

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2024

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

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ANNUAL REPORT AND FINANCIAL STATEMENTS **DIRECTORS AND STATUTORY INFORMATION** **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

DIRECTORS

Dr. J.B. McFie, PhD, MBS

– Chairman

A.H. Butt, CPA (Kenya), FCCA

S.N. Merali, BSc, MSc

Dr. S.O. Mainda, PhD, MA, ACII, EBS

Betty Koech, MBA, BCom

Rosemary Munyiri, MSc, BCom, CPA (Kenya), CISA

Martin R. Ochieng', MBA, BSc

– Group Managing Director

SECRETARY

Millicent Ng'etich, LLB, DPL (Kenya), CPS (Kenya)

5th Floor, Absa Plaza, Loita Street

P O Box 9287 – 00100

Nairobi

REGISTRARS

Image Registrars Limited

5th Floor, Absa Plaza, Loita Street

P O Box 9287 – 00100

Nairobi

ADVOCATES

Shapley Barret & Company

P O Box 40286 – 00100

Nairobi

Hamilton Harrison & Matthews

P O Box 30333 – 00100

Nairobi

Timamy and Company Advocates

P O Box 87288 – 80100

Mombasa

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SASINI PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
DIRECTORS AND STATUTORY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

INDEPENDENT AUDITOR

KPMG Kenya
Certified Public Accountants
8th Floor, ABC Towers
Waiyaki Way
P O Box 40612 – 00100
Nairobi

BANKERS

ABSA Bank Kenya PLC
Absa Plaza
Waiyaki Way
P O Box 46661 – 00100
Nairobi

Diamond Trust Bank Kenya Limited
DTB Centre, Mombasa Road
P O Box 61711 – 00200
Nairobi

NCBA Bank Kenya PLC
Mara & Ragati Roads, Upper Hill
P O Box 30437 – 00100
Nairobi

KCB Bank Kenya PLC
Kiambu Branch
P O Box 81 – 00900
Kiambu

Standard Chartered Bank Kenya PLC
Chiromo Branch 48 Westlands
P O Box 30003 – 00100
Nairobi

Habib Bank AG Zurich
P O Box 30584 – 00100
Nairobi

Co-operative Bank of Kenya PLC
Co-operative House, Haile Selassie Avenue
P O Box 48231 – 00100
Nairobi

Stanbic Bank Kenya Limited
Stanbic Bank Centre
Westlands Road
P O Box 72833 – 00200
Nairobi

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ANNUAL REPORT AND FINANCIAL STATEMENTS **BOARD OF DIRECTORS** **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Dr. James Boyd McFie, PhD, MBS - *Chairman - Non-Executive Director*

Dr. McFie is the Chairman of the Board of Directors. He holds a PhD in Accounting from the University of Strathclyde with a BA and MA in Mathematics from Oxford University.

He is a Fellow with both the Association of Chartered Certified Accountants (ACCA) and the Institute of Certified Public Accountants of Kenya (ICPAK). Dr. McFie is a lecturer in Financial Reporting, Auditing and Cybercrime at Strathmore University. He is also a director of The Standard Group PLC and SBM Bank Kenya Limited. Between 1993 and 2002, he was a Director of the Kenya Capital Markets Authority, a member of the Kenya Value Added Tax Tribunal and a Trustee of the Kenya Corporate Governance Trust and of Jitegemee Trust. Prior to his lecturing at Strathmore University, he was the Training Manager in Ernst and Young, after qualifying as an accountant in the firm.

Dr. McFie joined the Board on 30 August 2007.

Mr. Sameer Naushad Merali - *Non-Executive Director*

Mr. S. N. Merali holds a Master of Science degree in Banking and International Finance from City University Business School, London and Bachelor of Science in Management Sciences from Kings College, London. Mr. Merali initially worked with Merrill Lynch International Bank Limited in the United Kingdom as an Investment Analyst between October 2000 and February 2003. He joined Sameer Investments Limited in March 2003 and now serves as the Chief Executive Officer of that company. He is the Chairman of Ryce East Africa Limited, Nandi Tea Estates Limited and Warren Enterprises Limited. He is a Director of Sameer Africa PLC, a company listed on the Nairobi Securities Exchange PLC.

He is also a Director of Sameer ICT Limited, Sameer Telkom Limited and Fidelity Shield Insurance Company Limited among others. Mr. Merali has extensive experience in strategic leadership, business initiation and development, corporate management, audit and risk management as well as prudent financial management and planning.

He joined the Board of Sasini PLC on 26 May 2006.

Mr. Akif Hamid Butt - *Non-Executive Director*

Mr. A. H. Butt is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Public Accountant of Kenya (CPA(K)) and has a wealth of experience, acquired over time, in financial management, corporate planning and strategic management. He previously worked with PricewaterhouseCoopers (PWC) in Kenya and the East Africa Region, Liberia and England. He joined the Sameer Group in 1989 and is currently the Group's Finance Director. He represents the interest of the Sameer Group on the boards of various companies. Mr. Butt is also a Director of Sameer Africa PLC which is quoted on the Nairobi Securities Exchange PLC.

He was appointed to the Board of Sasini PLC on 1 May 1990.

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BOARD OF DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

Dr. Steve Omenge Mainda PhD- *Non-Executive Director*

Dr. Steve O. Mainda, holds a Doctorate (Honoris Causa) from the University of Eastern Africa. He also holds a Master's Degree from Princeton University and a Diploma in Management from Cambridge University as well as a Diploma in Education from University of East Africa- Makerere College. He is an Associate of the Chartered Insurance Institute, London and a Fellow of the Institute of Directors of London.

Dr. Mainda has a wealth of experience in Finance, Insurance, Strategic Management and Education. He is currently the Chairman of the following companies in Africa: Continental Reinsurance Company, headquartered in Nairobi; Asante Grain and Mining Company; Blue Nile Steel Group; Mediheal Group of Hospitals. He also sits on the Board of the following companies in Africa: Sasini Plc, Ryce East Africa Limited, Tausi Assurance Company Limited, Dubai Islamic Bank Kenya Limited, Mahathi Infra Uganda Limited, Tilisi Development Company and Monarch Insurance Company Limited.

As a Chairman and Director of various companies, he brings to the board, international business experience, management and executive leadership experience in operation, talent management and governance. In addition, his over 25 years in Management and Finance provides him with experience for the companies he serves.

Dr. Mainda served for many years as Chairman of Insurance Regulatory Authority of Kenya (IRA), 1992-2013. He was also a long serving Chairman of the largest housing bank in Eastern Africa (Housing Financing Group of Companies).

In recognition of his distinguished service to Kenya and East Africa, he was awarded Elder of the Order of the Burning Spear (EBS) by President H.E. Mwai Kibaki.

He was appointed to the Board of Sasini PLC on 21 September 2012.

Mr. Martin R. Ochien'g - *Group Managing Director*

Mr. Ochien'g is a holder of a Master of Business Administration degree in Strategic Marketing and Management from Oxford Brookes University, England, and a First-Class Honours Bachelor of Science degree from Moi University. His career spans over 30 years of experience in international trade, business management and leadership in industry leading global organizations. He started work for 3M HealthCare as a Medical Representative in charge of Western Kenya region before joining Warner Lambert/Pfizer Inc. in 1997 as a Territory Manager covering Western Kenya, Eastern Uganda and North-Western Tanzania regions. In the early millenium he moved with Pfizer to South Africa as Head of Marketing for Sub Saharan Africa markets. He has held several leadership roles in various organizations including at KWV International as Head of Global Marketing, at Tyco International as Marketing and Strategy Director for Africa and Middle East region and later as Managing Director for Tyco Commercial Services for the region, as CEO at GHM South Africa and as MD for SGA Kenya Limited.

