



**CENTUM INVESTMENT COMPANY LIMITED**

**INTERIM REPORT AND  
FINANCIAL STATEMENTS**

**30 SEPTEMBER 2015**

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The Directors submit their report together with the unaudited interim financial statements for the six months ended 30 September 2015, which discloses the state of affairs of Centum Investment Company Limited (the Company) and its subsidiaries (together, the Group).

### PRINCIPAL ACTIVITIES

The principal activity of the Group remains that of engagement in investment activities.

### RESULTS

	For period ended 30 September	
	2015	2014
	Kshs'000	Kshs'000
Profit before taxation	2,246,961	1,285,024
Taxation	(339,370)	(55,306)
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Profit for the period transferred to retained earnings	1,907,591	1,229,719
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### DIVIDEND

Directors do not recommend the payment of a dividend (2015: Nil).

### APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 10 November 2015.

By order of the Board

Loise Gakumo  
Secretary  
Nairobi

10 November 2015

**Consolidated income statement**

	Notes	Period ended 30 September	
		2015 Kshs'000	2014 Kshs'000
<b>Income</b>	4	8,384,441	1,896,600
<b>Expenses</b>			
Cost of sales (Beverage business)		(2,812,075)	-
Administrative expenses		(851,469)	(356,718)
Operating expenses		(1,405,433)	(319,838)
Finance costs		(1,260,767)	(262,384)
		(6,329,744)	(938,940)
<b>Share of profits of associates</b>		192,264	327,364
<b>Profit before tax</b>		2,246,961	1,285,024
Income tax expense	5	(339,370)	(55,306)
<b>Profit for the period</b>		1,907,591	1,229,719
<b>Attributable to:</b>			
Owners of the parent		1,701,841	1,192,223
Non-controlling interest		205,750	37,496
		1,907,591	1,229,719
Earnings per share	6	2.56	1.79

**Consolidated statement of comprehensive income**

	Notes	Period ended 30 September	
		2015 Kshs'000	2014 Kshs'000
<b>Profit for the period</b>		1,907,591	1,229,719
<b>Other comprehensive income for the period</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Share of other comprehensive income of associates		(8,569)	-
<i>Items that may be subsequently reclassified to profit or loss</i>			
Reserves released on disposal of investments		(1,712,446)	(461,103)
Fair value gain in unquoted investments		369,689	1,635,588
Fair value (loss)/gain in quoted investments		(16,485)	887,228
Deferred tax on revaluation gains		(154)	-
Currency translation differences		252,595	-
<b>Total other comprehensive (loss)/income</b>		(1,115,370)	2,061,713
<b>Total comprehensive income for the period</b>		792,221	3,291,432
<b>Attributable to:</b>			
Owners of the parent		585,278	3,259,600
Non-controlling interest		206,943	31,832
		792,221	3,291,432

**Company statement of comprehensive income**

		<b>Period ended 30 September</b>	
	<b>Notes</b>	<b>2015</b>	<b>2014</b>
		<b>Kshs'000</b>	<b>Kshs'000</b>
<b>Investment income</b>	4	2,440,363	1,096,091
<b>Expenses</b>			
Administrative expenses		(110,488)	(103,601)
Operating expenses		(145,857)	(143,619)
Finance costs		(819,516)	(262,183)
		<u>(1,075,861)</u>	<u>(509,403)</u>
<b>Profit before income tax</b>		1,364,502	586,688
Income tax expense	5	(50,777)	-
<b>Profit for the period</b>		<u>1,313,725</u>	<u>586,688</u>
<b>Other comprehensive income for the period</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Reserves released on disposal of investments		(955,560)	(29,925)
Fair value (loss)/gain in subsidiaries		3,535,174	1,109,702
Fair value gain in associates		(1,247,004)	1,068,913
Fair value gain in unquoted investments		311,614	1,662,777
Fair value gain/(loss) in quoted investments		(32,817)	4,504
Deferred tax on revaluation gains		(195,302)	-
<b>Total other comprehensive income</b>		<u>1,416,105</u>	<u>3,815,971</u>
<b>Total comprehensive income</b>		<u><u>2,729,830</u></u>	<u><u>4,402,659</u></u>

