

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2021 (Unaudited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Company	
	31-Mar-21 Ksh '000	30-Mar-20 Ksh '000	31-Mar-21 Ksh '000	30-Mar-20 Ksh '000
Revenue	2,024,023	2,070,189	696,092	537,735
(Losses) /Gains arising from changes in fair value of biological assets less cost to sell	(284)	5,865	(42,970)	(10,044)
Results from operating activities	177,890	(7,325)	51,032	(26,553)
Finance income	30,664	8,800	12,454	11,184
Finance cost	(16,693)	(11,615)	(3,769)	(5,258)
Profit / (Loss) before tax	191,861	(10,140)	59,717	(20,627)
Tax (charge)/ credit	(69,654)	(2,934)	(16,925)	6,188
Profit / (Loss) for the period	122,207	(13,074)	42,792	(14,439)
Profit / (Loss) attributable to:				
Non-controlling interest.	2,884	2,017	-	-
Owners of parent	119,323	(15,091)	42,792	(14,439)
	119,323	(15,091)	42,792	(14,439)
Profit / (Losses) arising from operating activities.	120,881	(17,825)	72,870	(7,408)
(Losses) /Gains arising from changes in fair value of biological assets after tax	(1,558)	2,734	(30,078)	(7,031)
	119,323	(15,091)	42,792	(14,439)
Earning / (Loss) per share (Kshs) on operating activities	0.53	(0.08)	0.32	(0.03)
(Loss) / Gain per share (Kshs) on biological assets	(0.01)	0.01	(0.13)	(0.03)
Earning/ (Loss) per share (Kshs)	0.52	(0.07)	0.19	(0.06)
Issued and fully paid shares of Kshs 1 each	228,055	228,055	228,055	228,055

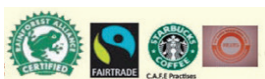
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Ksh '000	Capital Reserves Ksh '000	Revaluation Reserves Ksh '000	Defined Benefit Reserves Ksh '000	Biological Assets Fair Value Ksh '000	Retained Earnings Ksh '000	Proposed Dividends Ksh '000	Non Controlling Interest Ksh '000	Total Ksh '000
At 1 October 2019	228,055	98,530	9,742,812	50,839	195,370	2,264,204	-	305,245	12,885,055
Total comprehensive income for the period	-	-	-	-	-	(15,091)	-	2,017	(13,074)
(Loss)/ Profit for the period	-	-	-	-	-	(15,091)	-	2,017	(13,074)
Fair value gain on biological assets	-	-	-	-	2,734	(2,734)	-	-	-
Total comprehensive income for the period	228,055	98,530	9,742,812	50,839	198,104	2,246,379	-	307,262	12,871,981
Transactions with owners of the company recorded directly in equity	-	-	-	-	-	-	-	-	-
Total distribution to owners of the company at 31 March 2020	228,055	98,530	9,742,812	50,839	198,104	2,246,379	-	307,262	12,871,981
At 1 October 2017	228,055	98,530	9,833,774	112,725	159,401	2,316,442	-	304,138	13,053,065
Total comprehensive income for the period	-	-	-	-	-	119,323	-	2,884	122,206
Profit for the period	-	-	-	-	-	119,323	-	2,884	122,206
Fair value loss on biological assets	-	-	-	-	(1,558)	1,558	-	-	-
Deferred tax on revaluation	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	228,055	98,530	9,833,774	112,725	157,843	2,437,323	-	307,022	13,175,271
Transactions with owners of the company recorded directly in equity	-	-	-	-	-	-	-	-	-
Total distribution to owners of the company at 31 March 2021	228,055	98,530	9,833,774	112,725	157,843	2,437,323	-	307,022	13,175,271