He is the current Chairman of the Board of Directors of the United Nations Global Compact Kenya Network, the world's leading corporate sustainability program, as well as being a board member of The Kenya Association of Manufacturers.

He was appointed the Group Managing Director joined on 1 March 2019.

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Mrs. Betty Koech - Independent Non-Executive Director

Mrs. Betty Koech holds a Master of Business Administration (MBA) degree from Moi University, a Bachelor of Commerce degree from the University of Nairobi, a Management Advanced Program certificate from the University of Witwatersrand (SA), and a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK). She is a certified leadership Consultant, Trainer and Coach with the John Maxwell Team (USA).

Mrs. Koech provides consultancy services at The Lead Catalyst Group Limited. Previously, she was in charge of revenue growth and customer retention at G4S where she served as the Sales & Marketing Director, and at Unilever where she served as the Marketing Manager, building big brands. She has extensive experience in business and marketing consultancy, leadership, strategic management, and sales and marketing. She is trained and experienced in audit and risk management and has wide experience on governance. She is a founding member of Hill Toastmasters Club where she actively mentors and coaches' young leaders. She is also a member of the Institute of Directors (Kenya) and holds serves the community in various capacities.

She was appointed to the Board of Sasini PLC on 9 August 2018.

Mrs. Rosemary Munyiri - Independent Non-Executive Director

Mrs. Rosemary Munyiri holds a Master of Accountancy degree from Bowling Green State University-Ohio, United States of America, and a Bachelor of Commerce (Accounting) degree from the University of Nairobi. She is a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

Mrs. Munyiri has previously worked for East African Breweries Limited in various capacities which include: The Group Financial Planning and Reporting Manager, the Group Controls Compliance and Ethics Manager, the Manager - Group Audit and Risk and as a Consultant - Group Audit and Risk. She has also worked as a Global Audit and Risk Manager at Diageo PLC, the Head of Internal Audit at Farmers' Choice Limited, a Staff Accountant at Plante & Moran PLLC, USA, and an Audit Manager at Wanyeki & Co. Associates, CPA - Nairobi. She is a Financial Planning and Reporting Manager with Ardagh Glass Packaging Kenya Limited.

She has a wealth of experience in management and strategic advisory roles, financial planning and reporting, audit, risk management & compliance, business governance and ethics, leadership and change management through the various roles she's held and is at the core of developing, leading, assessing and advocating for ethical business practices.

She was appointed to the Board of Sasini PLC on 9 August 2018.

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ANNUAL REPORT AND FINANCIAL STATEMENTS **SENIOR MANAGEMENT** **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Dr. Samuel Kanga Odalo - DBA, Group Chief Finance Officer

Dr. Samuel Odalo has over 34 years' experience in Finance, Accounting and Audit. Prior to joining Sasini PLC, he held senior Finance and Accounting positions in various companies in the Agribusiness Industry. He holds a Doctorate Degree in Business Administration (Finance) from United States International University (USIU), a Global Executive Master of Business Administration (MBA) from USIU in partnership with Columbia Business School in New York, Bachelor of Science in Business Administration (Accounting) from USIU. Dr. Odalo is also a Certified Public Accountant (CPA) in Kenya and is a Member of Institute of Certified Public Accountants of Kenya (ICPAK). He joined the Sasini group in 1998 and rose through the ranks to become the Group Financial Controller in July 2009 and later designated Group Chief Finance Officer. He was appointed as the acting Group Managing Director from 1 October 2018 to 28 February 2019.

He is also a member of the Institute of Directors (Kenya).

Ms. Victoria Cherotich - Company Secretary (Outgoing)

Ms. Victoria is a graduate of the University of Nairobi (Bachelor of Arts – Economics (BA, Economics and Sociology) and currently pursuing an MBA at the same Institution. She is also a member of the Institute of Certified Secretaries (ICS), the Institute of Certified Public Accountants of Kenya (ICPAK) as well as the Women on Boards Network.

Ms. Victoria is a seasoned professional with over fifteen years' experience in Financial Audits, Customer Experience Digital Transformation, Governance Advisory Services, Company Secretarial Services, Securities Registration and Project Management.

She is a Global Reporting Initiative (GRI) Certified Sustainability Professional as well as a Certified Secretary, an Accredited Governance Auditor and Certified Public Accountant.

Victoria has attended various professional management and corporate governance capacity building courses. She also serves as the Company Secretary on various Boards of Companies in diverse sectors.

Ms. Victoria was appointed on 1 April 2023 and resigned on 1 November 2024.

Mr. Silas Juma Njibwakale – Managing Director, Kipkebe Limited

Mr. Silas Juma Njibwakale holds a Bachelor of Science Degree in Agriculture from University of Nairobi, a Certificate in Leadership from the prestigious leadership trustee college South Wales - England and a Diploma in Human Resource Management from Kenya Institute of Management (KIM). He is a full member of the Institute of Human Resource Management (IHRM). He has vast experience of over 32 years of experience in managing tea estates and factories in Kenya. He has a wealth of knowledge in tea husbandry and has been instrumental in improving efficiencies and effectiveness within the tea industry in Kenya with a view to ensuring tea business remains sustainable with emphasis on value addition. Prior to joining Sasini PLC, he held a number of senior management positions in various organizations which include The Sotik Tea Company Ltd, Sotik Highlands Tea Estate Limited, Arroket Estate (Arroket & Kaptembwa) & Arroket Factory. He has previously served as a member of the Board of Directors – Tea Board of Kenya and currently the National Chairman of the Kenya Tea Growers Association (KTGA).

He was appointed as Managing Director - Kipkebe Limited (a wholly owned subsidiary of Sasini PLC) on 1 April 2019.

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Mr. James Muriithi Kieu - *General Manager, Sasini PLC (Coffee & Macadamia Operations)*

Mr. Muriithi has vast experience of over 30 years in Managing Coffee and Tea Estates & Factories. Prior to joining Sasini PLC, he held senior positions within the Neumann Kaffee Gruppe managing coffee and tea estates & factories both at local and international levels. Holds a Diploma in Agricultural Engineering from Jomo Kenyatta University of Agriculture and Technology among other management and leadership courses. He was appointed as the General Manager, Coffee Operations in February 2004 where he has ably led in a series of very successful diversification programs amongst other major activities within the Group. He has been very key to the establishment of the coffee mill and the macadamia factory as well as establishing very strong international market links for coffee and macadamia. He has successfully been involved in policy discussions and formulation for coffee and macadamia in the country.

James took an early retirement effective 31 December 2024.

Ms. Priscah Keah – *Group Head of Human Resource & Administration*

Ms. Keah has over 20 years' experience in Human Resource Management. Prior to joining Sasini PLC., she held various Senior Human Resources Management positions in Agribusiness and Manufacturing Industries. She holds a Master of Business Administration (MBA) in Human Resources Management, and a Bachelor of Science (BSc.) (Mathematics) (Hons), Post Graduate Diploma in Human Resources Management and various professional Leadership, Managerial, Governance and Strategic Trainings. She is a full Member of the Institute of Human Resources Management (IHRM). Ms. Keah was appointed to the position in July 2010.

