

Country Delight Dairy Limited
Annual Financial Statements
For the year ended 31 March, 2025

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

General Information

Country of incorporation and domicile	Kenya
Date of incorporation	22 November, 2022
Directors	Venkat Krishna Reddy Busireddy Sunil Reddy Dodla
Registered office	Avocado Towers 75 Muthithi Road, Westlands P.O. Box 45669-00100 Nairobi
Principal bankers	Equity Bank Kenya Limited Mombasa Road Branch P.O. Box 75104-00200 Nairobi Diamond Trust Bank of Kenya Limited Nyahururu Branch P. O. Box 61711-00200 Nyahururu
Independent auditor	Grant Thornton LLP Certified Public Accountants (K) 5th Floor, Avocado Towers Muthithi Road, Westlands P.O. Box 46986-00100 Nairobi
Company secretary	Mutual Registrars Associates Certified Public Secretaries (K) P.O. Box 45669-00100 Nairobi
Company registration number	PVT-DLULG7LZ
Tax reference number	P052169844K
Holding company	Dodla Dairy Limited

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Contents

	Page
Directors' Report	3 - 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 - 7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Significant Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 19

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Directors' Report

The directors submit their report together with the audited annual financial statements for the year ended 31 March, 2025.

1. Principal activities

The principal activities of the company are production, processing of milk, milk products and distribution of dairy products. The company operates principally in Kenya

2. Business review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015. The accounting policies have been applied consistently compared to the prior year

The company recorded a loss after tax for the year ended 31 March, 2025 of Ksh (31,318,485). This represented an increase of 61.04% from the loss after tax of the prior year of Ksh (19,447,464).

Company revenue increased by 1,937.86% from Ksh 69,213,577 in the prior year to Ksh 1,410,474,880 for the year ended 31 March, 2025.

Company cash flows from operating activities increased by 160.13% from Ksh (122,089,279) in the prior year to Ksh 73,416,440 for the year ended 31 March, 2025.

The movement for the above financial results for the year ended 31 March, 2025 have been attributed due to the following:

Principal risks and uncertainties facing the company

The business environment has been favorable. The company's focus is to enhance revenue growth, cost reduction, and improvement of profit margins.

The principal risks that face the company foreign currency risks, availability of resources, credit risks, and legal, regulatory, and compliance risk.

The management monitors risks and will take necessary steps to mitigate any risks.

Key performance indicators

The key performance indicators for the company are turnover, gross profit margin, net profit margin, current ratio, and return on equity.

There was a significant increase in revenue from Ksh 69,213,577 to Ksh 1,410,474,880 in the current year. This was attributed to increased level of operations having the in active production for full 12 months as compared to the 3 monhs of production in the prior year. Cost of sales also increased in line with the level of production.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The board do not recommend the declaration of dividend for the period ended 31 March, 2025 (2024: Nil).

5. Directors

Venkat Krishna Reddy Busireddy
Sunil Reddy Dodla

There have been no changes to the directorate for the year under review.

6. Holding company

The company's holding company is Dodla Dairy Limited which holds 100% (2024 100%) of the company's equity. Dodla Dairy Limited is incorporated in India.

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Directors' Report

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Statement of disclosure to the company's auditor

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

9. Terms of appointment of the independent auditor

Grant Thornton LLP continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the independent auditor's appointment and the related fees.

10. Approval of annual financial statements

The annual financial statements set out on pages 8 to 19, which have been prepared on the going concern basis, were approved by the board on 12TH May 2025, and were signed on its behalf by:

Venkat Krishna Reddy Busireddy
(Director)

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Statement of Directors' Responsibilities

The Kenyan Companies Act, 2015 requires the directors to prepare annual financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these annual financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of annual financial statements that are free of material misstatement, whether due to fraud or error;
- selecting suitable accounting policies and applying them consistently; and
- making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the annual financial statements does not relieve them of their responsibilities.