**Consolidated statement of financial position**

	Notes	30 September 2015 Kshs'000	31 March 2015 Kshs'000
<b>Assets</b>			
Goodwill		3,167,397	3,167,397
Prepaid operating lease rentals		9,468	9,483
Property plant and equipment		6,101,952	4,273,313
Intangible assets - software		252,212	171,612
Investment property	7	21,110,687	17,774,826
Deferred income tax		200,609	216,984
Investment in associates	8	1,971,453	2,097,486
Investment in joint ventures		1,647,027	1,647,027
Unquoted investments	9	9,659,366	8,548,014
Quoted investments		1,465,999	2,979,170
Loans and advances	10	12,050,078	11,061,452
Equity linked note asset		4,332,181	4,928,006
Government securities at fair value through profit or loss		536,712	366,100
Government securities at amortised cost		2,748,560	2,734,420
Corporate bonds at amortised cost		691,485	326,099
Inventories		813,466	1,083,667
Receivables and prepayments		4,043,265	1,839,983
Corporate tax recoverable	14	247,234	-
Cash and cash equivalents		6,563,745	9,006,348
		<u>77,612,896</u>	<u>72,231,387</u>
<b>Capital and reserves</b>			
Share capital		332,721	332,721
Share premium		589,753	589,753
Other reserves		9,114,470	7,021,953
Retained earnings		20,255,637	18,555,971
Total equity attributable to equity holders of the company		30,292,581	26,500,398
Non-controlling interest		9,230,492	5,129,099
		<u>39,523,073</u>	<u>31,629,497</u>
Shareholder loans		-	6,925,016
<b>Total equity</b>		<u>39,523,073</u>	<u>38,554,513</u>
<b>Liabilities</b>			
Customer deposits	12	10,600,833	12,400,618
Borrowings	13	17,653,102	9,982,600
Payables and accruals		2,591,824	3,077,672
Unclaimed dividends		10,788	78,027
Equity linked note liability	11	4,332,181	4,928,006
Deferred income		181,146	174,572
Corporate tax payable		103,590	484,294
Deferred income tax		2,616,359	2,551,085
		<u>38,089,823</u>	<u>33,676,874</u>
		<u>77,612,896</u>	<u>72,231,387</u>

**Company statement of financial position**

	Notes	30 September 2015 Kshs'000	31 March 2015 Kshs'000
<b>Assets</b>			
Deferred income tax			-
Intangible assets		1,294	1,619
Investment in subsidiaries		19,094,046	14,331,027
Investment in associates		4,965,270	7,178,711
Investment in joint ventures		1,647,027	1,647,027
Unquoted investments	9	6,339,480	6,027,867
Quoted investments		241,854	406,274
Due from subsidiary companies		9,064,911	7,938,137
Receivables and prepayments		1,592,949	124,253
Tax recoverable		16,918	
Cash and cash equivalents		3,229,941	3,672,877
		46,193,690	41,327,792
<b>Capital and reserves</b>			
Share capital		332,721	332,721
Share premium		589,753	589,753
Other reserves		21,514,154	20,098,049
Retained earnings		12,232,018	10,918,293
<b>Total equity</b>		34,668,646	31,938,816
<b>Liabilities</b>			
Borrowings	13	10,347,960	7,569,275
Payables and accrued expenses		27,112	524,829
Due to subsidiary companies		62,316	62,411
Unclaimed dividends		10,788	77,271
Current income tax		-	273,623
Deferred income tax		1,076,868	881,567
		11,525,044	9,388,976
		46,193,690	41,327,792



**Consolidated statement of changes in equity**

	Share capital Kshs'000	Share premium Kshs'000	Other reserves Kshs'000	Retained earnings Kshs'000	Total shareholders equity Kshs'000	Non-controlling interest Kshs'000	Total equity Kshs'000
<b>Period ended 30 September 2015</b>							
At 1 April 2015	332,721	589,753	7,021,953	18,555,971	26,500,398	5,129,099	31,629,497
<b>Comprehensive income</b>							
- Profit for the period	-	-	-	1,701,841	1,701,841	205,750	1,907,591
- Other comprehensive loss	-	-	(1,116,563)	-	(1,116,563)	1,193	(1,115,370)
Dividends paid to non-controlling interests	-	-	-	-	-	(14,317)	(14,317)
Change of non-controlling interest in Almasi	-	-	-	(2,175)	(2,175)	(9,419)	(11,594)
Issue of ordinary shares and redeemable preference shares to non-controlling interests in Kilele Holdings	-	-	-	-	-	202,700	202,700
Contribution of capital at Two Rivers Development Limited	-	-	3,209,080	-	3,209,095	3,715,936	6,925,016
At 30 September 2015	<u>332,721</u>	<u>589,753</u>	<u>9,114,470</u>	<u>20,255,637</u>	<u>30,292,581</u>	<u>9,230,942</u>	<u>39,523,523</u>
<b>Period ended 31 March 2015</b>							
At 1 October 2014	332,721	589,753	8,237,566	14,104,389	23,264,429	299,841	23,564,269
<b>Comprehensive income</b>							
- Profit for the period	-	-	-	5,761,045	5,761,045	951,668	6,712,713
- Other comprehensive income	-	-	(1,215,611)	-	(1,215,611)	(24,384)	(1,239,995)
Dividends paid to non-controlling interests	-	-	-	-	-	(46,681)	(46,681)
Non-controlling interest arising on business combination	-	-	-	-	-	2,639,090	2,639,090
Sale of interest to non-controlling interest in Two Rivers Development Limited	-	-	-	(1,309,465)	(1,309,465)	1,309,465	-
Issue of shares to non-controlling interests	-	-	-	-	-	100	100
At 31 March 2015	<u>332,721</u>	<u>589,753</u>	<u>7,021,953</u>	<u>18,555,971</u>	<u>26,500,398</u>	<u>5,129,099</u>	<u>31,629,497</u>
<b>Period ended 30 September 2014</b>							
At 1 April 2014	332,721	589,753	6,170,189	12,912,166	20,004,829	268,008	20,272,837
<b>Comprehensive income</b>							
- Profit for the period	-	-	-	1,192,223	1,192,223	37,496	1,229,719
- Other comprehensive income	-	-	2,067,377	-	2,067,377	(5,663)	2,061,714
At 30 September 2014	<u>332,721</u>	<u>589,753</u>	<u>8,237,566</u>	<u>14,104,389</u>	<u>23,264,429</u>	<u>299,841</u>	<u>23,564,269</u>