Ms. Millicent Ng'etich - *Company Secretary (Incoming)*

Ms. Ng'etich holds a Bachelor of Laws (LLB) degree from Moi University and Diploma in Law from the Kenya School of Law. She is a member of the Law Society of Kenya and the Institute of Certified Secretaries (ICS).

Ms. Ngetich is an accomplished Certified Secretary and Corporate lawyer with over 17 years of experience in driving organizational compliance, corporate governance, and legal affairs. She has vast experience in providing strategic guidance, facilitating decision making processes, mitigating legal risk and championing corporate governance requirements.

She is an advocate of the High Court of Kenya, a Certified Secretary and an Accredited Governance Auditor.

Ms. Ngetich has attended various professional management and corporate governance capacity building courses. She also serves as the Company Secretary on various Boards of Companies in diverse sectors.

Ms. Ngetich was appointed on 1 November 2024.

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ANNUAL REPORT AND FINANCIAL STATEMENTS **NOTICE OF THE ANNUAL GENERAL MEETING**

TO ALL SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE SEVENTY THIRD (73RD) ANNUAL GENERAL MEETING of the Company will be held via electronic communication **on Thursday, 6 March 2025 at 11.00 a.m.** to conduct the following business:

Agenda

1. Constitution of the meeting

To determine if a quorum is present and to read the notice convening the meeting.

Ordinary business

2. Annual report and financial statements for the year ended 30 September 2024

To receive, consider and, if thought fit, adopt the Company's audited financial statements for the year ended 30 September 2024, together with the Chairman's, Directors' and Auditors' Reports thereon.

3. Dividend

To confirm the final dividend of 50% (KShs 0.50 per share) for the year ended 30 September 2023 paid on 22 March 2024 to the shareholders on the register of members as at close of business on 22 February 2024.

4. Election of Directors

- (a) Dr. James Boyd McFie retires at this meeting in accordance with the provisions of the Company's Articles of Association and Clause 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. Special notice is hereby given pursuant to Section 287 of the Companies Act, 2015, that notice has been received of the intention to propose the following Resolution as an Ordinary Resolution at the 73rd Annual General meeting:

“That Dr. James Boyd McFie having attained the age of 70 years retires in accordance with Clause 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, be and is hereby re-elected a Director of the Company.”

- (b) To re-appoint Mr. Sameer Merali who retires by rotation in accordance with Article 24 of the Company's Articles of Association, and being eligible, offers himself for re-election as a Director of the Company.

5. In accordance with the provisions of Section 769 of the Companies Act, 2015, the following Directors, being members of the Board Risk and Audit 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
- (v) Mr. Akif Butt

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **NOTICE OF THE ANNUAL GENERAL MEETING (Continued)**

6. Remuneration of Directors

To receive, consider and, if thought fit, approve the Directors' Remuneration Report for the year ended 30 September 2024 and to authorize the Board to fix the remuneration of Directors for the ensuing year.

7. Appointment of Auditors

To re-appoint Messrs KPMG Kenya as Auditors of the Company in accordance with the provisions of Section 721 (2) of the Companies Act, 2015 and to authorize the Directors to fix the Auditors' remuneration for the ensuing financial year.

Special Business

8. Delegation of Authority to the Board

To authorize the Board to formulate, approve and regularly review policy documents as a continuing obligation envisaged under Regulation 8.21 of the Thirteenth Schedule of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 for:

- (a) Remuneration
- (b) Effective Communication with stakeholders
- (c) Corporate disclosures and procedures
- (d) Dispute resolution for internal and external disputes; and
- (e) Attraction and retention of Directors of the Company

9. To consider any other business for which due notice has been given.

BY ORDER OF THE BOARD



Millicent Ngetich
Company Secretary, ICPSK No. 2383

Date: 10 January 2025.

NOTES:

1. Shareholders wishing to participate in the meeting should register for the Annual General Meeting (AGM) by dialing *483*806# on their mobile telephone and follow the various prompts on the registration process.
2. To complete the registration process, shareholders will need to provide their National ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number. For assistance shareholders should dial the following helpline number: (+254) 709 170 000/36 from 9:00 a.m. to 5:00 p.m. from Monday to Friday. Shareholders outside Kenya should dial the helpline number or send an email to sasinishares@image.co.ke for assistance during registration.
3. Registration for the AGM opens on Wednesday 12 February 2025 at 9:00 am and will close on Tuesday, 4 March 2025 at 5.00 pm. Shareholders will not be able to register after this time.

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ANNUAL REPORT AND FINANCIAL STATEMENTS **NOTICE OF THE ANNUAL GENERAL MEETING (CONTINUED)**

4. The following documents may be viewed on the Company's website www.sasini.co.ke (a) a copy of this Notice and the proxy form; (b) 2024 Financial Statements.
5. Any shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.
6. The proxy form can also be obtained from the Company's website www.sasini.co.ke or from Image Registrars Limited, Absa Towers (formerly Barclays Plaza), 5th Floor, Loita Street, P. O. Box 9287 – 00100, Nairobi, Kenya. Shareholders who do not purpose to participate at the Annual General Meeting are requested to complete and return the proxy form to Image Registrars Limited, or alternatively to the Registered Office of the Company so as to arrive not later than Tuesday 4 March 2025 at 11.00am.
7. Duly signed proxy forms may also be emailed to sasinishares@image.co.ke in PDF format. A proxy form must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under the Company's common seal or under the hand of an officer or duly authorized attorney of such body corporate.
8. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so on or before Tuesday 4 March 2025 at 11.00am by: (a) sending their written questions by email to sasinishares@image.co.ke; or (b) By dialing USSD code *483*806# and selecting the option (Ask Question) on the prompts; (c) to the extent possible, physically delivering or posting their written questions with a return physical, postal or email address to the registered office of the Company or P.O. Box 30151 – 00100, Nairobi, or to Image Registrars offices at the address above.

Shareholders must provide their full details (full names, National ID/Passport Number/CDSC Account Number) when submitting their questions or clarifications.

The Company's Directors will provide responses to questions received via the channel used by shareholders to send their questions, i.e. SMS (for USSD option), Email, Letters or Telephone call. Questions will also be responded to during the meeting.

A full list of all questions received and the answers thereto will be published on the Company's website not later than 24 hours following the conclusion of the meeting.

9. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message service (SMS) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS prompt shall be sent one hour ahead of the AGM as a reminder that the AGM will begin in an hours' time and providing a link to the live stream.
10. Shareholders and proxies who have registered to attend the AGM may follow the proceedings using the live stream platform, access the agenda and vote (when prompted via SMS) via the USSD prompts or using the "VOTE" tab on the livestream link.
11. Results of the resolutions voted on will be published on the Company's website i.e. www.sasini.co.ke within 24 hours following conclusion of the AGM.

Shareholders are encouraged to continuously monitor the Company's website for any updates relating to the AGM.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA

ILANI YA MKUTANO MKUU WA KILA MWAKA

KWA WANAHISA WOTE

ILANI INATOLEWA HAPA KUWA MKUTANO MKUU WA KILA MWAKA WA SABIINI NA TATU (73), wa Kampuni utakuwa kupitia mawasiliano ya kielektroniki, Alhamisi, tarehe 6 Machi 2025, saa tano asubuhi kuendesha shughuli zifuatazo:

Ajenda

1. Kuuanzisha mkutano

Kuhakikisha uwepo wa akidi na kusoma Ilani ya kuitisha mkutano.

