

INNODIS LTD

CONDENSED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CONSOLIDATED Year Ended 30 Jun 17 Audited Rs'000	CONSOLIDATED Year Ended 30 Jun 16 Audited Rs'000	SEPARATE Year Ended 30 Jun 17 Audited Rs'000	SEPARATE Year Ended 30 Jun 16 Audited Rs'000
Revenue	4,179,749	4,286,989	2,379,382	2,632,082
Profit from operating activities	200,054	223,622	104,993	195,640
Net finance costs	(73,070)	(56,266)	(36,189)	(39,382)
Share of profit of equity accounted investees	1,126	133	-	-
Profit before impairment	128,110	167,489	68,804	156,258
Impairment of investment in subsidiary	-	-	(135,156)	-
Profit/(loss) before income tax	128,110	167,489	(66,352)	156,258
Income tax (expense)/credit	(14,035)	(41,099)	29,365	(23,714)
Profit/(loss) for the year	114,075	126,390	(36,987)	132,544
Other comprehensive income				
Items that will never be classified to profit or loss				
Deferred tax movement	(7,752)	(7,871)	(524)	(7,337)
Revaluation of property, plant and equipment	33,737	17,762	11,838	15,258
Actuarial gain on retirement benefit obligations	4,248	-	-	-
	30,233	9,891	11,314	7,921
Items that are or may be reclassified to profit or loss				
Foreign currency translation difference - foreign operations	(11,110)	(26,199)	-	-
Other comprehensive income/(loss) for the year	19,123	(16,308)	11,314	7,921
Total comprehensive income/(loss) for the year	133,198	110,082	(25,673)	140,465
Profit attributable to:				
Owners of the company	7,020	112,591	-	-
Non-controlling interest	107,055	13,799	-	-
Profit for the year	114,075	126,390		
Total comprehensive income attributable to:				
Owners of the company	34,265	75,527	-	-
Non-controlling interest	98,933	34,555	-	-
Total comprehensive income for the year	133,198	110,082		
Earnings per share (Rs)	0.19	3.07		

CONDENSED STATEMENTS OF CASH FLOWS

	CONSOLIDATED Year Ended 30 Jun 17 Audited Rs'000	CONSOLIDATED Year Ended 30 Jun 16 Audited Rs'000	SEPARATE Year Ended 30 Jun 17 Audited Rs'000	SEPARATE Year Ended 30 Jun 16 Audited Rs'000
Net cash from operating activities	288,257	174,906	88,862	227,457
Net cash used in investing activities	(6,551)	(122,764)	(14,119)	(130,045)
Net cash used in financing activities	(142,660)	(91,777)	(74,672)	(14,374)
Net increase/(decrease) in cash and cash equivalents	139,046	(39,635)	71	83,038
Effects of exchange rate movements on cash and cash equivalents	3,916	1,779	-	-
Cash and cash equivalents at beginning of year	(423,374)	(385,518)	(302,862)	(385,900)
Cash and cash equivalents at end of year	(280,412)	(423,374)	(302,791)	(302,862)

CONDENSED STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED Year Ended 30 Jun 17 Audited Rs'000	CONSOLIDATED Year Ended 30 Jun 16 Audited Rs'000	SEPARATE Year Ended 30 Jun 17 Audited Rs'000	SEPARATE Year Ended 30 Jun 16 Audited Rs'000
ASSETS				
Property, plant and equipment	1,651,334	1,656,826	358,248	324,414
Bearer biological assets	5,673	6,030	-	-
Intangible assets and goodwill	5,809	5,809	-	-
Available-for-sale investments	209	209	209	209
Non-current receivables	12,371	12,943	12,371	12,943
Investments in subsidiaries	-	-	592,523	649,334
Investment in property	-	-	504,364	488,119
Equity-accounted investees	1,126	-	-	-
Current assets	1,765,786	2,082,945	1,363,364	1,488,622
Total assets	3,442,308	3,764,762	2,831,079	2,963,641
EQUITY AND LIABILITIES				
Shareholders' equity				
Owners' interest	1,670,404	1,708,835	1,509,407	1,603,031
Non-controlling interest	118,060	143,663	-	-
Total shareholders' equity	1,788,464	1,852,498	1,509,407	1,603,031
Non-current liabilities	211,099	347,905	84,732	233,319
Current liabilities	1,442,745	1,564,359	1,236,940	1,127,291
Total equity and liabilities	3,442,308	3,764,762	2,831,079	2,963,641