**Company statement of changes in equity**

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>Period ended 30 September 2015</b>					
At start of period	332,721	589,753	20,098,049	10,918,293	31,938,816
<b>Comprehensive income</b>					
Profit for the period	-	-	-	1,313,725	1,313,725
Other comprehensive income	-	-	1,416,105	-	1,416,105
<b>Total comprehensive income</b>	-	-	1,416,105	1,313,725	2,729,830
At end of period	332,721	589,753	21,514,154	12,232,018	34,668,646
<b>Period ended 31 March 2015</b>					
At start of period	332,721	589,753	19,778,333	6,638,060	27,338,867
<b>Comprehensive income</b>					
Profit for the period	-	-	-	4,280,233	4,280,233
Other comprehensive income	-	-	319,716	-	319,716
<b>Total comprehensive income</b>	-	-	319,716	4,280,233	4,599,949
At end of period	332,721	589,753	20,098,049	10,918,293	31,938,816
<b>Period ended 30 September 2014</b>					
At start of period	332,721	589,753	15,962,461	6,051,372	22,936,208
<b>Comprehensive income</b>					
Profit for the period	-	-	-	586,688	586,688
Other comprehensive income	-	-	3,815,971	-	3,815,971
<b>Total comprehensive income</b>	-	-	3,815,971	586,688	4,402,659
At end of period	332,721	589,753	19,778,333	6,638,060	27,338,867

**Consolidated statement of cash flows**

	Notes	Period ended	
		30 September 2015 Kshs'000	30 September 2014 Kshs'000
<b>Cash flows from operating activities</b>			
Cash used in operations		(3,220,355)	(398,020)
Interest paid		(336,717)	(390,093)
Income tax paid		(483,014)	(125,457)
		<hr/>	<hr/>
Net cash used in operating activities		(4,040,086)	(913,570)
<b>Cash flows from investing activities</b>			
Purchase of investment property		(3,752,878)	(682,100)
Purchases of motor vehicles and equipment		(2,246,539)	(12,646)
Purchases of intangible assets		(118,905)	(3,223)
Acquisition of additional shares in a subsidiary		(11,594)	-
Dividends received from associates		71,370	201,725
Purchase of shares in associates		-	(51,486)
Purchase of unquoted equity investments		(1,935,362)	(490,081)
Purchase of quoted equity investments		(445,781)	(730,219)
Purchase of corporate bonds at amortised cost		(464,687)	-
Purchase of government securities at fair value through profit or loss		(398,259)	-
Purchase of government securities at amortised cost		(14,140)	-
Proceeds from disposal of equipment		-	-
Proceeds from disposal of unquoted investments		-	12,022
Proceeds from disposal of quoted investments		2,003,216	1,835,921
Proceeds from disposal of associate company		1,027,837	-
Proceeds on disposal of government securities at fair value through profit or loss		207,086	-
Proceeds from disposal of corporate bonds at amortised cost		103,366	250,588
Proceeds from disposal of investment property		242,047	-
		<hr/>	<hr/>
Net cash (used in)/generated from investing activities		(5,733,223)	330,501
<b>Cash flows from financing activities</b>			
Net proceeds from borrowings		10,676,588	-
Repayment of borrowings		(3,534,265)	-
Issue of shares to non-controlling interests		202,700	-
Dividends paid to non-controlling interests		(14,317)	-
		<hr/>	<hr/>
Net cash generated from financing activities		7,330,706	-
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(2,442,603)	(583,069)
<b>Movement in cash and cash equivalents</b>			
At start of period		9,006,348	(447,453)
Decrease in cash and cash equivalents		(2,442,603)	(583,069)
		<hr/>	<hr/>
At end of period	14	6,563,745	(1,030,522)
		<hr/>	<hr/>

## **1 BASIS OF PREPARATION**

The financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

## **2 SIGNIFICANT ACCOUNTING POLICIES**

The preparation of interim consolidated financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

Centum Investment Company Limited applies the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2015 Annual financial Statements. None of the new standards, interpretations and amendments, effective for the first time from 1 January 2015, have had a material effect on the financial statements.

The same accounting policies, presentation and methods of computation have been applied in these financial statements as were applied in the Group's audited financial statements for the year ended 31 March 2015.

