basis. The lease commitment are shown below:

Year ended 30 September 2016 K Sh 7,780,638

Year ended 30 September 2017 K Sh 8,608,608

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

Retirement benefit obligations

Critical assumptions are made by the actuary in determining the present value of retirement benefit obligations. These assumptions are set out in Note 15.

Property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment. The rates used are set out in Note 1.8 above.

Income taxes

Significant judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies, management has made judgements in determining:

- classification of leases
- the useful lives of, or expected pattern of consumption of the future economic benefits embodied in depreciable assets
- whether assets are impaired
- the value of deferred tax asset recognised
- provision for bad and doubtful debts
- provision for stock obsolescence
- the fair value of financial liabilities

32. Contingencies

The Company has contingent liabilities arising from various legal claims. The directors, having taken appropriate legal advice, do not anticipate that material liabilities will arise from pending litigations against the Company.

33. New Standards and Interpretations

33.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year:

Amendment to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets

The amendment to IAS 36 Impairment of Assets now require:

i) Disclosures to be made of all assets which have been impaired, as opposed to only material impairments,

ii) The disclosure of each impaired asset's recoverable amount, and

iii) Certain disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the requirements of IFRS 13 Fair Value Measurement.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33.1 Standards and interpretations effective and adopted in the current year (continued)

IFRIC 21 Levies

The interpretation provides guidance on accounting for levies payable to government. It specifies that the obligating event giving rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. A constructive obligation for levies that will be triggered by operating in future is not raised by virtue of the entity being economically compelled to operate in future or for being a going concern.

Furthermore, if the obligating event occurs over a period of time, then the liability is recognised progressively.

An asset is recognised if an entity has prepaid a levy before the obligating event. This accounting also applies to interim reporting.

The effective date of the interpretation is for years beginning on or after 01 January 2014.

The group has adopted the interpretation for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IAS 19: Defined Benefit Plans: Employee Contributions

The amendment relates to contributions received from employees or third parties for defined benefit plans.

These contributions could either be discretionary or set out in the formal terms of the plan. If they are discretionary then they reduce the service cost. Those which are set out in the formal terms of the plan are either linked to service or not. When they are not linked to service then the contributions affect the remeasurement. When they are linked to service and to the number of years of service, they reduce the service cost by being attributed to the periods of service. If they are linked to service but not to the number of years' service then they either reduce the service cost by being attributed to the periods of service or they reduce the service cost in the period in which the related service is rendered.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IFRS 3: Business Combinations: Annual improvements project

The amendment to the scope exclusions removes reference to the formation of joint ventures. It now excludes from the scope, the formation of a joint arrangement in the financial statements of the joint arrangement itself.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IFRS 3: Business Combinations: Annual improvements project

The amendment clarifies that contingent consideration in a business combination which meets the definition of a financial instrument shall be classified as a financial liability or equity. It further stipulates that contingent consideration which is required to be measured at fair value shall be done so by recognising changes in fair value through profit or loss. Reference to measuring contingent consideration to fair value through other comprehensive income has been deleted.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IFRS 2: Share-based Payment: Annual improvements project

Amended the definitions of "vesting conditions" and "market conditions" and added definitions for "performance condition" and "service condition."

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33.1 Standards and interpretations effective and adopted in the current year (continued)

Amendment to IFRS 13: Fair Value Measurement: Annual improvements project

The amendment clarifies that references to financial assets and financial liabilities in paragraphs 48–51 and 53–56 should be read as applying to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32

Financial Instruments: Presentation.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IAS 38: Intangible Assets: Annual improvements project

The amendment adjusts the option to proportionately restate accumulated amortisation when an intangible asset is revalued. Instead, the gross carrying amount is to be adjusted in a manner consistent with the revaluation of the carrying amount. The accumulated amortisation is then adjusted as the difference between the gross and net carrying amount.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities

The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27.

The effective date of the amendments is for years beginning on or after 01 January 2014.

