

INNODIS LTD GROUP

CONDENSED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

CONDENSED STATEMENTS OF PROFIT OR LOSS

	CONSOLIDATED Year Ended 30 Jun 14 Audited Rs'000	CONSOLIDATED Year Ended 30 Jun 13 Audited Rs'000 (Restated)	CONSOLIDATED Year Ended 30 Jun 12 Audited Rs'000 (Restated)	SEPARATE Year Ended 30 Jun 14 Audited Rs'000	SEPARATE Year Ended 30 Jun 13 Audited Rs'000 (Restated)	SEPARATE Year Ended 30 Jun 12 Audited Rs'000 (Restated)
Revenue	4,193,470	4,155,701	3,869,294	2,847,293	2,805,965	2,692,550
Profit from operating activities	209,744	264,112	218,033	194,726	218,995	139,571
Net finance expense	(48,054)	(27,511)	(36,821)	(33,889)	(39,226)	(34,560)
Share of profit of equity accounted investees	2,294	560	297	-	-	-
Profit before income tax	163,984	237,161	181,509	160,837	179,769	105,011
Income tax expense	(28,422)	(49,210)	(35,908)	(12,743)	(31,392)	(14,819)
Profit for the year	135,562	187,951	145,601	148,094	148,377	90,192
Profit attributable to:						
Owners of the company	113,942	150,695	109,909	148,094	148,377	90,192
Non-controlling interests	21,620	37,256	35,692	-	-	-
	135,562	187,951	145,601	148,094	148,377	90,192
Number of shares	36,730,266	36,730,266	36,730,266			
Earnings per share (Rs)	3.10	4.10	2.99			

CONDENSED STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED Year Ended 30 Jun 14 Audited Rs'000	CONSOLIDATED Year Ended 30 Jun 13 Audited Rs'000 (Restated)	CONSOLIDATED Year Ended 30 Jun 12 Audited Rs'000 (Restated)	SEPARATE Year Ended 30 Jun 14 Audited Rs'000	SEPARATE Year Ended 30 Jun 13 Audited Rs'000 (Restated)	SEPARATE Year Ended 30 Jun 12 Audited Rs'000 (Restated)
ASSETS						
Property, plant and equipment	1,745,952	1,683,372	1,369,462	869,001	872,359	836,938
Investment property	2,149	2,620	3,091	-	-	-
Biological assets	42,891	42,744	42,844	42,891	42,744	38,976
Intangible assets	6,600	8,227	18,198	-	476	9,553
Investments	8,075	6,100	5,821	279,551	279,594	272,094
Other non-current assets	13,995	17,376	18,218	158,116	145,480	126,650
	2,042,067	1,961,653	1,654,761	1,562,359	1,411,733	1,213,713
Current assets						
Total assets	3,861,729	3,722,092	3,112,395	2,911,918	2,752,386	2,497,924
EQUITY AND LIABILITIES						
Shareholders' equity						
Owners' interest	1,748,328	1,732,652	1,338,529	1,535,561	1,455,445	1,323,493
Non-controlling interest	169,694	175,033	265,967	-	-	-
Total shareholders' equity	1,918,022	1,907,685	1,604,496	1,535,561	1,455,445	1,323,493
Non-current liabilities	338,612	260,837	274,127	232,926	219,807	239,513
Current liabilities	1,605,095	1,553,570	1,233,772	1,143,431	1,077,134	934,918
Total equity and liabilities	3,861,729	3,722,092	3,112,395	2,911,918	2,752,386	2,497,924

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	CONSOLIDATED Year Ended 30 Jun 14 Audited Rs'000	CONSOLIDATED Year Ended 30 Jun 13 Audited Rs'000 (Restated)	SEPARATE Year Ended 30 Jun 14 Audited Rs'000	SEPARATE Year Ended 30 Jun 13 Audited Rs'000 (Restated)
Profit for the year	135,562	187,951	148,094	148,377
Other comprehensive income				
Items that will never be classified to profit or loss				
Revaluation of property, plant and equipment	-	230,701	-	66,375
Deferred tax arising on revaluation reserve	924	(8,613)	728	(7,595)
Actuarial gain on unfunded retirement obligation	-	2,475	-	-
Prior year adjustments following revisions (IAS 19)	(513)	7,377	(755)	13,833
	411	231,940	(27)	72,613
Items that are or may be reclassified to profit or loss				
Foreign currency translation difference	4,392	28,073	-	-
Other comprehensive income for the year	4,803	260,013	(27)	72,613
Total comprehensive income for the year	140,365	447,964	148,067	220,990
Total comprehensive income for the year:				
Owners of the company	118,889	412,782	148,067	220,990
Non-controlling interests	21,476	35,182	-	-
	140,365	447,964	148,067	220,990

CONDENSED STATEMENTS OF CASH FLOWS

	CONSOLIDATED Year Ended 30 Jun 14 Audited Rs'000	CONSOLIDATED Year Ended 30 Jun 13 Audited Rs'000 (Restated)	SEPARATE Year Ended 30 Jun 14 Audited Rs'000	SEPARATE Year Ended 30 Jun 13 Audited Rs'000 (Restated)
Net cash (used in)/from operating activities	(40,439)	183,598	(29,119)	22,002
Net cash used in investing activities	(173,567)	(174,107)	(71,501)	(17,116)
Net cash from/(used in) financing activities	100,949	(40,874)	43,716	(69,591)
Net decrease in cash and cash equivalents	(113,057)	(31,383)	(56,904)	(64,705)
Effects of exchange rate movements on cash and cash equivalents	-	216	-	-
Cash and cash equivalents at beginning of year	(248,718)	(217,551)	(331,800)	(267,095)
Cash and cash equivalents at end of year	(361,775)	(248,718)	(388,704)	(331,800)