## **3 SEGMENTAL INFORMATION**

The Group's chief operating decision maker is the executive management committee.

The Group's portfolio was traditionally divided into three segments, namely: Private Equity, Quoted Equity and Real Estate. However, during the year ended 31 March 2015, the Group adopted a new operating structure that further categorised Private Equity into sectors. The new categorization based on sectors are defined as the Group's reportable segments under IFRS 8, Operating Segments. The sectors are; Real Estate, Energy, Financial Services, Quoted Equity and Fast moving consumer goods (FMCG). All other investments that are not categorised in these sectors are categorised as Others. Segment reporting will be done on the basis of sectors going forward. Performance is reviewed from a total return perspective.

The segment information provided to the executive management committee for the reportable segments for the period ended 30 September 2015 is as overleaf.

**Notes on financial statements**

**3 SEGMENT INFORMATION (CONTINUED)**

**(a) Group**

**30 September 2015 – New Basis**

	<b>Financial Services</b>	<b>FMCG</b>	<b>Energy</b>	<b>Real Estate</b>	<b>Quoted Equity</b>	<b>Others</b>	<b>Total</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>
Dividend income	277,518	9,450	-	-	(66,628)	178,182	398,522
Interest income	1,273,414	-	-	396,120	60,764	-	1,730,298
Fund management income	267,037	-	-	-	-	-	267,037
Sales income	-	3,805,085	-	-	-	-	3,805,085
Other income	674,145	52,420	-	182,115	-	149,249	1,057,929
Realised gains	61,400	-	-	(152,555)	(107,390)	(5,718)	(204,263)
Unrealised value movements	(171,424)	114,567	727	-	304,351	312,755	560,976
<b>Gross Return</b>	<b>2,382,090</b>	<b>3,981,522</b>	<b>727</b>	<b>425,680</b>	<b>191,097</b>	<b>634,468</b>	<b>7,615,584</b>
Finance costs	(936,768)	(209,092)	(64,710)	(401,318)	(29,014)	(22)	(1,640,924)
Portfolio costs	(1,080,272)	(3,682,258)	(14,359)	(158,110)	16,851	(150,821)	(5,068,970)
<b>Net Return</b>	<b>365,050</b>	<b>90,171</b>	<b>(78,342)</b>	<b>(133,748)</b>	<b>178,934</b>	<b>483,625</b>	<b>905,690</b>
Tax	(112,683)	(39,864)	-	(163,512)	9,740	(33,205)	(339,524)
<b>Total Return</b>	<b>252,367</b>	<b>50,307</b>	<b>(78,342)</b>	<b>(297,260)</b>	<b>188,674</b>	<b>450,420</b>	<b>566,166</b>
Gross Return (%)	66.2%	69.1%	0.0%	7.9%	3.6%	8.6%	28.7%
Return on opening shareholder funds (%)	7.0%	0.9%	-4.3%	-5.5%	3.5%	6.1%	2.1%
<b><u>Opening net asset value</u></b>							
Total assets	26,278,875	10,175,591	1,840,008	17,566,183	8,915,673	7,455,057	72,231,387
Borrowings	(6,815,327)	(938,083)	-	(2,857,690)	628,500	-	(9,982,600)
Other liabilities	(14,792,240)	(1,592,187)	(480)	(2,249,634)	(4,993,960)	(65,773)	(23,694,274)
Shareholder-equity loans	-	-	-	(6,925,016)	-	-	(6,925,016)
Non-controlling interest	(1,072,482)	(1,886,145)	-	(2,170,472)	-	-	(5,129,099)
<b>Net asset value attributable to equity holders</b>	<b>3,598,826</b>	<b>5,759,176</b>	<b>1,839,528</b>	<b>5,374,554</b>	<b>5,358,655</b>	<b>7,389,284</b>	<b>26,500,398</b>
<b><u>Closing net asset value</u></b>							
Total assets	27,797,061	10,351,349	2,547,026	22,675,350	4,028,927	10,213,182	77,612,896
Borrowings	(8,029,764)	(1,774,748)	(707,378)	(6,736,125)	(405,087)	-	(17,653,102)
Other liabilities	(15,456,156)	(1,543,644)	-	(2,630,725)	(2,038)	(804,158)	(20,436,721)
Non-controlling interest	(1,205,696)	(1,920,879)	-	(6,103,917)	-	-	(9,230,492)
<b>Net asset value attributable to equity holders</b>	<b>3,105,445</b>	<b>5,112,079</b>	<b>1,839,648</b>	<b>7,204,583</b>	<b>3,621,802</b>	<b>9,409,024</b>	<b>30,292,581</b>

