

EASINE P.C.  RIVAAN CENTRE, OFF WARYASI WAY, BRODESSIG GROOVE, MUQUUA GREEN P.O. BOX 30151-00100, NAIROBI														
					RIVAAN	CENTRE, OFF WA			JGUGA GREEN P.	.O. BOX 30151-00100, NAIROBI				
						ANNOUNCEN		FOR THE YEAR END		ER 2019 (Audited)				
CONSOLIDATED AND COMPANY STATEMENT	OE PROFIT O	R I OSS AND	COMPREHENS	SIVE INCOME		Gr 30.09.2019	oup 30.09.2018	Com 30.09.2019	pany 30.09.2018	CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION	Gre	uin	Comi	nany
SONOCEDATED AND COMPANY CTATEMENT	01 1 101 11 01	N LOGG AND	OOM! REFIERD	AVE INCOME		Kes '000	Kes '000	Kes '000	Kes '000	ASSETS	30.09.2019 Kes '000	30.09.2018 Kes '000	30.09.2019 Kes '000	30.09.2018 Kes '000
Revenue						2,794,830	3,512,220	988,016	1,076,088	NON-CURRENT ASSETS				
(Loss)/gain arising from changes in fair value of biol	logical assets le	ess cost to se				(5,843)	55,559	(64,596)	34,747	Property, plant and equipment Capital Work-in-progress	11,455,879 89.103	8,679,878 555,032	7,450,772 37,488	5,854,109 118,426
Results from operations						(392,109)	354,615	(12,858)	422,053	Intangible Assets Biological Assets	12,192	16,030 1,046,978	11,343 126,456	15,033 59,478
Finance income Finance cost						51,736 (20,926)		26,366 (17,366)	32,067 (5,143)	Prepaid leases - leasehold land	10,408	10,509	145,797	145,797
										Available-for-sale financial assets Deferred tax asset	8,865	525 6,997		
(Loss)/ profit before tax						(361,299)	448,806	(3,858)	448,977	CURRENT ASSETS	12,787,477	10,315,949	7,771,856	6,192,843
Tax credit /( charge)						23,562	( , ,	56,620	(31,352)	Inventories Biological Assets	800,789 112,101	411,712 283,033	197,073 90,512	79,558 223,123
(Loss)/profit for the year						(337,737)	293,523	52,762	417,625	Trade and Other receivables Amount due from related companies	450,610 1,000	730,321 1,000	89,737 777,772	253,451 802,082
Other Comprehensive Income Revaluation gain net of tax						2,181,675	-	1,529,028		Tax recoverable Cash and Bank balances	93,118 429,264	83,756 1,135,609	35,894 141,919	21,200 147,162
Remeasurement of post employment benefits net or Total comprehensive income	of tax					16,202 1,860,140	8,453 301,976	465 1,582,255	909	TOTAL ASSETS	1,886,882	2,645,431 12,961,380	1,332,907 9,104,763	1,526,576 7,719,419
(Loss)/profit attributable to:														
Non-controlling interest. Owners of the company						(20,308) (317,429)	(1,974) 295,497	52,762	417,625	EQUITY AND LIABILITIES				
						(337,737)	293,523	52,762	417,625	Capital and reserves Share Capital	228.055	228.055	228.055	228.055
(Loss) /profit arising from operating activities. (Loss)/gain arising from changes in fair value in biol	logical assets a	after tax.				(314,197)	256,606 38,891	97,979 (45,217)	393,302 24,323	Non - Distributable Reserves Distributable Reserves	10,087,551 2,264,204	7,959,268 2,841,337	7,165,958 1,124,739	5,681,682 1,288,060
,,						(317,429)		52,762	417,625	Non controlling Interest	12,579,810 305,245	11,028,660 295,123	8,518,752	7,197,797
(Loss)/earning per share (Kes ) on operating activiti (Loss)/ earning per share (Kes ) on biological assets	ies Is					(1.38)	1.13 0.17	0.43 (0.20)	1.72 0.11	Total equity	12,885,055	11,323,783	8,518,752	7,197,797
(Loss)/ earning per share (Kes )						(1.39)	1.30	0.23	1.83	Non- current liabilities				
Issued and fully paid shares of Kes 1 each						228,055	228,055	228,055	228,055		1,036,173 309,534	882,430 296,088	408,149 26,893	380,425 24,593
CONSOLIDATED STATEMENT OF CHANGES IN	EQUITY									Post employment benefits	1,345,707	1,178,518	435,042	405,018
	Share	Capital Reserves	Revaluation Reserves	Defined Benefit	Biological Assets Fair Value	Retained Earnings	Proposed Dividends	Non Controlling Interest		Current liabilities				
At 1 October 2017	Capital Kes '000	Kes '000	Kes '000	Reserves Kes '000	Kes '000	Kes '000	Kes '000	Kes '000	Total Kes '000	Post employment benefits	24,746	36,042	5,720	5,674
	228,055	98,530	7,627,565	26,128	159,711	2,698,759	171,042	306,087	11,315,877	Borrowings	114,488		114,488	
Profit for the year Fair value gain on biological assets	-	-	-	-	38,891	295,497 (38,891)	-	(1,974)	293,523	Trade and Other Payables Tax payable	296,808 7,555	411,595 11,442	30,761	110,930