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share capital Rs'000	Share premium Rs'000	Revaluation reserve Rs'000	Foreign exchange translation deficit Rs'000	Retained earnings Rs'000	Total Rs'000	Non Controlling Interest Rs'000	Total Shareholders' Equity Rs'000
CONSOLIDATED								
At 01 Jul 2012 as previously stated	367,303	5,308	317,115	(35,412)	684,215	1,338,529	265,967	1,604,496
Total comprehensive income for the year	-	-	-	-	162,605	162,605	37,256	199,861
Total other comprehensive income for the year	-	-	222,088	30,147	2,475	254,710	(2,074)	252,636
Prior year adjustments following revisions (IAS 19)	-	-	-	-	(20,406)	(20,406)	-	(20,406)
Deferred tax liability	-	-	(6,456)	-	-	(6,456)	-	(6,456)
Dividend	-	-	-	-	(66,115)	(66,115)	(29,909)	(96,024)
Revaluation reserve released	-	-	(4,850)	-	4,850	-	-	-
Changes in ownership interest:								
Acquisition of subsidiary with non-controlling interest	-	-	-	-	10,345	10,345	(19,080)	(8,735)
Disposal of subsidiary with non-controlling interest	-	-	-	-	59,440	59,440	(77,127)	(17,687)
At 30 Jun 2013	367,303	5,308	527,897	(5,265)	837,409	1,732,652	175,033	1,907,685
Total comprehensive income for the year	-	-	-	-	113,942	113,942	21,620	135,562
Total other comprehensive income for the year	-	-	924	4,536	(513)	4,947	(144)	4,803
Wind up of subsidiary	-	-	-	-	(35,262)	(35,262)	-	(35,262)
Dividend	-	-	-	-	(67,951)	(67,951)	(26,815)	(94,766)
Revaluation reserve realised	-	-	(6,779)	-	6,779	-	-	-
At 30 Jun 2014	367,303	5,308	522,042	(729)	854,404	1,748,328	169,694	1,918,022
SEPARATE								
At 01 Jul 2012 as previously stated	367,303	5,308	286,844	-	664,038	1,323,493		
Total comprehensive income for the year	-	-	-	-	154,637	154,637		
Total other comprehensive income for the year	-	-	58,780	-	-	58,780		
Revaluation reserve realised	-	-	(4,850)	-	4,850	-		
Dividend	-	-	-	-	(66,115)	(66,115)		
Prior year adjustments following revisions (IAS 19)	-	-	-	-	(15,350)	(15,350)		
At 30 Jun 2013	367,303	5,308	340,774	-	742,060	1,455,445		
Total comprehensive income for the year	-	-	-	-	148,067	148,067		
Revaluation reserve realised	-	-	(5,472)	-	5,472	-		
Total other comprehensive income for the year	-	-	728	-	(728)	-		
Dividend	-	-	-	-	(67,951)	(67,951)		
At 30 Jun 2014	367,303	5,308	336,030	-	826,920	1,535,561		

COMMENTS

This year's financial statements have been prepared in full compliance with International Accounting Standard (IAS) 19 and the financial results for the years ended 30 June 2012 and 30 June 2013 have been restated.

For the year ended 30 June 2014, Group turnover improved slightly to reach Rs4.19 billion, compared to Rs4.16 billion last year. Earnings per share (EPS) stood at Rs3.10, compared to the restated figures of Rs2.99 and Rs4.10 for the FY11/12 and FY12/13 respectively. Dividends of Rs1.85 per share were declared during the year, against Rs1.80 for the corresponding period last year.

Our Group profit before tax for the year has been affected by the lower performances of Meaders Feeds Ltd and Moçambique Farms Limitada. Meaders Feeds has incurred higher production and finance costs following investments of Rs120 million in a second production line. The drop in the selling price of feeds on the local market has also dampened its profitability. However, the growing demand for feeds, both locally and regionally, heralds good future prospects for the company.

In Mozambique, our results were affected by a prolonged period of inactivity, during which we have upgraded our farms and processing plant with a view to doubling our production. Moreover, we had to reduce our prices to remain competitive, with huge volumes of cheap imported chicken finding their way into the Mozambican market. Nevertheless, we remain confident that the combined efforts of our partner, Irvine's, and ourselves, namely to lower our production costs and take advantage of the important market base in the Maputo region, will yield more encouraging results in the near future.

As far as the company is concerned, the lower profit before tax is partly attributable to a further provision of Rs9.2 million for retirement benefits of employees as provided by IAS 19. Our results have also been impacted by higher costs of advertising and promotional activities incurred to sustain growth, as well as increased competition across the poultry industry. On a positive side, we have observed a promising growth of the sales of our Dairyvale probiotic range of yoghurt products following the introduction of new redesigned pots and additional flavours.

Going forward, our strategy to diversify into the non-foods sector has started to take shape with the distribution of Mopirove products. We will continue to expand our portfolio in that sector as an additional growth engine, and we can reasonably expect to reap the benefits of this new line of distribution as from the second quarter. In the same vein, we see good potential in the exports of our locally manufactured dairy products, through the distribution network of our partner Uhrenholt in Africa and Asia.

By order of the Board  
Box Office Ltd  
Corporate Secretary  
29th Sep 2014