

Annual report and consolidated financial statements For the year ended 31 December 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS			Shareholders' funds/(deficit)	
	2019	2018		
	Shs '000	Shs '000	29,721	(136,860)
Revenue	20,218	26,380		
Direct costs	(20,069)	(32,489)		
Gross profit/(loss)	149	(6,109)		
Other operating income	15,048	6,748		
Impairment provisions	(465)	(13,990)		
Administrative expenses	(15,574)	(28,800)		
Other operating expenses	(11,516)	(23,076)		
Operating (loss)	(12,378)	(65,228)		
Finance costs	(10,785)	(10,566)		
(Loss) before tax	(23,163)	(75,794)		
Tax credit	1,385	6,103		
(Loss) for the year	(21,778)	(69,691)		
Basic and diluted (loss) per share	(0.53)	(1.97)		
			Non-current liabilities	
			259,040	262,049
			13,775	-
			118,486	73,788
			391,301	335,837
			421,022	198,977
			REPRESENTED BY	
			Non-current assets	
			375,180	245,425
			20,646	-
			-	61
			395,826	245,486
			Current assets	
			28,752	28,752
			14,149	12,963
			1,709	2,440
			31,301	31,301
			75,911	75,456
			Current liabilities	
			13,861	63,476
			3,007	-
			33,197	46,826
			650	11,663
			50,715	121,964
			Net current assets/(liabilities)	
			25,196	(46,509)
			421,022	198,977

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY					
	As at 31 December				
	2019	2018			
	Shs '000	Shs '000			
CAPITAL EMPLOYED					
Share capital	238,557	177,019			
Share premium	28,963	10,502			
Revaluation reserve	202,181	102,921			
Accumulated losses	(439,980)	(427,301)			
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY					
	Share capital	Share premium	Revaluation reserve	Accumulated losses	Total
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
At start of year	177,019	10,502	102,921	(427,301)	(136,860)
Issue of ordinary share capital	61,538	18,462	-	-	80,000
Transition adjustments:					
- effect of change in accounting policy	-	-	-	(768)	(768)
(Loss) for the year	-	-	-	(21,779)	(21,779)
Surplus on revaluation of property, plant and equipment	-	-	155,896	-	155,896
Deferred tax on revaluation surplus	-	-	(46,769)	-	(46,769)
Transfer of excess depreciation	-	-	(14,096)	14,096	-
Deferred tax on excess depreciation transfer	-	-	4,229	(4,229)	-
At end of year	238,557	28,963	202,181	(439,980)	29,721

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019					
	2019	2018			
	Shs '000	Shs '000			
At start of year					
Net cash (used in) operating activities	(48,107)	(47,649)			
Net cash from investing activities	(33,704)	(81,199)			
Net cash from financing activities	7,753	2,447			
Effect of exchange rate changes	70,704	78,171			
At end of year	19	83			
	(3,352)	(48,107)			

The above are extracts from the audited financial statements of the group for the year ended 31 December 2019 which were audited by PKF Kenya LLP and received an unqualified opinion. The financial statements were approved by the board of directors for issue on the 29 July 2020.

For the year to 31 December 2019, the directors do not recommend the declaration of a dividend.

By order of the board


Chief Executive Officer

Performance
The company's performance for the year ended 31st December 2019 has improved compared to 2018. The loss for the year decreased significantly to KShs. 21.7 million as compared to KShs. 69.6 million in 2018. This is due to the continued cost rationalization implemented by the directors. In addition, the company has impaired non-performing assets and bad debts during the year 2018 leading to better bottom line in 2019 which had no significant impairment adjustments.

Future Outlook
The company suspended some of the planned activities in 2020 especially the real estate project due to Covid 19 pandemic which affected performance of the company in second quarter of the year. Generally, the Global logistics business had the highest negative impact leading to underutilization of the existing warehouse facilities. Due to the ongoing gradual opening of international trade and airspace, the company is positive that its performance may improve if the local conditions stabilizes soon.