Shughuli za Kawaida

2. Ripoti ya mwaka na taarifa za kifedha za mwaka ulioishia 30 Septemba 2024

Kupokea, Kuchunguza na ikikubaliwa, kuidhinisha taarifa za kifedha zilizokaguliwa za Kampuni za mwaka ulioishia 30 Septemba 2024, pamoja na Ripoti za Mwenyekiti, Wakurugenzi na Wahasibu zilizopo.

3. Gawio la Faida

Kuthibitisha malipo ya gawio la faida ya mwisho ya asilimia 50 (KShs 0.50 kwa hisa ya mwaka ulioishia 30 Septemba 2023) iliyolipwa tarehe 22 Machi 2024 kwa wanahisa kwenye rejista la wanachama kufikia mwisho wa biashara tarehe 22 Februari 2024.

4. Uchaguzi wa Wakurugenzi

(a) Dkt. James Boyd McFie anastaafu katika mkutano huu kufuatana na masharti ya Kanuni za Kampuni na sharti 2.5 la Mfumo wa Kanuni na Taratibu za Utendaji wa Uongozi wa Shirika kwa Watoaji wa Amana kwa Umma wa mwaka 2015. Ilani maalum inatolewa hapa kufuatana na sehemu 287 ya Sheria ya Makampuni, ya mwaka 2015, kuwa ilani imepokewa ya nia ya kupendekeza Azimio lifuatalo kama Azimio la Kawaida katika Mkutano Mkuu wa kila Mwaka wa 73:

“Kuwa Dkt. James Boyd McFie akiwa amefikisha umri wa miaka 70 anastaafu kulingana na sharti 2.5 la Mfumo wa Kanuni na Taratibu za Utendaji wa Uongozi wa Shirika kwa Watoaji wa Amana kwa Umma wa mwaka 2015, ateuliwe na hapa anateuliwa Mkurugenzi wa Kampuni.”

(b) Kumteua upya Bw. Sameer Merali anayestaafu kwa zamu kufuatana na kifungu 24 cha Kanuni za Kampuni, na kwa kuwa anastahili anajitolea kuchaguliwa tena kama Mkurugenzi wa Kampuni.

5. Kufuatana na masharti ya Sehemu 769 ya Sheria ya Makampuni, mwaka 2015, wakurugenzi wafuatao, wakiwa wanachama wa Kamati ya Uhasibu na Hatari ya Halmashauri wachaguliwe kuendelea kutumika kama wanachama wa kamati hiyo:

- i) Bi. Betty Koech
- ii) Bi. Rosemary Munyiri
- iii) Bw. Sameer Merali
- iv) Dkt. James McFie
- v) Bw. Akif Butt

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA **ILANI YA MKUTANO MKUU WA KILA MWAKA (KUENDELEZA)**

6. Malipo ya Wakurugenzi

Kupokea, kuchunguza na ikikubalika, kuidhinisha Ripoti ya Malipo ya Wakurugenzi ya mwaka uliokwisha 30 Septemba 2024 na kuwapa idhini Halmashauri kuamua malipo ya Wakurugenzi ya mwaka unaofuata.

7. Uteuzi wa Wahasibu

Kuwateua upya KPMG Kenya kama Wahasibu wa Kampuni kufuatana na masharti ya Sehemu 721 (2) ya Sheria ya Makampuni, mwaka 2015 na kuwaidhinisha Wakurugenzi kuamua ujira wa Wahasibu wa mwaka wa kifedha unaofuata.

Shughuli Maalum

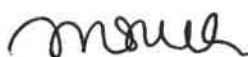
8. Uwakilishaji wa Mamlaka kwa Halmashauri

Kuwakilisha Halmashauri kuunda, kuidhinisha, tekeleza na kupitia upya mara kwa mara nyaraka za sera kama wajibu wa kuendelea unaohisiwa chini ya kanuni 8.21 ya Ratiba ya Kumi na Tatu ya Kanuni za Masoko ya Mtaji mwaka 2023 (ahidi za umma, orodha na fichuzi) kwa

- (a) Ujira
- (b) Mawasiliano yafaayo na washika dau
- (c) Fichuzi za Shirika na taratibu
- (d) Utatuzi wa mabishano kwa mabishano ya ndani na nje; na
- (e) Kuvutia na kuwahifadhi Wakurugenzi wa Kampuni

- 9.** Kushughulikia shughuli nyingine yoyote ambayo kwamba ilani ipasayo imetolewa.

KWA AMRI YA HALMASHAURI



Millicent Ng'etich
Katibu Wa Kampuni, ICPSK Numbari 2383

Tarehe: 10 Januari 2025.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA ILANI YA MKUTANO MKUU WA KILA MWAKA (KUENDELEZA)

MAELEZO:

1. Wanahisa wanaotaka kushiriki katika mkutano wajiandikishe kwa Mkutano Mkuu wa Mwaka kwa kubonyeza *483*806# kwenye simu zao za mkono na kufuata maagizo mbalimbali kwenye mchakato wa kujiandikisha.
2. Kukamilisha mchakato wa kujiandikisha, wanahisa watahitaji kutoa Nambari zao za Vitambulisho vya Kitaifa/Pasipoti zilizotumiwa kununulia hisa zao na/au Nambari ya Akaunti ya CDSC. Kwa usaidizi wanahisa wapige nambari ifuatayo ya usaidizi: (+254) 709 170 000/36 kutokea saa tatu asubuhi hadi saa kumi na moja jioni kutokea Jumatatu hadi Ijumaa. Wanahisa nje ya Kenya wapige nambari ya usaidizi au watume barua pepe kwa sasinishares@image.co.ke kwa usaidizi wakati wa kujiandikisha.
3. Kujiandikisha kwa Mkutano Mkuu wa Mwaka kunaanza Jumatano tarehe 12 Februari 2025 saa tatu asubuhi na kutafungwa Jumanne tarehe 4 Machi 2025 saa kumi na moja jioni. Wanahisa hawataweza kujiandikisha baada ya muda huu.
4. Nyaraka zifuatazo zinaweza kutazamwa katika mtandao wa Kampuni www.sasini.co.ke
(a) nakala ya Ilani hii na fomu ya uakilishi; (b) Taarifa za Kifedha za mwaka 2024.
5. Mwanahisa yeyote anayestahiki kuhudhuria na kupiga kura katika Mkutano Mkuu wa Mwaka anastahiki kuteua mwakilishi kuhudhuria na kupiga kura badili yake. Mwakilishi huyo si lazima awe mwanachama wa Kampuni.
6. Fomu ya uakilishi inaweza pia kupatikana kutoka kwa mtandao wa Kampuni www.sasini.co.ke au kutoka Image Registrars Limited, Absa Towers (awali Barclays Plaza), ghorofa ya 5, Barabara ya Loita, S.L.P. 9287 - 00100, Nairobi, Kenya. Wanahisa ambao hawana nia ya kushiriki katika Mkutano Mkuu wa Mwaka wanaombwa kujaza na kurejesha fomu ya uakilishi kwa Image Registrars Limited, au vinginevyo kwa Afisi Ilioandikishwa ya Kampuni ili ifike kabla ya saa tano za asubuhi siku ya Jumanne tarehe 4 Machi 2025.
7. Fomu za uakilishi zilizotiwa sahihi kisawa pia zinaweza kutumwa kwa barua pepe kwa sasinishares@image.co.ke kwa muundo wa PDF. Fomu ya uakilishi lazima iwekwe sahihi na anayeteua au wakili wake aliyeidhinishwa kisawa kwa maandishi. Ikiwa anayeteua ni shirika, hati inayomteua mwakilishi lazima iwe na muhuri wa kawaida wa Kampuni au kwa idhini ya afisa au mwanasheria aliyeidhinishwa wa shirika hilo.
8. Wanahisa wanaotaka kuuliza maswali yoyote au kutaka ufafanuzi kuhusu Mkutano Mkuu wa Mwaka wanaweza kufanya hivyo kufikia saa tano asubuhi siku ya Jumanne tarehe 4 Machi 2025 au kabla ya hapo kwa: (a) kutuma maswali yao yalioandikwa kwa barua pepe kwa sasinishares@image.co.ke; au (b) kwa kupiga nambari USSD *483*806# na kuchagua chaguo (Uliza Swali) kwenye maagizo; (c) inapowezekana, kuwasilisha kwa mkono au kutuma kwa posta maswali yao yalioandikwa na anwani ya kujibu ya anapoishi, ya posta au barua pepe kwa afisi ilioandikishwa ya Kampuni au S.L.P. 30151 - 00100, Nairobi, au kwa afisi za Image Registrars katika anwani iliopo hapa juu.