The group has adopted the amendments for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities

Clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

The amendment provides guidance on whether an entity is required to discontinue hedging when the derivatives which are designated hedging instruments are novated to a central counterparty.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IFRS 8: Operating Segments: Annual improvements project

Management are now required to disclose the judgements made in applying the aggregation criteria. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact on the amendment is not material.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33.1 Standards and interpretations effective and adopted in the current year (continued)

Amendment to IAS 24: Related Party Disclosures: Annual improvements project

The definition of a related party has been amended to include an entity, or any member of a group of which it is a part, which provides key management personnel services to the reporting entity or to the parent of the reporting entity ("management entity"). Disclosure is required of payments made to the management entity for these services but not of payments made by the management entity to its directors or employees.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IAS 16: Property, Plant and Equipment: Annual improvements project

The amendment adjusts the option to proportionately restate accumulated depreciation when an item of property, plant and equipment is revalued. Instead, the gross carrying amount is to be adjusted in a manner consistent with the revaluation of the carrying amount. The accumulated depreciation is then adjusted as the difference between the gross and net carrying amount.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

Amendment to IAS 40: Investment Property: Annual improvements project

The amendment requires an entity to determine whether the acquisition of investment property is the acquisition of an asset or a business combination, in which case the provisions of IFRS 3 Business Combinations applies.

The effective date of the amendment is for years beginning on or after 01 July 2014.

The group has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is not material.

33.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 October 2015 or later periods:

Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project

The amendment clarifies that non-current assets held for distribution to owners should be treated consistently with non-current assets held for sale. It further specifies that if a non-current asset held for sale is reclassified as a non-current asset held for distribution to owners or visa versa, that the change is considered a continuation of the original plan of disposal.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project

The amendment provides additional guidance regarding transfers with continuing involvement. Specifically, it provides that cash flows excludes cash collected which must be remitted to a transferee. It also provides that when an entity transfers a financial asset but retains the right to service the asset for a fee, that the entity should apply the existing guidance to consider whether it has continuing involvement in the asset.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33.2 Standards and interpretations not yet effective (continued)

Amendment to IAS 19: Employee Benefits: Annual Improvements project

The amendment clarifies that when a discount rate is determined for currencies where there is no deep market in high quality corporate bonds, then market yields on government bonds in that currency should be used.

The effective date of the company is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements

The amendment provides new requirements when an entity presents subtotals in addition to those required by

IAS 1 in its financial statements. It also provides amended guidance concerning the order of presentation of the notes in the financial statements, as well as guidance for identifying which accounting policies should be included. It further clarifies that an entity's share of comprehensive income of an associate or joint venture under the equity method shall be presented separately into its share of items that a) will not be reclassified subsequently to profit or loss and b) that will be reclassified subsequently to profit or loss.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendment to IAS 34: Interim Financial Reporting. Annual Improvements project

The amendment allows an entity to present disclosures required by paragraph 16A either in the interim financial statements or by cross reference to another report, for example, a risk report, provided that other report is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

The effective date of the company is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 financial statements.

The group is unable to reliably estimate the impact of the amendment on the financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

i) All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

ii) With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33.2 Standards and interpretations not yet effective (continued)

iii) In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.

iv) The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required.

Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group expects to adopt the standard for the first time in the 2019 financial statements.

The group is unable to reliably estimate the impact of the standard on the financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

i) Identify the contract(s) with a customer

ii) Identify the performance obligations in the contract

iii) Determine the transaction price

iv) Allocate the transaction price to the performance obligations in the contract

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2017.

The group expects to adopt the standard for the first time in the 2018 financial statements.

It is unlikely that the standard will have a material impact on the group’s financial statements.

Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

The amendments apply to the acquisitions of interest in joint operations. When an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, it shall apply, to the extent of its share, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this IFRS and disclose the information that is required in those IFRSs in relation to business combinations. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business.

The effective date of the amendments is for years beginning on or after 01 January 2016.

The group expects to adopt the amendments for the first time in the 2017 financial statements.