The annual financial statements set out on pages 8 to 19, which have been prepared on the going concern basis, were approved by the board on 12TH May 2025 and were signed on its behalf by:

Venkat Krishna Reddy Busireddy
(Director)

Sunil Reddy Dodla
(Director)

Independent Auditor's Report

To the Shareholder of Country Delight Dairy Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the accompanying annual financial statements of Country Delight Dairy Limited (the company) set out on pages 8 to 19, which comprise the statement of financial position as at 31 March, 2025, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Country Delight Dairy Limited as at 31 March, 2025, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Auditor's Responsibilities for the Audit of the Annual Financial Statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report as required by the Kenyan Companies Act, 2015, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Directors are responsible for overseeing the company's financial reporting process.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Matters as prescribed by the Kenyan Companies Act, 2015.

As required by the Kenyan Companies Act, 2015, we report to you based on our audit, that in our opinion the information given in the report of the directors on page 3 - 4 is consistent with the annual financial statements

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Alfred Siele, Practicing Certificate No. 1690.

 **Grant Thornton LLP**
Certified Public Accountants

For and on behalf of Grant Thornton LLP
Certified Public Accountants (Kenya)
Nairobi

12TH JAN 2025

C/1507/0325/AUD

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Statement of Profit or Loss and Other Comprehensive Income

Figures in Shillings	Note(s)	2025	2024
Revenue	2	1,410,474,880	69,213,577
Cost of sales	3	(1,110,595,203)	(53,160,883)
Gross profit		299,879,677	16,052,694
Other income	4	10,853,728	39,608,958
Administrative and operating expenses	5	(292,406,051)	(66,056,371)
Operating profit (loss)		18,327,354	(10,394,719)
Finance costs	6	(49,645,839)	(9,052,745)
Loss before taxation		(31,318,485)	(19,447,464)
Taxation	8	-	-
Loss for the year		(31,318,485)	(19,447,464)
Other comprehensive income		-	-
Total comprehensive loss for the year		(31,318,485)	(19,447,464)

The accounting policies on pages 12 to 14 and the notes on pages 15 to 19 form an integral part of the annual financial statements.

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Statement of Financial Position as at 31 March, 2025

Figures in Shillings	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	9	524,303,744	329,416,791
Current Assets			
Inventories	10	154,606,575	59,869,547
Trade and other receivables	11	70,683,705	104,137,535
Cash and cash equivalents	12	65,395,858	14,525,589
		290,686,138	178,532,671
Total Assets		814,989,882	507,949,462
Equity and Liabilities			
Equity			
Share capital	13	1,000,000	1,000,000
Accumulated losses		(54,498,464)	(23,179,979)
		(53,498,464)	(22,179,979)
Liabilities			
Non-Current Liabilities			
Loans from related parties	15	601,131,830	471,804,301
Current Liabilities			
Trade and other payables	16	192,215,037	58,325,140
Loans from related parties	15	75,141,479	-
		267,356,516	58,325,140
Total Liabilities		868,488,346	530,129,441
Total Equity and Liabilities		814,989,882	507,949,462

The annual financial statements and the notes on pages 8 to 19, were approved by the board on 12TH May 2025 and were signed on its behalf by:

Venkat Krishna Reddy Busireddy
(Director)

Sunil Reddy Dodla
(Director)

The accounting policies on pages 12 to 14 and the notes on pages 15 to 19 form an integral part of the annual financial statements.

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Statement of Changes in Equity

Figures in Shillings	Share capital	Accumulated losses	Total equity
Balance at 1 April, 2023	1,000,000	(3,732,515)	(2,732,515)
Loss for the year	-	(19,447,464)	(19,447,464)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(19,447,464)	(19,447,464)
Balance at 31 March 2024	1,000,000	(23,179,979)	(22,179,979)
Loss for the year	-	(31,318,485)	(31,318,485)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(31,318,485)	(31,318,485)
Balance at 31 March, 2025	1,000,000	(54,498,464)	(53,498,464)
Note(s)	13		