Lazima wanahisa watoe maelezo yao kamili (majina kamili, Nambari ya Kitambulisho cha Kitaifa/ Pasipoti/ Akaunti ya CDSC) wanapokuwa wanawasilisha maswali yao au ufafanuzi.

Wakurugenzi wa Kampuni watajibu maswali yaliyopokelewa kwa njia iliotumiwa na wanahisa kutuma maswali yao kama vile ujumbe mfupi (kwa chaguo la USSD) barua pepe, barua au simu. Maswali pia yatajibiwa wakati wa mkutano.

Orodha kamili ya maswali yote yaliyopokelewa, na majibu kuhusiana nayo yatachapishwa katika mtandao wa Kampuni kwa muda usiozidi masaa 24 baada ya kumalizika kwa mkutano.
9. Mkutano Mkuu wa Mwaka utapeperushwa moja kwa moja kupitia kiungo ambacho kwamba kitatolewa kwa wanahisa wote ambao watakuwa wamejiandikisha kushiriki katika Mkutano Mkuu wa Mwaka. Wanahisa waliojiandikisha kisawa na wawakilishi watapokea agizo la huduma ya ujumbe mfupi (SMS) kwenye simu zao za mkono zilizoandikishwa, masaa 24 kabla ya Mkutano Mkuu wa Mwaka ikiwa kama ukumbusho wa Mkutano Mkuu wa mwaka. Agizo la pili la ujumbe mfupi (SMS) litatumwa saa moja kabla ya Mkutano Mkuu wa Mwaka, kama ukumbusho kuwa Mkutano Mkuu wa Mwaka utanza katika muda wa saa moja na kutoa kiungo cha upeperushaji wa moja kwa moja.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA **ILANI YA MKUTANO MKUU WA KILA MWAKA (KUENDELEZA)**

MAELEZO:

10. Wanahisa na wawakilishi ambao wamejiandikisha kuhudhuria Mkutano Mkuu wa Mwaka wanaweza kufuata yanayotendeka wakitumia jukwaa la kupeperushia moja kwa moja, kuipata ajenda na kupiga kura (watakapoagizwa kupitia ujumbe mfupi) kupitia maagizo ya USSD au kutumia agizo la “kupiga kura” kwenye kiungo cha upeperushaji wa moja kwa moja.
11. Matokeo ya maazimio yaliopigiwa kura yatachapishwa kwenye mtandao wa Kampuni yaani www.sasini.co.ke katika masaa 24 kufuatia kumalizika kwa Mkutano Mkuu wa Mwaka.

Wanahisa wanahimizwa kufuatilia mtandao wa Kampuni mara kwa mara kwa maelezo yoyote mapya kuhusiana na Mkutano Mkuu wa Mwaka.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CHAIRMAN'S STATEMENT

“2024 has been our most challenging year in the last 5-year period. The business faced headwinds on all its fronts resulting in losses emanating from a myriad of global, macro, and local issues. These ranged from challenges in global logistics negatively affecting our fruit business, extreme weather patterns negatively impacting our tea and coffee volumes, over-supply of finished goods resulting in collapsed tea prices, to diminished markets for nuts in North America negatively affecting our macadamia business”. Dr. J. B. McFie, PhD., Chairman.

Operating Environment

The year under review was extremely difficult from an operational and business perspective. It started early on in October 2023 with weather challenges arising from what was effectively a drought period causing disruptions in our production yields and volume effectively reducing the raw material supply for our tea operations, and coffee business on top of laying a weak foundation for the nut in shell supply needed for our macadamia business. This laid a weak foundation for the year.

The tea business was heavily affected in a negative way by a huge over-supply of black tea emanating from an accumulation of volumes from small scale farmers over the last 3 years owing to the slow uptake due to the minimum price guidelines rolled out in 2021 by the government. The small-scale farmers especially from the west of the Rift Valley region have been enduring slow uptake of their black tea as their marketing agency insisted on these teas being bought at not below the USD 2.5 per Kg. level. This has resulted in tea being produced and not sold for long periods of time. Consequently, there was way too much black tea available in the auction from January 2024, resulting in a collapse of the auction prices which persisted for the full year. As a result, teas offered on a weekly basis in the auction rose from 10 million kilograms to 21 million kilograms due to the glut. The tea drove buyers to take advantage of the abundance of tea and the resultant deteriorating quality in terms of aroma and flavour of the long-held teas to drive price realisation down. Consequently, our reliance on private sales of our teas was affected by inferior price negotiations as teas deemed similar to our offerings were available in the auction at very low-price levels. Ultimately, we struggled to close long term deals at fair prices and affected our tea business adversely as we operated for most of the year with prices below our cost of production. This continues to be a problem not just for Sasini but for the whole tea business in Kenya and will continue to present challenges into the near to mid-term future.

The macadamia business suffered after we made a decision to close our processing factory in January 2024 emanating from two major factors; (i) the lack of raw material in the form of nut in shell (NIS) to process into sellable kernels, as the Government eased previous strict regulations to allow direct export of NIS to try and ease farmers' challenges emanating from slow movement of processed nuts from the previous year and (ii) a total collapse of demand in the biggest nuts market in the USA which saw macadamia kernel prices drop to unviable levels of around 4 USD per Kg. of kernel. This is way below the cost of production and so we were forced to suspend processing of macadamia nuts until the markets recover. In any case, there was no NIS to process when we expected to as most of this had been exported as immature nut. The USA continued to face recession during most of 2024 (due to global economic situation and uncertainty brought about by the disruption arising from the US Presidential elections). The opening of the one-year window by the Government of Kenya to allow farmers to export NIS saw an influx of Chinese buyers of NIS in the early part of the season (October 2023 to January 2024) mopping up almost all the NIS available in the fields at the time. This had two negative effects being that (i) the NIS was being picked with low maturity levels, and (ii) this denied the market the much-needed mature NIS to process later on in the season (March to May 2024). This combined with the fact that the destination markets were very soft meant that 2024 was a very painful year for macadamia nuts.