It is unlikely that the amendments will have a material impact on the group’s financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33.2 Standards and interpretations not yet effective (continued)

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents profit or loss only to the extent of the unrelated investors interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents profit or loss.

The effective date of the group is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Amendment to IAS 27: Equity Method in Separate Financial Statements

The amendment adds the equity method to the methods of accounting for investments in subsidiaries, associates and joint ventures in the separate financial statements of an entity.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The group expects to adopt the amendment for the first time in the 2017 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption

The amendment clarifies the consolidation exemption for investment entities. It further specifies that an investment entity which measures all of its subsidiaries at fair value is required to comply with the "investment entity" disclosures provided in IFRS 12. The amendment also specifies that if an entity is itself not an investment entity and it has an investment in an associate or joint venture which is an investment entity, then the entity may retain the fair value measurement applied by such associate or joint venture to any of their subsidiaries.

The effective date of the company is for years beginning on or after 01 January 2016.

The company expects to adopt the amendment for the first time in the 2017 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

Form of Proxy / Fomu ya Uwakilishi

I/We* ____

of P.O. Box ______________ Code _______ being a member/members* of the above named Company, hereby appoint ____________________ or failing him ____________________________ of P.O. Box __________ code ______ as my/our proxy* to vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held on Thursday 14th day of April 2016, and at any adjournment thereof.

As witness my/our* hand this __________ day of ______________ 2016.

This Form is to be used in favour of/against* the resolution. Unless otherwise instructed, the proxy will vote as he/she sees fit.

*Strike out whichever is not desired.

Notes:

1.To be valid, this Proxy Form must either be deposited at the offices of the Company's shares Registrars, Image Registrars Limited, Barclays Plaza, 5th Floor, Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi or lodged at the Company's registered office at, MCFL Logistic Centre, 1st Floor, Mombasa Road P.O Box 44765 - 00100 Nairobi not later than 11a.m on Tuesday April 12, 2016 failing which it will be invalid.

2. In the case of a corporate body the Proxy Form must be under its common seal or by notification in writing under the hand of some officer of the corporation duly authorized in that behalf.

Mimi/Sisi ____

Anwani __________________________ kama mwanahisa/wanahisa wa Kampuni iliotajwa, namteua/tunamteua ______________________ na akikosa, nateua/tunamteua ______________ Anwani __________ kama mwakilishi wangu/wetu, kupiga kura kwa niaba yangu/yetu kwenye Mkutano Mkuu wa Mwaka utaofanyika Alhamisi, 14 Aprili 2016 ama siku yoyote ile endapo mkutano hua utahirishwa.

Sahihi

____

Sahihi hii/hizi imewekwa/zimewekwa Tarehe ____ ya ____________ 2016.

Mimi/sisi ninamuagiza/tunamuagiza mwakilishi kupiga kura kuunga mkono/dhidi ya/ kuzuia kura kwa maamuzi kama ilivyoelekezwa katika sehemu ya nyuma ya fomu hii.

*futa yasiyofaa

Maelezo:

1. Ni lazima fomu hii ya uwakilishi kufikishwa kwa Katibu wa Kampuni Image Registrars Limited, Barclays Plaza, 5th Floor, Loita Street, Anwani 9287 – 00100 GPO, Nairobi ama iwasilishwe katika ofisi za kampuni iliopo MCFL Logistics Centre, 1st Floor, Mombasa Road, Anwani 44765 – 00100, Nairobi kabla ya 11.00a.m. Jumanne, 12 Aprili, 2016.

2. Iwapo mteuaji ni shirika, fomu hii ya uwakilishi ni lazima ipigwe muhuri wa kampuni hiyo na walio idhinishwa.

FOLD 2

Affix
Stamp
Here

The Company Secretary
Eveready East Africa Limited
MCFL Logistics Centre, 1st Floor
Mombasa Road
P.O. BOX 44765 - 00100
Nairobi
Kenya

FOLD 1

FOLD 3

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750lm
220-240V/50Hz
3U CFL ENERGY SAVER
EVEREADY
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350lm
220-240V/50Hz
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