

### CONSOLIDATED AND COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP		COMPANY			GROUP		COMPANY	
	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000		30-Sep-23 Kshs '000	30-Sep-22 Kshs '000	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000
Revenue	5,718,437	7,345,305	1,722,611	2,792,609	<b>Other comprehensive income:</b>				
Cost of sales	(4,345,369)	(5,544,659)	(1,603,217)	(2,487,331)	Items that are or may be reclassified subsequently to profit or loss	(17,917)	(10,832)	-	-
<b>Gross profit</b>	<b>1,373,068</b>	<b>1,800,646</b>	<b>119,394</b>	<b>305,278</b>	Net change in FV of Debt investments at FVOCI	<b>(17,917)</b>	<b>(10,832)</b>	-	-
Fair value changes on biological assets	223,541	543,413	230,160	241,425					
Other income	115,427	144,684	241,586	609,887	Items that will not be reclassified subsequently to profit or loss				
<b>Total operating income</b>	<b>1,712,036</b>	<b>2,488,743</b>	<b>591,140</b>	<b>1,156,590</b>	Remeasurement of post employment benefit, net of tax	<b>1,397</b>	<b>(8,799)</b>	<b>2,377</b>	<b>1,026</b>
Administration and establishment expenses	(1,004,187)	(997,739)	(470,024)	(460,321)					
Selling and distribution expenses	(46,511)	(44,372)	-	-	<b>Total comprehensive income:</b>	<b>526,036</b>	<b>1,148,381</b>	<b>56,505</b>	<b>573,121</b>
<b>Results from operations</b>	<b>661,338</b>	<b>1,446,632</b>	<b>121,116</b>	<b>696,269</b>	<b>Profit attributable to:</b>				
Finance income	267,313	134,573	25,873	20,995	Owners of the company	549,628	1,166,383	-	-
Finance cost	(55,653)	(28,252)	(55,653)	(38,782)	Non-controlling interest	(7,072)	1,629	-	-
<b>Net Finance income / (costs)</b>	<b>211,660</b>	<b>106,321</b>	<b>(29,780)</b>	<b>(17,787)</b>	<b>Total Comprehensive income attributable to:</b>	<b>542,556</b>	<b>1,168,012</b>	-	-
					Owners of company	532,936	1,146,654	-	-
<b>Profit before tax</b>	<b>872,998</b>	<b>1,552,953</b>	<b>91,336</b>	<b>678,482</b>	Non-controlling interest	(6,900)	1,727	-	-
Income tax expense	(330,442)	(384,941)	(37,208)	(106,387)	<b>Total Comprehensive income</b>	<b>526,036</b>	<b>1,148,381</b>	-	-
<b>Profit for the Year</b>	<b>542,556</b>	<b>1,168,012</b>	<b>54,128</b>	<b>572,095</b>	Earning per share:				
					Basic and diluted (Kshs)	2.41	5.12	0.24	2.51
					Issued and fully paid shares of Kshs 1 each	<b>228,055</b>	<b>228,055</b>	<b>228,055</b>	<b>228,055</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs '000	Capital Reserve Kshs '000	Revaluation Reserve Kshs '000	Biological Assets Fair Value Reserve Kshs '000	Defined Benefit Reserve Kshs '000	Bond Fair Value Deficit Kshs '000	Retained Earnings Kshs '000	Proposed Dividends Kshs '000	Total Attributable to Owners Kshs '000	Non-Controlling Interest Kshs '000	Total Kshs '000
<b>2022:</b>											
Balance as at 1 October 2021	228,055	98,530	9,741,029	289,179	139,427	-	2,526,452	114,028	13,136,700	307,291	13,443,991
<b>Total comprehensive income for the year</b>											
Profit for the year	-	-	-	-	-	-	1,166,383	-	1,166,383	1,629	1,168,012
<b>Other comprehensive income</b>											
Fair value loss on investment in bonds	-	-	-	-	-	(10,832)	-	-	(10,832)	-	(10,832)
Reclassification of fair value gain on biological assets net of tax, from retained earnings to separate equity reserve	-	-	-	72,026	-	-	(72,026)	-	-	-	-
Revaluation reversal on disposal of buildings	-	-	(28,444)	-	-	-	28,444	-	-	-	-
Remeasurement of post employment benefit net of tax	-	-	-	-	(8,897)	-	-	-	(8,897)	98	(8,799)
<b>Total comprehensive income for the year</b>			<b>(28,444)</b>	<b>72,026</b>	<b>(8,897)</b>	<b>(10,832)</b>	<b>1,122,801</b>		<b>1,146,654</b>	<b>1,727</b>	<b>1,148,381</b>
<b>Transactions with owners of the company recorded directly in equity</b>											
Dividend declared and paid to Non-controlling interest	-	-	-	-	-	-	-	-	-	(9,000)	(9,000)
Final 2021 dividend paid	-	-	-	-	-	-	(114,028)	(114,028)	-	-	(114,028)
Interim 2022 dividend declared and paid	-	-	-	-	-	-	(228,056)	(228,056)	-	-	(228,056)
<b>Total distribution to owners of the company</b>							<b>(228,056)</b>	<b>(114,028)</b>	<b>(342,084)</b>	<b>(9,000)</b>	<b>(351,084)</b>
At 30 September 2022	228,055	98,530	9,712,585	361,205	130,530	(10,832)	3,421,197	-	13,941,270	300,018	14,241,288
<b>2023:</b>											
Balance as at 1 October 2022	228,055	98,530	9,712,585	361,205	130,530	(10,832)	3,421,197	-	13,941,270	300,018	14,241,288
<b>Total comprehensive income for the year</b>											
Profit for the year	-	-	-	-	-	-	549,628	-	549,628	(7,072)	542,556
<b>Other comprehensive income</b>											
Fair value loss on investment in bonds	-	-	-	-	-	(17,917)	-	-	(17,917)	-	(17,917)
Reclassification of fair value loss on biological assets net of tax, from retained earnings to separate equity reserve	-	-	-	(72,987)	-	-	72,987	-	-	-	-
Revaluation reversal on disposal of Land	-	-	(27,031)	-	-	-	27,031	-	-	-	-
Remeasurement of post employment benefit net of tax	-	-	-	-	1,225	-	-	-	1,225	172	1,397
<b>Total comprehensive income for the year</b>			<b>(27,031)</b>	<b>(72,987)</b>	<b>1,225</b>	<b>(17,917)</b>	<b>649,646</b>		<b>532,936</b>	<b>(6,900)</b>	<b>526,036</b>
<b>Transactions with owners of the company recorded directly in equity</b>											
Dividend declared and paid to Interim 2023 dividend declared and paid	-	-	-	-	-	-	(228,056)	-	(228,056)	-	(228,056)
Final proposed dividend 2023	-	-	-	-	-	-	(114,028)	114,028	-	-	-
<b>Total distribution to owners of the company</b>							<b>(342,084)</b>	<b>114,028</b>	<b>(228,056)</b>		<b>(228,056)</b>
At 30 September 2023	228,055	98,530	9,685,554	288,218	131,755	(28,749)	3,728,759	114,028	14,246,150	293,118	14,539,268

### COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs '000	Capital Reserve Kshs '000	Revaluation Reserve Kshs '000	Biological Assets Fair Value Reserve Kshs '000	Defined Benefit Reserve Kshs '000	Bond Fair Value Deficit Kshs '000	Retained Earnings Kshs '000	Proposed Dividends Kshs '000	Total Kshs '000
<b>2022:</b>									
Balance as at 1 October 2021	228,055	40,594	7,046,471	216,737	9,826	-	1,023,467	114,028	8,679,178
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	-	572,095	-	572,095
<b>Other comprehensive income</b>									
Reclassification of fair value gain on biological assets net of tax, from retained earnings to separate equity reserve	-	-	-	(16,378)	-	-	16,378	-	-
Remeasurement of post employment benefit net of tax	-	-	-	-	1,026	-	-	-	1,026
<b>Total comprehensive income for the year</b>				<b>(16,378)</b>	<b>1,026</b>		<b>588,473</b>		<b>573,121</b>
<b>Transactions with owners of the company recorded directly in equity</b>									
Final 2021 dividend paid	-	-	-	-	-	-	-	(114,028)	(114,028)
Interim 2022 dividend declared and paid	-	-	-	-	-	-	(228,056)	-	(228,056)
<b>Total distribution to owners of equity</b>							<b>(228,056)</b>	<b>(114,028)</b>	<b>(342,084)</b>
At 30 September 2022	228,055	40,594	7,046,471	200,359	10,852	-	1,383,884	-	8,910,215
<b>2023:</b>									
Balance as at 1 October 2022	228,055	40,594	7,046,471	200,359	10,852	-	1,383,884	-	8,910,215
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	-	54,128	-	54,128
<b>Other comprehensive income</b>									
Reclassification of fair value gain on biological assets net of tax, from retained earnings to separate equity reserve	-	-	-	37,658	-	-	(37,658)	-	-
Remeasurement of post employment benefit net of tax	-	-	-	-	2,377	-	-	-	2,377
<b>Total comprehensive income for the year</b>				<b>37,658</b>	<b>2,377</b>		<b>16,470</b>		<b>56,505</b>
<b>Transactions with owners of the company recorded directly in equity</b>									
Interim 2023 dividend declared and paid	-	-	-	-	-	-	(228,056)	-	(228,056)
Final proposed dividend 2023	-	-	-	-	-	-	(114,028)	114,028	-
<b>Total distribution to owners of the company</b>							<b>(342,084)</b>	<b>114,028</b>	<b>(228,056)</b>
At 30 September 2023	228,055	40,594	7,046,471	238,017	13,229	-	1,058,270	114,028	8,738,664

### CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	11,151,429	11,132,410	7,304,773	7,330,442
Capital Work-in-progress	200,955	203,594	62,398	50,693
Intangible Assets	8,895	14,526	6,100	9,699
Biological Assets	1,217,362	1,346,829	255,503	225,601
Right of use Asset	59,193	69,133	49,191	59,029
Investment in Subsidiaries	-	-	637,727	637,727
Other Investments	247,806	277,691	-	-
	<b>12,885,640</b>	<b>13,044,183</b>	<b>8,315,692</b>	<b>8,313,191</b>
<b>CURRENT ASSETS</b>				
Inventories	1,216,682	739,051	469,583	331,589
Biological Assets	223,174	197,094	191,306	167,411
Trade and Other receivables	1,065,898	812,426	245,233	202,018
Current income tax recoverable	33,978	7,411	24,072	-
Amount due from related companies	-	-	91,113	233,918
Short term Deposits	2,317	467,146	-	165,269
Cash and Bank balances	871,119	1,088,406	99,662	368,475
	<b>3,413,168</b>	<b>3,311,534</b>	<b>1,120,969</b>	<b>1,468,680</b>
<b>TOTAL ASSETS</b>	<b>16,298,808</b>	<b>16,355,717</b>	<b>9,436,661</b>	<b>9,781,871</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share Capital	228,055	228,055	228,055	228,055
Non - Distributable Reserves	10,175,308	10,292,018	7,338,311	7,298,276
Distributable Reserves	3,842,787	3,421,197	1,172,298	1,383,884
	14,246,150	13,941,270	8,738,664	8,910,215
Non-controlling Interest	293,118	300,018	-	-
<b>Total equity</b>	<b>14,539,268</b>	<b>14,241,288</b>	<b>8,738,664</b>	<b>8,910,215</b>
<b>Non-current liabilities</b>				
Deferred tax liability	1,175,772	1,166,212	471,085	457,220
Lease liability	47,363	48,869	47,363	48,869
Post-employment benefits	117,025	130,410	21,364	21,306
	<b>1,340,160</b>	<b>1,345,491</b>	<b>539,812</b>	<b>527,395</b>
<b>Current liabilities</b>				
Bank Loan	28,882	-	28,882	-
Amounts due to related parties	-	-	21,877	60,334
Trade and Other Payables	368,990	510,020	99,925	222,777
Lease Liability	6,637	10,160	6,637	10,160
Current income tax payable	-	238,145	-	49,288
Post-employment benefits	14,871	10,613	864	1,702
	<b>419,380</b>	<b>768,938</b>	<b>158,185</b>	<b>344,261</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,298,808</b>	<b>16,355,717</b>	<b>9,436,661</b>	<b>9,781,871</b>