Other comprehensive income	-	-	-	8,443				10	8,453	TOTAL EQUITY AND LIABILITIES	443,597 14,674,359	459,079 12,961,380	150,969 9,104,763	116,604 7,719,419
First Interim 2018 dividend Paid		-	-			(114,028)		-	(171,042) (114,028)					
Second Interim 2018 dividend payable At 30 September 2018	228,055	98,530	7,627,565	34,571	198,602	(114,028) 2,727,309	114,028 114,028	295,123	11,323,783	CONSOLIDATED AND COMPANY CASH FLOW STATEMENT	Gre		Comp	
At 1 October 2018 as originally presented	228,055	98,530	7,627,565	34,571	198,602	2,727,309	114,028	295,123	11,323,783		30.09.2019 Kes '000	30.09.2018 Kes '000	30.09.2019 Kes '000	30.09.2018 Kes '000
Change in accounting policy Restated as at 1 October 2018	228,055	98,530	7,627,565	34,571	198,602	(34,880) 2,692,429	114,028	(682) 294,441	(35,562) 11,288,221	OPERATING ACTIVITIES Cash Flow Generated from Operations	(340,824)	593,395	(64,840)	(360,853)
Loss for the year Fair value loss on biological assets	-	-	-	-	(3,232)	(317,429) 3,232	-	(20,308)	(337,737)	Gratuity paid Income taxes paid	(28,608)	(32,430) (236,621)	(2,728) (6,722)	(1,190) (8,353)
Other comprehensive income Dividend paid to minority interest		-	2,115,247	16,268		-		66,362 (35,250)	2,197,877 (35,250)	Net cash flows (used in) generated from operating activities	(399,655)	324,344	(74,290)	(370,396)
2nd Interim dividend for 2018 paid First Interim dividend for 2019 paid						(114,028)	(114,028)	:	(114,028) (114,028)	INVESTING ACTIVITIES Purchase of Property, plant and equipment	(138,007)	(53,323)	(8,905)	(10,273)
At 30 September 2019	228,055	98,530	9,742,812	50,839	195,370	2,264,204	-	305,245	12,885,055	Purchase of Intangible Assets Purchase of biological assets	(582)	(16,218) (1,206)	(264)	(15,716) (1,037)
COMPANY STATEMENT OF CHANGES IN EQUI	ΠY									Capital Work in progress Interest received	(54,201) 49,075	(368,910) 94,691	(15,702) 24,229	(46,618) 14,097
	Share	Capital	Revaluation	Defined Benefit	Biological Assets Fair	Retained	Proposed	Non Controlling		Dividend received from Subsidiary company Proceeds on sale of property, plant and equipment	7,908	143,841	199,750 823	301,000 140,623
	Capital Kes '000	Reserves Kes '000	Reserves Kes '000	Reserves Kes '000	Value Kes '000	Earnings Kes '000	Dividends Kes '000	Interest Kes '000	Total Kes '000	Net cash flow used in investing activities	(135,807)	(201,125)	199,931	382,076
At 1 October 2017	228,055	40,594	5,517,443	4,340	94,073	1,008,786	171,042	-	7,064,333	FINANCING ACTIVITIES Interest paid	(12,564)	(5,166)	(12,564)	(4,764)
Profit for the year Fair value loss on biological assets	:	:	-	:	24,323	417,625 (24,323)	:	:	417,625	Borrowing received Borrowing repaid	518,155 (408,419)	175,969 (276,821)	518,155 (408,419)	175,969 (276,821)
Other comprehensive income Final 2017 dividend paid			-	909		-	(171,042)		909	Dividend paid to minority holders	(35,250) (228,056)	(285.070)	(228.056)	(285.070)
Firt Interim 2018 dividend Paid Second Interim 2018 dividend payable		-	-			(114,028) (114,028)	114,028	-	(114,028)		(166,134)	(391,088)	(130,884)	(390,686)
At 30 September 2018	228,055	40,594	5,517,443	5,249	118,396	1,174,032	114,028	-	7,197,797	Net (Decrease) /Increase in Cash and cash equivalents	(701,596)	(267,869)	(5,243)	(379,006)
At 1 October 2018 as Originally presented Change in accounting policy	228,055	40,594	5,517,443	5,249	118,396	1,174,032 (33,244)	114,028		7,197,797 (33,244)	Cash and cash equivalents at the beginning of the year Impact of initial application of IFRS 9	1,135,609 (4,749)	1,406,876	147,162	524,718
Restated as at 1 October 2018	228,055	40,594	5,517,443	5,249	118,396	1,140,788	114,028	-	7,164,553	Net foreign exchange rate gains ((losses)  Cash and cash equivalents at the end of the year	429,264	(3,398)	141,919	1,450 147,162
Profit for the year Fair value loss on biological assets		- 1	-		(45.217)	52,762 45,217	:	:	52,762	ous and cust equivaents at the end of the year	425,204	1,100,000	141,010	147,102
Tall value loss on biological assets					(40,217)	40,211				The above extract is based on the consolidated and separ				