The fruit business started well with supplies flowing into Europe in the early part of the season, but these were suddenly stopped by the closure of the Suez Canal in early 2024. This put a major bottleneck on the routing of the perishable avocado fruits into our main European markets pushing up the supply timelines from the usual 28 days to about 60 days as the fruit had to be re-routed through Cape Town in the southern tip of the continent and around the western coast of Africa, into the European markets. As a result, almost all the fruit we exported arrived with serious quality issues and coupled with the attendant escalation of logistics costs due to the re-routing resulted in losses for our fruit business.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CHAIRMAN'S STATEMENT (CONTINUED)

Operating Environment (Continued)

The coffee business recovered from a change in coffee regulations effected in mid 2023 which restricted businesses to only one licence in the value chain . In compliance thereto, we had to give up two of our operating licences and that meant that we lost a couple of revenue and profit generating streams. The licences we retained meant that the unit exported coffee from own estate supplemented by coffee sourced from the auction to end up profitable though this was not strong enough to mitigate losses realised in the tea, macadamia, and avocado units.

The Sasini Retail business which sees us pack, market and offer export quality teas and coffees in the local market continued to face low uptake because of lower disposable income from the Kenyan consumers. Consumers in Kenya continued to face pressure on their disposable income reducing their ability to purchase basic consumer goods and this affected the retail business adversely. Increases in fuel and related food costs, made worse by pressure of increased taxation meant that the local market remained a difficult operating environment.

In order to mitigate the effects of these challenges, we operated prudently and strictly with management of our cash being key to ensure the smooth running of the operations throughout the year and subsequently. We maintained a strong cash position in the year by being overly strict on operational and discretionary expenses to protect the cash as most of the units absorbed cash in their operations due to the difficult business conditions resulting in operational losses.

The weather challenges faced in the early part of the financial year continue to strengthen our resolve towards running our business responsibly anchored by our strong commitment to the sustainable development goals and especially goals that require us to take strong mitigating measures to combat climate change. Our 1.5 MW solar power generation plant continued to deliver clean and renewable energy into the manufacturing process in our tea business, driving huge operational savings while reducing our reliance on power from the national grid and contributing to our efforts to minimize GHG emissions.

Our focus on running our business sustainably has seen us strengthen our work around the Environmental, Social and Governance (ESG) issues driven mainly by our commitment to playing our corporate citizenry part in delivering our goals on the nine (9) sustainable development goals (SDGs), which we have been working on since 2019. This saw the launch of our second sustainability report in May 2024 which highlighted the commitments and the work we do towards the delivery of the SDGs generally. We remain committed to driving these goals and to continue running our business responsibly and sustainably, and to achieving our goal of reversing the negative effects of climate change while enhancing the positive aspects of human rights and good labour practice with continued razor-sharp focus on zero tolerance for corruption in our operational set up.

We continue to focus on the nine (9) sustainable development goals (SDGs) that we chose in 2019 to be the bedrock of what we do. These nine SDGs are;

1. SDG 1 - Elimination of poverty
2. SDG 3 - Good health and well being
3. SDG 4 - Quality education
4. SDG 5 - Gender equality
5. SDG 7 - Affordable and clean energy
6. SDG 8 - Decent work and economic growth
7. SDG 9 - Industry, innovation, and infrastructure
8. SDG 12 - Responsible consumption and production
9. SDG 15 - Life on land

The strengthening of the Kenya shilling around February/March 2024 against all the major global currencies resulted in translation losses further diminishing our results. The group lost the conversion advantage we held by having proceeds and reserves in foreign currencies (See note 5(a)(ii)). The Kenya shilling has since settled in the latter part of 2024 to a stable level, and the foreseeable outlook is that we will manage 2025 with this reality in mind.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CHAIRMAN'S STATEMENT (CONTINUED)

Operating Environment (Continued)

As a result of all the above, the tea business closed the year with a loss of KShs 255 million., the avocado business closed the year with a loss of KShs 64 million., and the macadamia business finished the year with a loss of KShs 105 million. The coffee trading business was the only strong unit finishing the year with a profit of KShs 186 million. The coffee estates and head office made loss of KShs 318 million with other operations making a loss of KShs 6.9 million. This led to a Group loss after tax of KShs 562.9 million.

We closed the year with a healthy cash balance of KShs 929 million. The Group also held other investments in form of long term government bonds amounting to KShs 159 million. The exchange rate during the reporting period averaged KShs 140.27/1 USD.

We launched our current strategic initiatives that will see the business through the 2023-6 strategic period and will be anchored on the following 6 pillars:

- i) seeking and driving diversification in our business into new crop areas,
- ii) pursuing joint venture initiatives with bolt on and relevant initiatives to help drive growth,
- iii) mainstreaming our continued journey on achieving the sustainable development goals and our Environmental, Social and Governance (ESG) push,
- iv) using technology to drive efficiencies and reduce costs,
- v) seeking growth through geographic expansion and,
- vi) focusing on talent growth to continue the impressive journey we have been on over the last several years.

Our staff component remained strong and steady, driving the continuation of the smooth running of the business and will be critical in the achievement of the above strategic goals.

Last year, we embarked on aligning our ESG focus with the United Nations Global Compact acceleration initiatives around the '*Forward Faster*' initiatives aimed at speeding up the achievement of the SDG goals by 2030 as well as the ambitions launched and driven by the African Business Leaders' Coalition collaborative efforts on Climate action and Gender equality. Sasini PLC is fully committed to these deliberate efforts to make the world a better place to live in and is and was one of the very first companies in Kenya to adopt these global initiatives.

Our work on driving water stewardship saw us partner with one of our clients Betty's and Taylors of Harrogate to start the sinking of boreholes in Nyamira County aimed at providing clean and potable water for farmers and the communities around our catchment area in our tea business. We intend to intensify this work through stronger partnerships with this and other clients to allow us to increase the scale of water provision thus broadening the impact we can create in Nyamira, Kericho, and Bomet Counties. We will continue to manage the water resources we have in our business prudently as well towards pursuance and achievement of responsible use and consumption.

We continue with our work on gender equity and equality programs both within the Company and in our supporting of communities to advance the development of our female colleagues aiming to achieve our gender parity goal in the Company by 2026. We will extend this work by aiming to influence our value chains to have the same focus on advancing not just gender equality but equity as well.

In our tea business, we have continued to work with relevant partners on our initiative aimed at moving away from minimum wage towards decent living wage for our workers. We have also embarked on a deliberate push to seek high quality green tea leaf, to allow us to pay the supplying farmers decently towards this goal. We aim to continue this work and will in 2025, roll this out to our macadamia and avocado farmers as well.

In the year 2025 we will plan to measure and report on our carbon footprint using science-based tools to assess where we are with our carbon neutrality journey. We have been extremely good with our practices in this area, and we intend to continue to be stewards in the industry by not only being strong in delivery but strong advocates of climate action as a whole.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CHAIRMAN'S STATEMENT (CONTINUED)**

Operating Environment (Continued)

Our management team remained in place during the year with strong leadership in the business overseen by the Board which has stayed committed to the achievement of good results while we pursue growth and sustainability. The employment base has also been very stable with minimal disruptions arising from exits and we are well positioned to seek success going forward with our sound succession plan. In the recent past, the Board has put in place a sustainable business approach and leadership style aimed at guiding the company to continue being a strong player in the global agribusiness space. The strategic and operational relationship between the Board and management is very strong. We continue to support the leadership team specifically and the business as a whole in driving for growth even in what continues to be extremely difficult market conditions.