**Notes on financial statements**

**3 SEGMENT INFORMATION (continued)**

<b>(b) Group – Old basis</b>	<b>Private equity</b>	<b>Quoted equity</b>	<b>Real estate &amp; infrastructure</b>	<b>Total</b>
<b>September 30 2014</b>	<b>Kshs'000</b>	<b>Kshs'000</b>	<b>Kshs'000</b>	<b>Kshs'000</b>
Dividend income	578,359	91,210	-	669,568
Interest income	-	83,387	-	83,387
Other income	3,751	341,045	-	344,796
Realized gains	-	555,527	-	555,527
Unrealised value movements	1,782,215	850,184	-	2,632,400
<b>Gross return</b>	<b>2,364,325</b>	<b>1,921,353</b>	<b>-</b>	<b>4,285,678</b>
Finance costs	(26,132)	-	(236,252)	(262,384)
Portfolio costs	(165,932)	(493,576)	(17,048)	(676,556)
<b>Net return</b>	<b>2,172,261</b>	<b>1,427,777</b>	<b>(253,300)</b>	<b>3,346,738</b>
Tax	-	(53,226)	(2,079)	(55,306)
<b>Total return</b>	<b>2,172,261</b>	<b>1,374,550</b>	<b>(255,379)</b>	<b>3,291,432</b>
Gross return (%)	24.78%	35.86%	0.00%	21.14%
Total return (%)	22.77%	25.65%	-4.75%	16.24%
<b>Opening net asset value:</b>				
Portfolio value	11,470,161	4,107,345	10,845,392	26,422,898
Other net asset/(liabilities)	(219,626)	2,259,557	(2,697,862)	(657,931)
Borrowings	(1,710,807)	(1,008,247)	(2,773,076)	(5,492,130)
	<u>9,539,728</u>	<u>5,358,655</u>	<u>5,374,454</u>	<u>20,272,837</u>
<b>Closing net asset value:</b>				
Portfolio value	13,569,337	4,783,407	11,655,201	30,007,945
Other net asset/(liabilities)	(834,044)	1,656,509	(1,038,038)	(215,573)
Borrowings	(1,880,898)	(1,008,247)	(3,338,959)	(6,228,103)
	<u>10,854,395</u>	<u>5,431,669</u>	<u>7,278,205</u>	<u>23,564,269</u>
Value movement in the period/(total return)				<u>3,291,432</u>

**Notes on financial statements**

**3 SEGMENT INFORMATION (CONTINUED)**

**(c) Company – New basis**

**30 September 2015**

	<b>Financial Services Shs '000</b>	<b>FMCG Shs '000</b>	<b>Energy Shs '000</b>	<b>Real Estate Shs '000</b>	<b>Quoted Equity Shs '000</b>	<b>Others Shs '000</b>	<b>Total Shs '000</b>
Dividend income	210,321	9,450	-	-	744,244	178,182	1,142,197
Interest income	295,862	-	-	-	-	-	295,861
Other income	254	1,145	-	151	-	1,314	2,864
Realised gains	61,400	-	-	-	(17,519)	-	43,881
Unrealised value movements	343,981	(1,162,335)	120	4,059,372	(915,888)	241,717	2,566,966
<b>Gross Return</b>	<b>911,818</b>	<b>(1,151,740)</b>	<b>120</b>	<b>4,059,523</b>	<b>(189,164)</b>	<b>421,213</b>	<b>4,051,770</b>
Finance costs	(446,033)	(3,447)	(64,710)	(305,327)	-	-	(819,516)
Portfolio costs	(41,147)	(63,076)	(14,056)	(61,336)	(28,887)	(47,841)	(256,345)
Tax	(13,537)	61,294	-	(283,358)	1,667	(12,145)	(246,079)
<b>Total Return</b>	<b>411,101</b>	<b>1,156,970</b>	<b>(78,646)</b>	<b>3,409,502</b>	<b>(216,384)</b>	<b>362,922</b>	<b>2,729,830</b>
Gross Return (%)	16.3%	-13.3%	0.0%	67.5%	-4.9%	7.0%	12.7%
Return on opening shareholder funds (%)	7.4%	-13.4%	-4.3%	56.7%	-5.6%	6.0%	8.5%
<b><u>Opening portfolio value</u></b>							
Total assets	10,789,524	9,118,489	1,839,528	9,194,350	3,936,322	6,449,579	41,327,792
Borrowings	(4,711,585)	-	-	(2,857,690)	-	-	(7,569,275)
Other liabilities	(501,011)	(468,421)	(26,800)	(323,000)	(57,349)	(443,120)	(1,819,701)
Net asset value	<u>5,576,928</u>	<u>8,650,068</u>	<u>1,812,728</u>	<u>6,013,660</u>	<u>3,878,973</u>	<u>6,006,459</u>	<u>31,938,816</u>
<b><u>Closing Net Asset Value</u></b>							
Total assets	10,526,747	7,997,057	2,547,026	14,213,752	4,030,969	6,707,424	46,022,975
Borrowings	(5,380,088)	(37,687)	(707,378)	(3,817,720)	(405,087)	-	(10,347,960)
Other liabilities	(32,030)	(219,933)	-	(472,407)	995	(282,994)	(1,006,369)
Net asset value	<u>5,114,629</u>	<u>7,739,437</u>	<u>1,839,648</u>	<u>9,923,625</u>	<u>3,626,877</u>	<u>6,424,430</u>	<u>34,506,468</u>
Value movement in the period/(total return)							<u>2,729,830</u>