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Statement of Cash Flows

Figures in Shillings	Note(s)	2025	2024
Cash flows generated from (used in) operating activities			
Cash from operations	17	123,062,279	(113,036,534)
Finance costs	6	(49,645,839)	(9,052,745)
Net cash generated from (used in) operating activities		73,416,440	(122,089,279)
Cash flows used in investing activities			
Purchase of property, plant and equipment	9	(227,015,179)	(244,430,658)
Net cash used in investing activities		(227,015,179)	(244,430,658)
Cash flows from financing activities			
Proceeds from fellow subsidiary loan	15	204,469,008	365,938,381
Net cash from financing activities		204,469,008	365,938,381
Net movement in cash and cash equivalents during the year		50,870,269	(581,556)
Cash and cash equivalents at the beginning of the year	12	14,525,589	15,107,145
Cash and cash equivalents at end of the year	12	65,395,858	14,525,589

The accounting policies on pages 12 to 14 and the notes on pages 15 to 19 form an integral part of the annual financial statements.

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Significant Accounting Policies

1. Basis of preparation and summary of significant accounting policies

(a) Statement of compliance

The annual financial statements have been prepared on a going concern basis in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board, and the Kenyan Companies Act, 2015. For Kenyan Companies Act, 2015 reporting purposes in these financial statements, the balance sheet is represented by the statement of financial position and the profit and loss account is represented by the statement of profit or loss and other comprehensive income.

(b) Functional currency

The annual 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 (KES) and rounded off to the nearest Shilling.

(c) Basis of measurement

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out.

(d) Going concern

The company has received a financial letter of support from its parent company stating that it undertakes to provide such funding as is necessary to enable the company settle its liabilities as and when they fall due in the foreseeable future. The directors there believe it is appropriate for the financial statements to be prepared on a going concern basis.

The financial statements have therefore been prepared on the basis that the company will remain a going concern on confirmation by the shareholders that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities that will occur in the ordinary course of business.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Key sources of estimation uncertainty

1.2 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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 company.

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

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Significant Accounting Policies

1.2 Property, plant and equipment (continued)

Item	Depreciation method	Years
Freehold		Nil
Buildings	Straight line	30.0%
Plant and machinery	Straight line	15.0%
Furniture and fittings	Straight line	08.0%
Motor vehicles	Straight line	08.0%
RCC roads	Straight line	10.0%
Electronic data proc	Straight line	03.0%
Office equipment	Straight line	08.0%
Laboratory equipments	Straight line	03.0%
Capital work in progress		Nil

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.4 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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Significant Accounting Policies

1.5 Impairment of assets (continued)

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Share capital

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

The company and its employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the statement of profit or loss and other comprehensive income in the year they fall due.

1.8 Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.9 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Kenyan Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Notes to the Annual Financial Statements

Figures in Shillings	2025	2024
2. Revenue		
Sale of goods	1,410,474,880	69,213,577
3. Cost of sales		
Sale of goods		
Cost of goods sold	1,110,595,203	53,160,883
4. Other income		
Forex exchange gain (see below)	10,339,597	39,008,108
Sale of Scrap & other income	514,131	600,850
	10,853,728	39,608,958
Forex exchange gain		
Realised exchange differences	(26,430,975)	17,015,248
Unrealised exchange difference	36,770,572	21,992,860
	10,339,597	39,008,108
5. Administrative and operating expenses		
Staff costs (Note 7)	67,716,884	19,633,522
Auditors remuneration	1,671,528	800,000
Bank charges	1,660,846	468,267
Handling charges	16,698,654	3,440,232
Professional fees	9,615,285	2,888,160
Insurance	2,045,930	571,931
Vehicle running expenses	7,548,312	1,193,527
Operating lease rentals	3,009,247	50,000
Printing and stationery	48,836	289,839
Repairs and maintenance	4,067,137	749,331
Subscriptions	-	404,800
Security fees	2,483,000	435,595
Traveling and accommodation	81,376,834	10,807,272
Telephone and internet	1,533,973	573,529
Landscaping expenses	6,608,420	1,075,958
Guest house expenses	1,133,494	957,684
Licences	3,392,054	624,744
Immigration expenses	7,237	-
Other direct expenses	25,243,348	8,729,449
General expenses	1,072,549	650,778
Depreciation (Note 9)	32,128,225	6,527,788
Electricity charges	21,684,614	3,054,355
Advertising	494,620	2,084,399
Software expenses	963,166	45,213
Vehicle hire	48,000	-
Promotions	153,858	-
	292,406,051	66,056,371
6. Finance costs		
Finance charges	49,645,839	9,052,745