### CASHFLOW STATEMENT

	GROUP		COMPANY	
	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000
<b>Cash flows from operating activities</b>				
Cash flow generated/(used) from operating activities	<b>339,041</b>	<b>1,660,038</b>	<b>(62,917)</b>	<b>610,749</b>
Gratuity paid	(29,579)	(47,150)	(1,745)	(1,005)
Interest paid on Lease Liability	(6,746)	(744)	(6,746)	(744)
Income taxes paid	(586,193)	(128,189)	(97,722)	(84,978)
<b>Net cash (used in) /generated from operating activities</b>	<b>(283,477)</b>	<b>1,483,955</b>	<b>(169,130)</b>	<b>524,022</b>
<b>Cash flows from investing activities</b>				
Interest received	105,869	59,522	17,389	9,531
Purchase of other Investments -(infrastructure bonds)	-	(288,523)	-	-
Redemption of other Investments	29,408	-	-	-
Placement / (Realisation) of short- term deposits	464,829	(467,146)	165,269	(165,269)
Purchase of Property, and equipment	(191,577)	(133,995)	(47,619)	(44,094)
Purchase of capital work- in -progress assets	(141,950)	(59,593)	(14,287)	(7,471)
Purchase of intangible assets	(242)	(424)	-	(333)
Proceeds from sale of property, and equipment	38,526	10,152	798	7,383
<b>Net cash (used in)/generated from investing activities</b>	<b>304,863</b>	<b>(880,007)</b>	<b>121,550</b>	<b>(200,253)</b>
<b>Cash flows from financing activities</b>				
Interest paid on other borrowings	(17,030)	(13,416)	(17,030)	(27,385)
Payment of lease liability - principal	(5,029)	(17,697)	(5,029)	(17,697)
Borrowing received	816,566	852,548	816,566	852,548
Borrowing repaid	(787,684)	(852,548)	(787,684)	(852,548)
Proceeds from redeemed preference shares	-	-	-	180,000
Dividend paid to Non-controlling Interest	-	(9,000)	-	-
Dividend paid on ordinary shares	(228,056)	(342,084)	(228,056)	(342,084)
<b>Net cash used in financing activities</b>	<b>(221,233)</b>	<b>(382,197)</b>	<b>(221,233)</b>	<b>(207,166)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(199,847)</b>	<b>221,751</b>	<b>(268,813)</b>	<b>116,603</b>
Cash and cash equivalents at the beginning of the year	1,088,406	821,973	368,475	247,324
Effects of movement in exchange rates on cash	(17,440)	44,682	-	4,548
<b>Cash and cash equivalents at the end of the year</b>	<b>871,119</b>	<b>1,088,406</b>	<b>99,662</b>	<b>368,475</b>

### COMMENTS ON THE RESULTS FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2023

The Group's performance endured an extremely challenging environment posed by the prolonged adverse weather conditions in the country during the first half of the year. The effect on the business was drastic in all units as manifested in lower production volumes, lower price realizations, and higher costs of production.