**Notes on financial statements**

**3 SEGMENT INFORMATION (continued)**

(c) Company	Private equity Kshs'000	Quoted equity Kshs'000	Real estate & infrastructure Kshs'000	Total Kshs'000
<b>30 September 2014</b>				
Dividend income	519,282	510,242	-	1,029,524
Interest income	-	8,940	-	8,940
Other income	3,751	-	-	3,751
Realized gains	-	23,952	-	23,952
Unrealised value movements	2,499,406	982,861	363,629	3,845,896
<b>Gross return</b>	<b>3,022,438</b>	<b>1,525,995</b>	<b>363,629</b>	<b>4,912,062</b>
Finance costs	(25,931)	-	(236,252)	(262,183)
Portfolio costs	(170,569)	(39,011)	(37,641)	(247,221)
<b>Net return</b>	<b>2,825,938</b>	<b>1,486,984</b>	<b>91,479</b>	<b>4,402,659</b>
Tax	-	-	-	-
<b>Total return</b>	<b>2,825,938</b>	<b>1,486,984</b>	<b>91,479</b>	<b>4,402,659</b>
<b>Gross return (%)</b>	<b>24.7%</b>	<b>29.2%</b>	<b>6.7%</b>	<b>21.4%</b>
<b>Total return (%)</b>	<b>23.1%</b>	<b>28.4%</b>	<b>1.6%</b>	<b>19.2%</b>
<b>Opening net asset value:</b>				
Portfolio value	14,060,848	5,024,502	10,286,150	29,371,500
Other net assets	(91,608)	1,213,962	(2,065,519)	(943,165)
Borrowings	(1,710,807)	(1,008,247)	(2,773,076)	(5,492,130)
	<u>12,258,433</u>	<u>5,230,217</u>	<u>5,447,555</u>	<u>22,936,205</u>
<b>Closing net asset value:</b>				
Portfolio value	17,030,803	6,468,683	11,852,902	35,352,388
Other net assets	(56,888)	654,376	(2,382,810)	(1,785,322)
Borrowings	(1,880,898)	(1,008,247)	(3,338,959)	(6,228,103)
	<u>15,093,017</u>	<u>6,114,812</u>	<u>6,131,134</u>	<u>27,338,962</u>
Value movement in the period/(total return)				<u>4,402,659</u>



**Notes on financial statements**

**3 SEGMENT INFORMATION (continued)**

	<b>GROUP</b>	
	<b>30 September 2015</b>	<b>2014</b>
	<b>Ksh 000</b>	<b>Ksh 000</b>
<b>(e) Reconciliation of total return to profit for the year</b>		
Total return as per internal reporting	566,166	3,291,432
<u>Adjustment for</u>		
share of associate earnings	192,264	327,364
Share of other comprehensive income of associates	(8,569)	-
Associate dividend income	(71,370)	(180,737)
Unrealised value movements net of dividend relating to associates	2,344,470	(146,627)
Total comprehensive income	2,295,819	3,291,433
Other comprehensive income	(1,115,370)	(2,061,714)
Profit for the period	1,907,591	1,229,719

**4 INCOME**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>	<b>Kshs'000</b>	<b>Kshs'000</b>
Investment income	4,579,356	1,896,600	2,440,363	1,096,091
Sales of goods	3,805,085	-	-	-
	<u>8,384,441</u>	<u>1,896,600</u>	<u>2,440,363</u>	<u>1,096,091</u>

**(a) Total investment income**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>	<b>Kshs'000</b>	<b>Kshs'000</b>
Dividend income	327,152	488,831	1,142,197	1,029,523
Interest income	1,350,140	83,387	295,861	8,940
Gain on disposal of investments	1,734,244	1,016,630	999,441	53,877
Unrealised gains on revaluation of Property & bond portfolio	(16,581)	(37,044)	-	-
Fee, commission and forex trading income	668,846	-	-	-
Directors Fees	2,864	3,751	2,864	3,751
Other income	512,691	341,045	-	-
	<u>4,579,356</u>	<u>1,896,600</u>	<u>2,440,363</u>	<u>1,096,091</u>

**Notes on financial statements**

**4 INCOME (CONTINUED)**

	GROUP		COMPANY	
	2015	2014	2015	2014
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
<b>(a) Dividend income</b>				
Subsidiaries	-	-	885,451	497,010
Associates	-	-	71,370	180,737
Unquoted investments	245,379	397,621	178,182	338,545
Quoted investments	81,773	91,210	7,194	13,231
	<u>327,152</u>	<u>488,831</u>	<u>1,142,197</u>	<u>1,029,523</u>

**5 INCOME TAX EXPENSE**

The interim period tax charge is based on the estimated average annual effective income tax rate of 30% (6 months ended 30 September 2015: 30%) on the taxable revenue streams with the capital gains taxed at the rate of 5%.