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share capital Rs'000	Share premium Rs'000	Revaluation reserve Rs'000	Foreign exchange translation reserve Rs'000	Retained earnings Rs'000	Total Rs'000	Non Controlling Interest Rs'000	Total Shareholders' Equity Rs'000
CONSOLIDATED								
At 30 Jun 2015	367,303	5,308	387,802	(11,137)	951,976	1,701,252	198,875	1,900,127
Profit for the year	-	-	-	-	112,591	112,591	13,799	126,390
Other comprehensive loss for the year	-	-	(38,057)	(13,749)	14,742	(37,064)	20,756	(16,308)
Revaluation reserve released	-	-	(6,782)	-	6,782	-	-	-
Dividend	-	-	-	-	(67,944)	(67,944)	(27,282)	(95,226)
Loan	-	-	-	-	-	-	(62,485)	(62,485)
At 30 Jun 2016	367,303	5,308	342,963	(24,886)	1,018,147	1,708,835	143,663	1,852,498
Profit for the year	-	-	-	-	7,020	7,020	107,055	114,075
Other comprehensive income for the year	-	-	12,946	3,990	10,309	27,245	(8,122)	19,123
Dividend	-	-	-	-	(67,951)	(67,951)	(79,096)	(147,047)
Winding up of subsidiaries	-	-	-	-	(3,741)	(3,741)	-	(3,741)
Acquisition of non-controlling interests	-	-	-	-	(1,004)	(1,004)	(45,440)	(46,444)
At 30 Jun 2017	367,303	5,308	355,909	(20,896)	962,780	1,670,404	118,060	1,788,464
SEPARATE								
At 30 Jun 2015	367,303	5,308	332,197	-	825,709	1,530,517	-	1,530,517
Profit for the year	-	-	-	-	132,544	132,544	-	132,544
Other comprehensive income for the year	-	-	(4,743)	-	12,664	7,921	-	7,921
Revaluation reserve released	-	-	(5,475)	-	5,475	-	-	-
Dividend	-	-	-	-	(67,951)	(67,951)	-	(67,951)
At 30 Jun 2016	367,303	5,308	321,979	-	908,441	1,603,031	-	1,603,031
Loss for the year	-	-	-	-	(36,987)	(36,987)	-	(36,987)
Other comprehensive income for the year	-	-	(3,987)	-	15,301	11,314	-	11,314
Dividend	-	-	-	-	(67,951)	(67,951)	-	(67,951)
At 30 Jun 2017	367,303	5,308	317,992	-	818,804	1,509,407	-	1,509,407

COMMENTS

The year ended 30 June 2017 has been particularly difficult as reflected by our financial results. Group turnover remained comparable to last year at Rs4.2 billion. However, Group profit from operating activities fell to Rs200.1m (2016: Rs223.6m).

As previously disclosed in our quarterly results, several factors have contributed to this downturn. First of all, the reintroduction of customs duty on imported margarine from South Africa impacted on profitability during the first semester. Moreover, even though the salmonella scare in September 2016 was only linked to small poultry farmers, it regrettably caused a significant reduction in the local consumption of chicken during the ensuing months, and further triggered a ban in regional exports of feeds and chicks. This has quite heavily affected both our local and foreign revenue streams from our poultry related activities. However, consumer confidence in the consumption of chicken in Mauritius has been restored in the first quarter of 2017 and the export trade restrictions on feeds and other chicken related products to Madagascar have been lifted in September 2017.

We are encouraged by the fact that there has been an improvement in the operational results of most of our subsidiaries. Profitability has been restored at Supercash Ltd. Our poultry operations in Mozambique have maintained a positive turnaround trend, with both production and sales increasing compared to last year. Nevertheless, the economic environment prevailing in Mozambique is still challenging and the Mozambican currency has remained weak during the year. Accordingly, the Board of Innodis Ltd has resolved to adopt a prudent approach and has proceeded with an impairment of Rs133 million at the company level, representing 40% of the loan advanced to our subsidiary, Moçambique Farms Limitada.

Going forward, strong focus will be placed on streamlining our activities to improve our bottom line. We are also looking at beefing up our proximity and convenience retail network through new growth initiatives. These projects will be led in parallel with our ongoing efforts to expand and diversify our product offerings. In that latter area, new product launches are expected in the near future in our further processed chicken range, our DairyVale Greek style yoghurt and dessert categories.

By order of the Board

Box Office Ltd
Corporate Secretary
27th Sep 2017

The condensed audited financial statements have been extracted from the audited financial statements for the year ended 30 June 2017, which have been prepared in accordance with International Financial Reporting Standards and have been audited by Messrs KPMG.

Copies of this report are available free of charge at the registered office of the Company. The statement of direct and indirect interests of insiders pursuant to rule 8 (2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available free of charge, at the registered office of Innodis Ltd.

This report is pursuant to Listing Rule 12.14 and Securities Act 2005. The Board of Directors of Innodis Ltd accepts full responsibility for the accuracy of the information contained in this communiqué.