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Notes to the Annual Financial Statements

Figures in Shillings	2025	2024
7. Staff costs		
Salaries and wages	56,933,249	12,660,226
Medical expenses	694,198	3,912,083
Staff training	1,709,749	662,187
Leave encashment	200,000	-
Staff welfare	141,660	507,168
Immigration	7,184,028	1,891,858
Housing levy company contribution	854,000	-
	67,716,884	19,633,522

8. Taxation

Reconciliation of the tax expense

Reconciliation between accounting loss and tax expense.

Accounting loss	(31,318,485)	(19,447,464)
Tax at the applicable tax rate of 30%	(9,395,546)	(5,834,239)
Tax effect of adjustments on taxable income		
Expenses not deductible for tax purposes	9,395,546	156,844
Deferred tax effect	-	(430,118)
Unrecognised deferred tax	-	6,107,513
	-	-

9. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	10,534,488	-	10,534,488	10,534,488	-	10,534,488
Buildings	124,778,409	(5,092,573)	119,685,836	117,045,066	(844,546)	116,200,520
Plant and machinery	400,390,877	(26,693,337)	373,697,540	181,919,249	(5,097,563)	176,821,686
Furniture and fitting	2,146,004	(336,729)	1,809,275	2,071,004	(68,454)	2,002,550
Motor vehicles	3,868,911	(818,761)	3,050,150	3,715,142	(335,125)	3,380,017
Equipment	19,624,194	(5,923,616)	13,700,578	10,427,024	(391,101)	10,035,923
Capital work in progress	1,825,877	-	1,825,877	10,441,607	-	10,441,607
Total	563,168,760	(38,865,016)	524,303,744	336,153,580	(6,736,789)	329,416,791

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Transfers	Depreciation	Closing balance
Land	10,534,488	-	-	-	10,534,488
Buildings	116,200,520	7,733,343	-	(4,248,027)	119,685,836
Plant and machinery	176,821,686	209,855,898	8,615,730	(21,595,774)	373,697,540
Furniture and fitting	2,002,550	75,000	-	(268,275)	1,809,275
Motor vehicles	3,380,017	153,769	-	(483,636)	3,050,150
Office equipment	10,035,923	9,197,169	-	(5,532,514)	13,700,578
Capital work in progress	10,441,607	-	(8,615,730)	-	1,825,877
	329,416,791	227,015,179	-	(32,128,226)	524,303,744

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Notes to the Annual Financial Statements

Figures in Shillings	2025	2024
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9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Transfers	Depreciation	Closing balance
Land	10,534,488	-	-	-	10,534,488
Buildings	15,774,312	90,133,465	11,109,870	(817,127)	116,200,520
Plant and machinery	52,926,750	128,810,913	-	(4,915,977)	176,821,686
Furniture and fixtures	-	2,071,004	-	(68,454)	2,002,550
Motor vehicles	1,168,500	2,546,642	-	(335,125)	3,380,017
Office equipment	-	10,427,027	-	(391,104)	10,035,923
Capital work in progress	11,109,870	10,441,607	(11,109,870)	-	10,441,607
	91,513,920	244,430,658	-	(6,527,788)	329,416,791

Capital work in progress relates to ongoing construction and assets that were acquired close to the period end but have not been put into use.

10. Inventories

Finished goods	29,100,777	8,882,833
Packaging materials	84,152,616	29,760,098
Inventories	32,932,233	21,226,616
Goods in transit	8,420,949	-
	154,606,575	59,869,547

11. Trade and other receivables

Trade receivables	8,104,204	1,910,504
Advance payments	25,541,128	60,128,721
Prepayments	5,194,125	1,512,512
Deposits	2,196,016	403,498
VAT recoverable	28,040,238	36,745,340
Other receivable	1,607,994	3,436,960
	70,683,705	104,137,535

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	62,989,938	14,525,589
Mobile money	2,405,920	-
	65,395,858	14,525,589

13. Share capital

Authorised

1,000 Ordinary shares of KES 1,000 each	1,000,000	1,000,000
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Issued

1,000 Ordinary shares of KES 1,000 each	1,000,000	1,000,000
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All issued shares are fully paid.