**6 EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in outstanding during the period.

	30 September	
	2015	2014
	Shs'000	Shs'000
Profit attributable to equity holders of the Company	1,701,841	1,192,223
Weighted average number of ordinary shares in issue(thousands)	665,442	665,442
Basic earnings per share (Kshs)	<u>2.56</u>	<u>1.79</u>

**7 INVESTMENT PROPERTY**

	GROUP	
	September 2015	March 2015
	Shs'000	Shs'000
At start of period	17,774,826	10,845,392
Movements in the period:		
Additions	3,752,878	4,926,161
Capitalised borrowing costs	-	560,020
Transfer out/disposals	(168,542)	(105,673)
Fair value gains	-	1,737,045
Translation differences	(248,475)	(188,119)
At end of period	<u>21,110,687</u>	<u>17,774,826</u>

**Notes on financial statements**

**7 INVESTMENT PROPERTY (CONTINUED)**

Capitalised borrowing costs relate to interest costs incurred during the development phase of Two Rivers Development Limited and Two Rivers Lifestyle Centre Limited.

The fair value model has been applied for the investment property. The Group commissioned independent professionally qualified real estate valuers to determine the fair value of the investment property as at 31 March 2015 on the basis of open market value.

**8 INVESTMENT IN ASSOCIATES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>September 2015</b>	<b>March 2015</b>	<b>September 2015</b>	<b>March 2015</b>
	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>
At start of year	2,097,486	3,900,851	7,178,711	6,594,340
Share of profits after taxation	192,264	447,710	-	-
Share of other comprehensive income	(8,569)	176,833	-	-
Fair value gain	-	-	(1,247,004)	2,414,546
Dividends received	(71,370)	(342,655)	-	-
Additions during the year	-	146,953	-	146,953
Disposals at cost	-	-	(12,298)	(25,385)
Disposal on acquisition of control	-	(2,232,206)	-	-
Disposal at share of net assets	(238,358)	-	-	-
Transfers to investment in subsidiaries	-	-	-	(1,952,103)
Reserves released on disposal	-	-	(954,139)	360
At end of year	<u>1,971,453</u>	<u>2,097,486</u>	<u>4,965,270</u>	<u>7,178,711</u>

**9 UNQUOTED INVESTMENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>September 2015</b>	<b>March 2015</b>	<b>September 2015</b>	<b>March 2015</b>
	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>	<b>Shs'000</b>
Opening valuation	8,548,014	7,569,310	6,027,867	5,495,272
Movements in the period:				
Additions	1,159,114	712,414	-	51,533
Disposals	-	(652,809)	-	(613,122)
Reserves released on disposal	-	(2,219,286)	-	(2,202,949)
Translation differences	(417,451)	2,204	-	-
Fair value gains	369,689	3,136,181	311,613	3,297,133
	<u>1,111,352</u>	<u>978,704</u>	<u>311,613</u>	<u>532,595</u>
Closing valuation	<u>9,659,366</u>	<u>8,548,014</u>	<u>6,339,480</u>	<u>6,027,867</u>

The fair value of unquoted investments is determined by using the earnings multiples method using multiples as derived from comparable companies at the period-end date, adjusted for points of difference between the comparable company and the company being valued. Unquoted investments are non-current assets.

**Notes on financial statements**

**10 LOANS AND ADVANCES**

	<b>GROUP</b>	
	<b>September 2015 Shs'000</b>	<b>March 2015 Shs'000</b>
(a) Term loans	11,963,290	10,821,206
Overdrafts	980,236	982,922
	<u>12,943,526</u>	<u>11,804,128</u>
Gross loans and advances	12,943,526	11,804,128
Provision for impaired loans and advances	(893,448)	(742,676)
	<u>12,050,078</u>	<u>11,061,452</u>
(b) Analysis of gross loans and advances by maturity		
Maturing within one year	6,610,617	3,017,223
Between two and three years	3,932,939	3,833,992
Over 3 years	<u>2,399,970</u>	<u>4,952,913</u>
	<u>12,943,526</u>	<u>11,804,128</u>
(c) Movement in provisions for impairment of loans and advances		
Profit or loss:		
Provisions in the period	120,660	74,616
Bad debt recoveries	(3,229)	(25,501)
	<u>117,431</u>	<u>49,115</u>
Statement of financial position:		
At start of period	656,732	-
On acquisition of subsidiary	-	740,815
Provisions in the period	120,660	74,616
Write - off in the period	(8,007)	(158,699)
	<u>769,385</u>	<u>656,732</u>
Net provision	769,385	656,732
Suspended interest	124,063	85,944
	<u>(893,448)</u>	<u>742,676</u>

Loans and advances relate to K-Rep Bank Limited.