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital Ksh '000	Capital Reserves Ksh '000	Revaluation Reserves Ksh '000	Defined Benefit Reserves Ksh '000	Biological Assets Fair Value Ksh '000	Retained Earnings Ksh '000	Proposed Dividends Ksh '000	Non Controlling Interest Ksh '000	Total Ksh '000
At 1 October 2019	228,055	40,594	7,046,471	5,714	73,179	1,124,739	-	-	8,518,752
Total comprehensive income for the period	-	-	-	-	-	(14,439)	-	-	(14,439)
Loss for the period	-	-	-	-	-	(14,439)	-	-	(14,439)
Fair value loss on biological assets	-	-	-	-	(7,031)	7,031	-	-	-
Total comprehensive income for the period	228,055	40,594	7,046,471	5,714	66,148	1,117,331	-	-	8,504,313
Transactions with owners of the company recorded directly in equity	-	-	-	-	-	-	-	-	-
Total distribution to owners of the company at 31 March 2020	228,055	40,594	7,046,471	5,714	66,148	1,117,331	-	-	8,504,313
At 1 October 2017	228,055	40,594	7,078,272	8,818	132,414	1,123,216	-	-	8,611,369
Total comprehensive income for the period	-	-	-	-	-	42,792	-	-	42,792
Profit for the period	-	-	-	-	-	42,792	-	-	42,792
Fair value loss on biological assets	-	-	-	-	(30,078)	30,078	-	-	-
Total comprehensive income for the period	228,055	40,594	7,078,272	8,818	102,336	1,196,086	-	-	8,654,161
Transactions with owners of the company recorded directly in equity	-	-	-	-	-	-	-	-	-
Total distribution to owners of the company at 31 March 2021	228,055	40,594	7,078,272	8,818	102,336	1,196,086	-	-	8,654,161

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31-Mar-21 Ksh '000	30.09.2020 Ksh '000	31-Mar-21 Ksh '000	30.09.2020 Ksh '000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	11,363,969	11,386,598	7,383,922	7,395,188
Capital Work-in-progress	111,123	127,243	43,861	42,602
Intangible Assets	9,472	18,944	1,350	9,598
Biological Assets	1,049,648	1,012,880	140,418	129,741
Investments in Subsidiary Companies	-	-	817,897	589,897
Right of use Asset	33,511	41,314	23,255	31,007
Deferred tax asset	11,651	7,582	11,651	-
	12,579,374	12,594,561	8,422,354	8,198,033
CURRENT ASSETS				
Inventories	1,247,209	567,663	819,042	81,197
Biological Assets	159,767	196,819	112,561	166,207
Trade and Other receivables	640,739	531,110	258,568	188,421
Amount due from related companies	-	-	78,737	242,014
Tax recoverable	26,845	93,913	20,092	36,332
Cash and Bank balances	640,238	593,689	130,171	317,603
	2,714,798	1,983,194	1,419,171	1,031,774
TOTAL ASSETS	15,294,172	14,577,755	9,841,525	9,229,807
EQUITY AND LIABILITIES				
Capital and reserves				
Share Capital	228,055	228,055	228,055	228,055
Non - Distributable Reserves	10,202,872	10,204,430	7,230,020	7,260,098
Distributable Reserves	2,437,323	2,316,442	1,196,086	1,123,216
	12,868,250	12,748,927	8,654,161	8,611,369
Non controlling Interest	307,022	304,138	-	-
Total equity	13,175,272	13,053,065	8,654,161	8,611,369
Non-current liabilities				
Deferred tax liability	965,568	964,177	427,288	415,638
Lease Liability	8,282	17,698	8,282	17,698
Post employment benefits	170,449	197,101	18,065	20,055
	1,144,299	1,178,976	453,635	453,391
Current liabilities				
Post employment benefits	12,068	12,068	979	979
Lease Liability	17,695	15,953	17,695	15,953
Borrowings	501,856	-	501,856	-
Amounts due to related companies	-	-	-	12,913
Trade and Other Payables	442,982	317,693	213,199	135,202
	974,601	345,714	733,729	165,047
TOTAL EQUITY AND LIABILITIES	15,294,172	14,577,755	9,841,525	9,229,807
CONSOLIDATED CASHFLOW STATEMENT				
OPERATING ACTIVITIES				
Cash Flow (used in) /generated from Operations	(363,508)	616,288	(678,178)	348,558
Gratuity paid	(36,301)	(87,428)	-	(12,536)
Interest paid on Lease Liability	(1,683)	(4,658)	(1,683)	(4,658)
Income taxes paid	(2,586)	(27,845)	(685)	(5,287)
Net cash flows (used in) / generated from operating activities	(404,078)	496,357	(680,546)	326,077
INVESTING ACTIVITIES				
Purchase of Property, plant and equipment	(37,444)	(99,919)	(8,116)	(3,418)
Purchase of Intangible Assets	-	(1,660)	-	(1,660)
Capital Work in progress	(23,949)	(94,964)	(1,259)	(5,114)
Interest received	21,607	14,100	12,076	15,880
Proceeds on sale of property, plant and equipment	-	6,770	-	178
Net cash flow (used in) /from investing activities	(39,786)	(175,673)	2,701	5,866
FINANCING ACTIVITIES				
Interest paid	(3,769)	(9,667)	(3,769)	(9,667)
Payment of Lease Liability	(7,674)	(12,860)	(7,674)	(12,860)
Borrowing received	757,219	595,350	757,219	595,350
Borrowing repaid	(255,363)	(729,082)	(255,363)	(729,082)
Net cash flow from/ (used in) financing activities	490,413	(156,259)	490,413	(156,259)
Net Increase / (Decrease) in Cash and cash equivalents	46,549	164,425	(187,432)	175,684
Cash and cash equivalents at the beginning of the period	593,689	429,264	317,603	141,919
Cash and cash equivalents at the end of the period	640,238	593,689	130,171	317,603