Despite enduring a very difficult year in 2024, the Company is poised to drive an immediate return to profitability in 2025. This will be based on a continued steady commitment to our strategic goals and prudent management of cash to ensure operational good health.

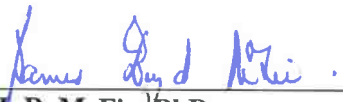
Being a global business requires resilience especially in years when results do not go our way. We continue to be focused on recovery from these 2024 shocks, ranging from disrupted weather scenarios, extremely difficult market challenges, regulatory changes both locally and internationally, geopolitical issues in Europe and the Middle East, and their adverse effects on business. We continue to drive towards being the continent's top agribusiness and will delve into 2025 with a renewed focus on returning to strong results from our operations.

Our work with rolling our automation across the business will continue in the tea unit and in the other units of macadamia and avocado. We will continue to engage the Government towards having policies that are friendly to business advancement and achievement, job creation and protection, and general growth of the economy.

In 2025, we will strengthen the execution of our new strategic framework that has ambitious goals of driving us to be Africa's leading and sustainable agribusiness.

Acknowledgments

Please allow me to extend my deep gratitude to the shareholders, regulators, farmers, clients, customers, and other stakeholders who have continued to support our work. I must thank the Board which remains strong in its leadership and oversight role for the business. The company's leadership team continues to lead and manage the business prudently and I would like to express my gratitude to them for their commitment. To all our employees at Sasini PLC, thank you so much for your hard work. You continue to make us proud, and we commit our support to you all as we seek to recover strongly in 2025 towards our growth journey.



Dr. J. B. McFie, PhD
Chairman

Date: 10 January 2025.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA TAARIFA YA MWENYEKITI

“Mwaka wa 2024 umekuwa mwaka wetu wenye changamoto kabisa katika kipindi cha miaka 5 iliopita. Biashara ilikabiliwa na vipingamizi vingi katika maeneo yake yote vikisababisha hasara inayotokana na masuala mengi sana ya kilimwengu, uchumi mkuu na ya nchini. Haya ni kama changamoto kutokana na utaratibu za kilimwengu za ugavi na usafirishaji zikiathiri kihasi biashara yetu ya matunda, hali mbaya sana za hali ya hewa zikiathiri kihasi wingi wa majani chai na kahawa zetu, ugavi wa ziada wa bidhaa zilizokwisha kutengenezwa ukisababisha kuporomoka kwa bei ya majani chai na masoko yaliopungua ya vidima Marekani Kaskazini yakiathiri kihasi biashara yetu ya makadamia”. Dkt. J.B. McFie, PhD. Mwenyekiti

Mazingira va Ufanyaji kazi

Mwaka unaopitiwa ulikuwa mgumu sana kutoka kwa mtazamo wa uendesaji biashara. Ilianza mapema sana mwezi Oktoba 2023 na changamoto za hali ya hewa kutokana na kile kilichokuwa hasa ni kipindi cha ukame kikisababisha vurugu katika mazao na wingi wa uzalishaji wetu ukipungua sana ugavi wa malighafi ya shughuli zetu za majani chai, na biashara ya kahawa na kuweka msingi dhaifu wa ugavi wetu wa vidima viliomo katika maganda uliohitajika kwa biashara ya makadamia. Hili liliweka msingi dhaifu wa mwaka.

Biashara ya majani chai iliathiriwa pakubwa kwa namna hasi na ugavi mkubwa wa ziada wa majani chai meusi uliotokana na ulimbikizaji wa wingi kutoka kwa wakulima wa viwango vidogo kwa miaka mitatu iliopita uliosababishwa na uhitaji wa polepole wa majani chai kutokana na miongozo ilioanzishwa na serikali mwaka 2021 ya bei ya chini kabisa. Wakulima wa viwango vidogo hasa wa kutoka eneo la magharibi ya Bonde la Ufa wamekuwa wakivumilia uhitaji wa polepole wa majani chai yao meusi kwa vile wakala wao wa mauzo alisisitiza majani chai haya yanunuliwe kwa bei isiyopungua kiwango cha USD 2.5 kwa kilo. Hili limesababisha majani chai kukuzwa na kutouzwa kwa vipindi vya muda mrefu. Kutokana na hili, kulikuwa na majani chai meusi mengi sana yaliopatikana katika mnada kutokea Januari 2024, yakisababisha kuporomoka kwa bei za mnadani kulikoendelea kwa mwaka mzima. Tulishuhudia majani chai yaliokuwa yakitolewa kila wiki mnadani yakiongezeka kutoka kilo milioni 10 hadi kilo milioni 21 kutokana na ongezeko hilo. Hili lilisukuma wanunuzi kujinufaisha kutokana na wingi wa majani chai na matokeo ya kupungua kwa ubora kwa upande wa harufu nzuri na ladha ya majani chai yaliowekwa kwa muda mrefu kusukuma kuteremka chini kwa bei zilizopatikana. Kwa hiyo utegemezi wetu kwenye mauzo ya kibinafsi ya majani chai yetu uliathiriwa na makubaliano ya bei za chini kwa vile majani chai kama hayo tunayouza yalipatikana katika mnada kwa viwango vya bei ya chini. Hili lilitufanya kujitahidi kufikia mapatano ya muda mrefu ya bei ya sawa na kuathiri biashara yetu ya majani chai vibaya tukishughulika karibu mwaka wote na bei zilizo chini zaidi ya gharama za uzalishaji. Hili liliendelea kuwa tatizo sio tu kwa Sasini bali kwa biashara yote ya majani chai nchini Kenya na litaendelea kutoa changamoto katika kipindi cha usoni cha karibuni na cha kati.

Biashara ya makadamia iliathirika baada ya sisi kufanya uamuzi wa kufunga kiwanda chetu cha utengenezaji mnamo Januari 2024 kutokana na sababu mbili kuu: (i) ukosefu wa malighafi kwa umbo la kidima ndani ya ganda kutengeneza kuwa vidima vya kuuzika, kwa vile Serikali iliondoa sheria kali za awali kuruhusu usafirishaji wa moja kwa moja wa vidima ndani ya maganda kujaribu kupunguza changamoto za wakulima zinazotokana na uuzaji wa polepole wa vidima vilivyotengenezwa mwaka uliopita na (ii) kuporomoka kabisa kwa mahitaji katika soko kubwa kabisa la vidima Marekani kulikofanya bei za vidima vya makadamia kushuka kwa viwango visivyotamanika vya kama USD 4 kwa kilo ya vidima. Hii ilikuwa chini sana ya bei ya uzalishaji na hivyo tulilazimishwa kuacha utengenezaji wa vidima vya makadamia mpaka masoko yapate ahueni. Kwa hali yoyote, kulikuwa hakuna vidima vya ndani ya maganda kutengeneza tulipotarajia kufanya hivyo kwa vile karibu vyote vilikuwa vimesafirishwa kama vidima visivyokomaa. Marekani iliendelea kukabiliwa na mdororo wa uchumi karibu katika mwaka wote wa 2024 (kutokana na hali ya uchumi wa kilimwengu na kutokuwa na uhakika kulikosababishwa na uchaguzi wa urais Marekani).