**Notes on financial statements**

**11 EQUITY LINKED NOTE ASSET/LIABILITY**

	<b>GROUP</b>	
	<b>September 2015 Shs'000</b>	<b>March 2015 Shs'000</b>
At start of period	4,928,006	843,073
Additions	710,406	8,606,327
Disposals	(916,003)	(4,458,416)
Translation differences	(390,228)	(62,978)
	<u>4,332,181</u>	<u>4,928,006</u>
At end of period	<u>4,332,181</u>	<u>4,928,006</u>

This relates to equity-linked notes in Centum Exotics Limited that are matched by specific equity investments.

**12 CUSTOMER DEPOSITS**

	<b>GROUP</b>	
	<b>September 2015 Shs'000</b>	<b>March 2015 Shs'000</b>
Call and fixed deposits	5,203,880	6,226,829
Current and demand accounts	3,018,064	3,486,312
Savings accounts - Micro savers	2,029,329	2,400,556
- Other	349,560	286,921
	<u>10,600,833</u>	<u>12,400,618</u>

Analysis of customer deposits by maturity:

Payable within one year	9,786,085	10,933,705
Between one year and three years	814,748	1,466,913
	<u>10,600,833</u>	<u>12,400,618</u>

**Notes on financial statements**

**13 BORROWINGS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>September 2015 Shs'000</b>	<b>March 2015 Shs'000</b>	<b>September 2015 Shs'000</b>	<b>March 2015 Shs'000</b>
The borrowings are made up as follows:				
Term loans	854,483	1,015,632	-	-
Bank borrowings	4,655,466	4,254,832	-	3,316,749
Corporate bond	10,393,200	4,252,526	10,347,960	4,252,526
Overnight borrowings	1,749,953	459,610	-	-
	<u>17,653,102</u>	<u>9,982,600</u>	<u>10,347,960</u>	<u>7,569,275</u>

**(a) Term loans**

European Investment Bank	470,055	564,066	-	-
Oiko Credit	317,542	317,769	-	-
Government of Kenya – SME	66,886	133,797	-	-
	<u>854,483</u>	<u>1,015,632</u>	<u>10,347,960</u>	<u>7,569,275</u>

**(b) Bank Borrowings**

The movement in the bank borrowings is as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>September 2015 Shs'000</b>	<b>March 2015 Shs'000</b>	<b>September 2015 Shs'000</b>	<b>March 2015 Shs'000</b>
At start of year	4,254,832	-	-	-
Received during the year	3,566,900	3,151,465	3,316,749	3,151,465
On acquisition of subsidiary	-	938,083	-	-
Revaluation loss	161,850	80,260	-	80,260
Accrued interest	-	85,024	-	85,024
Repaid during the year	<u>(3,373,116)</u>	<u>-</u>	<u>(3,316,749)</u>	<u>-</u>
At end of year	<u>4,655,466</u>	<u>4,254,832</u>	<u>-</u>	<u>3,316,749</u>

The composition of the bank borrowings is as follows:-

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>September 2015 Kshs'000</b>	<b>March 2015 Kshs'000</b>	<b>September 2015 Kshs'000</b>	<b>March 2015 Kshs'000</b>
First Rand Bank Limited	-	3,316,749	-	3,316,749
Kenya Commercial Bank Limited	1,048,636	751,003	-	-
Coca Cola Export Corporation	688,965	187,080	-	-
Chase Bank Kenya Limited	526,780	-	-	-
Cooperative Bank of Kenya Limited	2,391,605	-	-	-
	<u>4,655,466</u>	<u>4,254,832</u>	<u>-</u>	<u>3,316,749</u>

**Notes on financial statements**

**14 CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, cash and cash equivalents comprise:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>September 2015 Shs'000</b>	<b>March 2015 Shs'000</b>	<b>September 2015 Shs'000</b>	<b>March 2015 Shs'000</b>
Call deposits (maturing within 90 days)	4,089,210	4,390,001	4,387,094	3,514,007
Bank balances	3,653,529	4,616,347	21,841	158,870
	<u>7,742,739</u>	<u>9,006,348</u>	<u>4,408,935</u>	<u>3,672,877</u>
Bank overdraft	<u>(1,178,994)</u>	<u>-</u>	<u>(1,178,994)</u>	<u>-</u>
	<u>6,563,745</u>	<u>9,006,348</u>	<u>3,229,941</u>	<u>3,672,877</u>

At 30 September 2015, the Group had undrawn committed borrowing facilities amounting to Shs 1,521,006,353 (March 2015: Shs 2,700,000,000). The effective interest rate for the bank overdraft is 15.27% (2015:14.50%). The overdraft facility is secured by a floating charge over all the listed Kenya securities.

**15 SHARE CAPITAL**

The total authorised number of ordinary shares is 800,000,000 with a par value of Kshs 0.50 per share. 665,441,714 (2012:665,441,714) are issued and fully paid up.

**16 CONTINGENCIES AND COMMITMENTS**

There have been no significant changes in contingent liabilities and commitments since March 31 2015.

**17 APPROVAL OF INTERIM FINANCIAL STATEMENTS**

The interim financial statements were approved by the board of directors on 10 November 2015.