COMMENTS ON THE RESULTS (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 31ST MARCH 2021:

The financial year began on a good note despite the negative disruptions caused by the COVID19 pandemic. The disruption in the supply chain, reduced demand, and the depreciation of the local currency were all evident in this period under review, but the company's performance showed resilience through all these. We experienced a minimal drop in turnover compared to same period prior year. The results were buoyed by the improved coffee prices, good weather conditions and cost containment measures within the group. Coffee and tea production volumes were within expectations, but the global slowdown of the macadamia business and the late start of the avocado season meant that the first six months results relied heavily on tea and coffee businesses. The impact of mechanization of tea harvesting continues to be a key driver in the cost containment measures of the company and the return to profitability despite the low tea prices realized during the period.

The profit before tax improved to Kes. 191.86 million compared to a loss of Kes. 10.14 million for the same period in the prior year. The Group recorded a Kes 135.28 million increase in profits after tax for the six-month period compared to same period in the previous year. From operating activities, The Group recorded a Kes 138.71 million increase in profits after tax to Kes. 120.88 million compared to prior year's same period loss of Kes. 17.82 million.

The Group therefore posted a profit after tax and non-controlling interest (including the changes in value of biological assets) of Kes. 119.32 million (prior year loss of Kes. 15.09 million). This comprises of a profit from operating activities of Kes. 120.88 million (prior year loss of Kes. 17.82 million) and Kes. 1.55 million loss from changes in the value of biological assets.

OUTLOOK

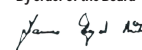
The remaining six months of the year look bright with the onset in April 2021 of the avocado season and macadamia nuts shipments that are expected to contribute to the next six months results. The tea prices are also expected to either stabilize or improve slightly despite the variations currently being witnessed in the market. The good weather conditions prevailing will support both the tea production volumes and the coffee early crop to achieve expected production volumes as well as give the necessary support for our avocado and macadamia yields.

Although the effects of the pandemic are still with us, our liquidity is stable and will be sufficient to support the units during the remaining six-month period of the financial year. We continue to exercise prudent business decisions to withstand these negative effects and aim to continue delivering the desired results in this unpredictable environment.

DIVIDEND

In order to support our shareholders in these financially difficult times, the Directors recommend the payment of an interim dividend of 50% (Kes. 0.50) per share for the year ending 30th September, 2021, amounting in total to Kes. 114 million, payable on or about 15th of July, 2021, to members on the register at close of business on 2nd June, 2021, subject to withholding tax where applicable. The register will remain closed for one (1) day on 3rd June, 2021.

By order of the Board


FCPA, Dr. James Boyd McFie, PhD.
Chairman

11th May, 2021


Mr. Martin R. Ochien'g, MBA, BSc.
Group Managing Director