

FULL YEAR RESULTS

The directors are pleased to announce the audited financial results for the year ended 30 June 2024.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June

	2024	2023
	Shs'000	Shs'000
Revenue	23,703,863	24,051,024
Operating loss	(275,601)	(440,582)
Share of profit/(loss) in associate	16,781	(6,285)
Finance income	13,281	31,377
Finance costs	(559,412)	(784,368)
Loss before tax	(804,951)	(1,199,858)
Income tax credit	135,375	240,477
Loss from operations	(669,576)	(959,381)
Loss for the year	(669,576)	(959,381)
Attributable to:		
Owners of the parent	(449,552)	(636,517)
Non-controlling interest	(220,024)	(322,864)
	(669,576)	(959,381)
Basic and diluted loss per share (Shs)	(5.94)	(8.41)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at

	30 June 2024	30 June 2023
	Shs'000	Shs'000
ASSETS		
Non-Current Assets	5,096,468	4,882,560
Current Assets	6,195,812	6,623,441
Total Assets	11,292,280	11,506,001
EQUITY AND LIABILITIES		
Share Capital	378,535	378,535
Share Premium	73,148	73,148
Reserves	2,896,276	3,348,927
Minority Interests	1,753,087	1,947,779
Non-Current Liabilities	371,745	54,841
Current Liabilities	5,819,489	5,675,771
Total Equity and Liabilities	11,292,280	11,506,001

CONSOLIDATED STATEMENT OF CASH FLOWS

As at

	30 June 2024	30 June 2023
	Shs'000	Shs'000
Cash absorbed in operations	(724,953)	(9,867)
Tax paid	(17,792)	(22,823)
Interest paid	(492,341)	(344,598)
Net cash absorbed by operating activities	(1,235,086)	(377,288)
Net cash used in investing activities	(244,914)	(346,368)
Net cash used in financing activities	1,232,499	551,235
Net decrease in cash and cash equivalents	(247,501)	(172,421)
At the beginning of the period	493,684	734,719
Effects of exchange rate changes	4,767	(68,614)
At the end of period	250,950	493,684

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital Shs'000	Share premium Shs'000	Other Reserves Shs'000	Revenue reserve Shs'000	Equity attributable to equity holders Shs'000	Non-Controlling Interest Shs'000	Total Sh'000
At 1 July 2023	378,535	73,148	(11,415)	3,360,342	3,800,610	1,974,779	5,775,389
Loss for the year	-	-	-	(449,552)	(449,552)	(220,024)	(669,576)
Other comprehensive loss for the year	-	-	(3,099)	-	(3,099)	(1,668)	(4,767)
Transfer of retirement benefits reserves to retained earnings	-	-	10,652	(10,652)	-	-	-
Total comprehensive income/ [loss] for the year	-	-	7,553	(460,204)	(452,651)	(221,962)	(674,343)
At 30 June 2024	378,535	73,148	(3,862)	2,900,138	3,347,959	1,753,087	5,101,046

COMMENTARY

Volumes increased by 5%, driven by product quality consistency and enhanced customer experience in the provision of our products. We strengthened our relationships with farmers and industry partners, which has elevated consumer trust and increased farmer productivity. Our commitment to exceptional food and feed products continues to yield positive results.

We made a strategic decision to lower selling prices in response to reduced raw material costs, thus allowing us to pass the savings to our consumers.

While the economic landscape remains complex, with challenges such as evolving domestic monetary policies and exchange rate fluctuations, the overall business environment showed slow improvement. In response to the high interest rates that persisted throughout the year, we focused on cost management and margin improvement.

Despite facing difficulties with the quality of maize grain due to heavy rains impacting the harvest season at the end of the first half of the financial year, we achieved a 37% decrease in operating loss compared to the previous year. This was made possible by our increased commercial activities, operational efficiencies, and a stronger Kenyan Shilling in the latter half of the financial year.

In line with our sustainability agenda, installations of solar power continued in our facilities, contributing to reduced energy costs.

Outlook

Geopolitical tensions are expected to continue disrupting global supply chains, making raw material procurement unpredictable. We anticipate a challenging business environment in 2024/25.

A stable supply of raw materials and a stable Kenyan Shilling will be crucial in the coming financial year. We will remain vigilant and adaptable to global economic volatility, including interest rates, credit, and currency risks.

Our focus will remain on improved customer experience, building our brands and delivering high-quality products that meet the highest safety standards for our consumers.

The Directors do not recommend payment of dividends.

By order of the Board

W Jumba
Company Secretary
26 September 2024

Your trusted partner in wholesome nutrition,
every step of the way.