Other comprehensive income Final 2018 dividend paid	-	-	1,529,028	465	-	-	(114,028)		1,529,493 (114,028)	September 2019 as audited by KPMG Kenya upon which Matter relating to assumptions and judgments used by ma	inagement in dete	rmining fair value	es and changes i	n fair value
Interim dividend for 2019 paid At 30 September 2019	228,055	40,594	7,046,471	5,714	73,179	(114,028)	(114,020)		(114,028) 8,518,752	of biological assets.				
<u> </u>						1,124,735			0,310,732	NOTICE IS HEREBY GIVEN THAT THE SIXTY-EIGTH (6	8TH) ANNUAL G	ENERAL MEET	ING of the Comp	any will be
COMMENTS ON THE AUDITED RESU Our expectation for the year's performant	ince was se	verely affe	cted by the si	ignificant dip	inthe tea and					held at Kamundu Estate, Kiambu, on Friday, 6 March 2				
was further compounded by severe wea especially in tea. The prices were lower	ather condit or than the c	ions, high o	cost of produ uction throug	ction manifes shout the finar	ted in labour a ncial vear, lead	and input cos ding to the al	sts and lower bsorption of	p roduction v cash reserves	olumes s to	Ordinary business				
support the continuation of the business and are expected to improve performan	s. Despite th	nese challe								To table the proxies and note the presence of a quorun	n.			
Tea production during the year declined	d by 14% to	9,318 tonr								To read the Notice convening the meeting.				
estates produce went through a challen quarter, which affected quality and size										3. To consider and if approved, adopt the Company's aud	lited financial state	ements for the ye	ear ended 30 Sep	tember
produced in the previous year. Generall	ly, global co	ffee and te	a prices dipp	ed to their lo	west in over 1	0 years.				2019, together with the Chairman's, Directors' and Auditor				
The avocado business maintained a steady and profitable performance during the second year of full operation despite effects of a poor crop and										To confirm the first interim dividend of 50% paid on 16 close of business on 21 June 2019.	July 2019 to share	eholders on the r	egister of member	ers as at
harvest due to the failed rains in the year.										To approve payment of Directors' fees for the year end	ed 30 Sentember	2010		
During the year, we launched the maca- late 2018. The business however only s													-ti 704 (0) -f-th	
unit is poised to be a central part and ke					,	oiuiodiii	~ anat y011			<ol><li>Auditors: To note that Messrs KPMG Kenya continue in Companies Act, 2015 and to authorize the Directors to fix</li></ol>	the Auditors' rem	s by virtue of Sei uneration for the	ensuing financial	i year.
										7. To elect Directors:				
The Group recorded a decline in turnover of 20% to Kes 2.8 billion compared to Kes 3.5 billion last year, the cost of sales declined by 11% to Kes 2.4 billion against prior year of Kes 2.7 billion and consequently a reduction in gross profit to Kes 434.7 million compared to KS hs.852.1 million for the previous year.									(a) Dr Steve Omenge Mainda, who retires at this meeting in accordance with the provisions of Articles 94 and 95 of the					
F	tov on day:	oontII'	a intort (* :	oluding #= -*	ongoo :'	o of bisles:	ol occets) : *	Voc 2277 - "	lion (n====	Company's Articles of Association and Clause 2.5 of the C Securities to the Public 2015. Special notice is hereby give	code of Corporate	Governance Pra	actices for Issuers	s of
The Group posted an overall loss after tax and non-controlling interest (including the changes in value of biological assets) of Kes 337.7 million (prior year Kes 293.5 million profit). This comprises of a loss from operating activities of Kes 314.2 million compared to a profit of Kes 256.6 million in the previous year for the group. The net loss from changes in the value of biological assets was Kshs 3.2 million (prior year gain of Kshs 33.9 million).									notice has been received of the intention to propose the for Annual General meeting:	llowing Resolutio	n as an Ordinary	Resolution at the	a 2019	
previous year for the group. The net los	s from char	nges in the	value of biole	ogical assets	was Kshs 3.2	million (prior	r year gai n c	or Kshs 38.9 m	iiiion).	That Dr Steve Omenge Mainda who has attained the age	of 70 years, be a	nd is hereby re-e	elected a Director	of the