The prolonged drought in the first half of the financial year resulted in a substantial loss in tea production that also manifested in the Avocado and Coffee units adversely impacting production volumes. This was coupled with a significant drop in global coffee prices, the total collapse of the macadamia market occasioned by recession in the main market, the USA, the delay in the opening of the Avocado export season in Kenya due to late maturing of fruits, and the inflationary effects of doing business. However, management was able to leverage production efficiency, cost containment measures, automation, and returns from other investments in the second half to achieve strong operational results.

Although the performance was not as expected, the Group showed resilience and remained profitable on the backdrop of a weaker local currency that buoyed the overall results.

#### PERFORMANCE AT A GLANCE

**22.1%**

DECREASE IN TURNOVER

to Kes. 5.72 billion from Kes. 7.34 billion in the previous year.



**21.6%**

DECREASE IN COST OF SALES

to Kes. 4.35 billion from Kes. 5.54 billion in the previous year.



**Kes. 542.55 M**

GROUP ATTAINED PROFIT AFTER TAX

and non-controlling interest (including the changes in the fair value of biological assets) (prior year Kes 1,168.01 million)

As a result of the multiple shocks and economic uncertainties aggravated by the effects of climate change, some of the business units were more adversely affected than others. Only the Tea, Avocado, and Coffee trading units were profitable. The Coffee estates and the Macadamia units recorded negative results.

- The Avocado unit rebounded after a slow start to post impressive results.
- The Coffee business was drastically affected by the effects of the adverse weather and climate changes, supply chain disruptions, and recession in the key markets. The results were manifested in a **drop in production volumes, bean size, and quality issues that affected the price realizations.** The prices remained low during the year. However, the coffee sales were buoyed by the coffee milling, marketing, and trading division which generated profits.
- The Tea business unit achieved the **highest-ever registered performance over the history of the business from operating activities.** This strong performance was achieved despite the adverse weather conditions early in the year that affected the production volumes and the recession in the target market. The cumulative effects of automation of processes in the fields, manufacturing efficiencies, cost leadership, and expansion of the out-grower farmer's catchment areas contributed to the profitability.

Despite the unfavorable effects on the business, our **liquidity is strong and will be sufficient to support the business units going forward.** We continue to exercise prudent business decisions to withstand these negative effects and aim to continue delivering the desired results in this very difficult and unpredictable environment.

#### OUTLOOK

Although the effects of the pandemic have eased, **geopolitical risks, climatic changes, economic downturns, rising inflation, and other challenges in the country are still a threat to doing business in Kenya.** The global recession has continued to cause supply chain disruptions, a surge in inflation, reduced incomes for exporters, and a reduced inflow of foreign currency.

Given the lower-than-expected performance during the year, the **management will continue to seek and establish strategic partnerships to expand our reach and explore new lines and ideas in a bid to fit in with the changing business environment to expand and enhance shareholder value.** Emphasis on quality coupled with quantity based on a sustainable model continues to be at the top of the agenda for delivery.

#### DIVIDEND

The Directors recommend the payment of a **final dividend of 50% being Kes. 0.50 per share** for the year ended 30<sup>th</sup> September 2023, amounting to Kes. 114.25 million, payable on or about 22<sup>nd</sup> March 2024 to the members on the register at the close of business on 22<sup>nd</sup> February 2024 subject to withholding tax where applicable.

This amounts to a **total dividend payout of 150%** (Total declared Kes. 1.50 per share for the year). In 2022 dividend payment was Kes.1.00 per share.

#### Annual General Meeting

Notice is hereby given that the 72<sup>nd</sup> Annual General Meeting of the members will be via electronic communication on Thursday, **7<sup>th</sup> March 2024 at 11.00 a.m.** Formal notice of the meeting will follow.

By order of the Board,

FCPA, Dr. James Boyd McFie, Ph. D.  
Chairman  
5<sup>th</sup> January 2024

Mr. Martin R. Ochien'g, MBA, BSc.  
Group Managing Director  
5<sup>th</sup> January 2024