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Notes to the Annual Financial Statements

Figures in Shillings	2025	2024	
14. Deferred tax			
Unrecognised deferred tax			
Deferred income tax is calculated using the enacted income tax rate of 30%. The movement on the deferred income tax account is as follows:			
Movement in the year	(19,410,725)	(6,107,513)	
Not recognised as a deferred tax	(19,410,725)	(6,107,513)	
	At the start of the year	Credit (charge) to profit or loss	At the end of the year
Accelerated capital allowances	26,603,512	35,222,497	61,826,009
Exchange differences	6,597,860	4,433,313	11,031,173
Tax losses	(39,308,885)	(52,959,022)	(92,267,907)
	(6,107,513)	(13,303,212)	(19,410,725)
Deferred tax assets are recognised only to the extent that it is possible that future taxable profits will be available against which temporary differences can be utilised. The deferred income tax asset has not been recognised as the company is yet to record taxable profit therefore, the availability of future taxable profits to utilise the net asset is in doubt. The net deferred income not recognised is attributable to the above.			
15. Loans from related party			
Dodla Holding Pte Limited (Note 18)	618,312,240	471,804,301	
Accrued interest	57,961,069	-	
	676,273,309	471,804,301	
The above loan is unsecured and denominated in US dollars with a maximum aggregate principle amount of USD 5,000,000/= withdrawable on request. The purpose of the loan is to finance working capital. The company has since drawn down USD 4,782,600/=			
The loan attracts an interest at the rate of 8% per annum accrued on a quartely basis with the first year being interest free. The loan is repayable for a period of 10 years with equal quartely installments commencing 31 March 2024.			
Non-current liabilities	601,131,830	471,804,301	
Current liabilities	75,141,479	-	
	676,273,309	471,804,301	
16. Trade and other payables			
Trade payables	93,820,807	52,118,330	
Other payables	14,650,326	3,297,531	
Payroll liabilities	4,499,693	2,909,279	
Amounts due to related party (Note 18)	79,244,211	-	
	192,215,037	58,325,140	
17. Cash generated from (used in) operations			
Loss before taxation	(31,318,485)	(19,447,464)	
Adjustments for:			
Depreciation and amortisation	32,128,225	6,527,786	
Finance costs	49,645,839	9,052,745	
Changes in working capital:			
Inventories	(94,737,028)	(59,869,547)	
Trade and other receivables	33,453,830	(102,391,286)	
Trade and other payables	133,889,898	53,091,232	
	123,062,279	(113,036,534)	

Country Delight Dairy Limited

Annual Financial Statements for the year ended 31 March, 2025

Notes to the Annual Financial Statements

Figures in Shillings	2025	2024
18. Related party disclosures		
Relationships		
Holding company	Dodla Dairy Limited	
Related party balances and transactions with related parties		
Related party balances		
Amount due to related parties		
Dodla Dairy Limited	1,289,649	-
Lakeside Dairy Limited	77,954,562	-
	79,244,211	-
Loans from related party		
Dodla Holdings PTE Limited	618,312,240	471,804,301
Related party transactions		
Sale of goods		
Dodla Dairy Kenya Limited	854,861,037	43,811,258
Purchases		
Lakeside Dairy Limited (Milk)	126,021,860	6,572,709
Orgafeed Private Limited (Software)	163,038	121,564
Dodla Dairy Limited (Professional services)	2,359,107	-
19. Commitments		
There were no commitments for the year ended 31 March, 2025.		
20. Contingencies		
There were no contingencies for the year ended 31 March, 2025.		
21. Comparative figures		
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.		
22. Categories of financial instruments		
Financial assets at amortised cost		
Loans from related party	(676,273,309)	(471,804,301)
Other receivables	11,908,214	5,750,962
Cash and cash equivalents	65,395,858	14,525,589
	(598,969,237)	(451,527,750)
Financial liabilities at amortised cost		
Other payables	192,215,037	58,325,140