DIVIDEND

An interim dividend of 50% (Kes 0.50 per share: 2018 – 50%: Kes 0.50 per share) was declared and paid on 16 July 2019. The directors do not recommend the payment of a final dividend (2018 – 50%: Kes 0.50 per share).

By Order of the Board

Dr. James Boyd McFie, PhD, FCPA Chairman

Mr. Martin R. Ochieng', MBA, Bsc Group Managing Director

18th December, 2019

Certifications ISO 22000: 2005 Certified Rainforest Alliance Certification Flo Cert Certification C.A.F.E. Practices UTZ KAPEH Certification

Annual General meeting:

That DT Steve Omenge Mainda who has attained the age of 70 years, be and is hereby re-elected a Director of the Company until he comes up for retirement by rotation.'

- (b) Mr. Akif Butt, a Director retiring by rotation in accordance with Articles 94 and 95 of the Articles of Association of the Company and being eligible, offers himself for re-election.
- 8. In accordance with the provisions of Section 769 of the Companies Act, 2015, the following directors, being members of the Audit, Risk & Compliance Committee of the Board be elected to continue to serve as members of the said Committee:
- (i) Mrs. Betty Koech (ii) Mrs. Rosemary Munyiri (iii) Mr. Sameer Merali (iv) Dr. James McFie
- 9. To consider any other business for which due notice has been given.

BY ORDER OF THE BOARD

LAWRENCE KIBET, CPS (K) COMPANY SECRETARY Date: 18 December 2019