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA TAARIFA YA MWENYEKITI (KUENDELEZA)

Utoaji wa fursa ya mwaka mmoja na Serikali ya Kenya kuruhusu wakulima kusafirisha vidima ndani ya maganda kulisababisha kuingia kwa wanunuzi wa vidima ndani ya maganda wa kichina kwa wingi katika sehemu ya mwanzo wa msimu (Oktoba 2023 hadi Januari 2024) wakimaliza karibu vidima vyote vilivyo ndani ya maganda vilivyokuwepo mashambani wakati huo. Hili lilikuwa na athari mbili hasi zikiwa (i) vidima ndani ya maganda vilikuwa vikichumwa na viwango vya chini vya ukomavu, na (ii) hili lilinyima soko vidima vya ndani ya maganda vilivyokomaa vinavyohitajika sana kutengenezwa baadaye katika msimu (Machi hadi Mei 2024). Hili pamoja na kuwa masoko ya makusudio yalikuwa hafifu ilimaanisha kuwa mwaka 2024 ulikuwa mchungu kwa makadamia.

Biashara ya matunda ilianza vyema, ugavi ukienda Ulaya katika sehemu ya mwanzo ya msimu, lakini ulisimamishwa ghafla na kufungwa kwa mfereji wa Suez mapema 2024. Hili liliweka kikwazo kikubwa kwenye usafirishaji wa matunda ya parachichi yanayoweza kuharibika katika masoko yetu makuu ya Ulaya kikiongeza muda wetu wa ugavi kutoka kawaida ya siku 28 hadi siku 60 kwa vile ilibidi matunda yasafirishwe kupitia Cape Town iliopo kusini mwishoni mwa bara na kuzunguka mwambao wa magharibi ya Afrika, kufikia masoko ya Ulaya. Matokeo yake, ni kuwa karibu matunda yote tuliosafirisha yalifika yakiwa na masuala mazito ya ubora pamoja na kuongezeka kwa gharama za utaratibu wa ugavi na usafirishaji kutokana na kubadilisha njia kulikosababisha hasara katika biashara yetu ya matunda.

Biashara ya kahawa ilipata ahueni kutokana na badiliko katika sheria za kahawa zilizotekelezwa kati ya mwaka 2023 zilizolazimisha biashara kuwa na leseni moja pekee katika mfululizo wa thamani. Ili kutimiza hilo, ilibidi tuache leseni mbili za utendaji wetu na hilo lilimaanisha kuwa tulipoteza njia kadhaa za uzalishaji wa mapato na faida. Leseni tulizobakia nazo zilimaanisha kuwa kitengo kinasafirisha kahawa kutoka kwa mashamba yetu ikijalizwa na kahawa iliopatikana kutoka mnadani ili kupata faida ijapokuwa hili halikuwa imara kutosha kuzuia hasara iliopatikana katika vitengo vya majani chai, makadamia na parachichi.

Biashara ya uchuuzi ya Sasini inayotufanya kufunga, kuuza na kutoa majani chai na kahawa za ubora wa usafirishaji katika soko la nchini iliendelea kukabiliwa na mauzo ya chini kutokana na mapato ya kibinafsi ya chini ya wanunuzi wa Kenya. Wanunuzi nchini Kenya waliendelea kukabili shinikizo kwenye mapato yao ya kibinafsi likiathiri uwezo wao wa kununua bidhaa za kimsingi za mnunuzi na hili liliathiri vibaya biashara ya uchuuzi. Ongezeko katika gharama za mafuta na zinazohusika na chakula, zilizozidishwa na shinikizo la ongezeko la kodi ilimaanisha kuwa soko la nchini lilibakia mazingira magumu ya utendaji kazi.

Ili kudhibiti athari za changamoto hizi, tulifanya kazi kwa busara na kwa makini na usimamizi wa pesa zetu ikiwa muhimu kuhakikisha uwendelezi mzuri wa shughuli mwaka mzima na mbeleni. Tulidumisha nafasi thabiti ya pesa katika mwaka kwa kuwa waangalifu kabisa katika gharama za uendeshaji na za kihiyari kulinda pesa kwa vile karibu vitengo vyote vilitumia fedha katika shughuli zao za biashara kutokana na hali ngumu za kibiashara ikisababisha hasara katika ufanyaji kazi.

Changamoto za hali ya hewa zilizokabiliwa sehemu ya mwanzo wa mwaka wa kifedha zinaendelea kuimarisha kusudi letu la kuendesha biashara yetu kiwajibu ikikazaniwa na kujitolea kwetu kabisa kwa malengo ya maendeleo endelevu na hasa malengo yanayotuhitaji kuchukua hatua imara kudhibiti mabadiliko ya tabianchi. Mtambo wetu wa 1.5 MW wa kuzalisha nguvu ya jua uliendelea kutoa nishati safi na ya kujirudia katika utengenezaji katika biashara yetu ya majani chai, ikisababisha uokozi mkubwa wa kifedha katika utendaji kazi wakati ukipunguza utegemzi wetu wa nguvu kutoka kwa mgao wa taifa na kuchangia katika juhudi zetu za kupunguza mioshi ya GHG.

Kulenga kwetu kuiendesha biashara yetu kiendelevu kumetufanya kuimarisha kazi yetu kwenye masuala ya mazingira, jamii na utawala (MJU) tukisukumwa haswa na kujitolea kwetu kuchukua nafasi yetu ya raia wa kishirika katika kutekeleza malengo yetu kwenye malengo 9 ya maendeleo endelevu (MME), ambayo tumekuwa tukiyafanyia kazi kutokea mwaka 2019.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA TAARIFA YA MWENYEKITI (KUENDELEZA)

Hili lilifanya tutoe ripoti yetu ya pili ya masuala ya MJU mwezi Mei 2024 ilioangaza kujitolea kwetu na kazi tunayofanya ili kutekeleza MME kwa jumla. Tunabaki kujitolea kutimiza malengo haya na kuendelea kuendesha biashara yetu kiwajibu na kiendelevu, na kutimiza lengo letu la kubadilisha athari hasi za mabadiliko ya tabianchi wakati tukiimarisha vipengele chanya vya haki za kibinadamu na utendaji mzuri wa nguvukazi kwa kuendelea kulenga kwenye kutoruhusu rushwa kabisa katika utendaji kazi wetu.

Tunaendelea kulenga kwenye malengo tisa (9) ya maendeleo endelevu (MME) tuliyoyachagua mwaka 2019 kuwa msingi wa tunachokifanya. MME haya tisa ni:

1. MME 1-Umalizaji wa umaskini
2. MME 3-Afya nzuri na uzima
3. MME 4-Elimu bora
4. MME 5-USawa wa kijinsia
5. MME 7-Nishati inayomudika na safi
6. MME 8-Kazi ya heshima na ukuaji wa kiuchumi
7. MME 9-Tasnia, uvumbuzi na muundomsingi
8. MME 12-Utumizi na uzalishaji wa kiwajibu
9. MME 15-Maisha kwenye ardhi

Kuimarika kwa shilingi ya Kenya katika mwezi Februari/Machi 2024 dhidi ya fedha zote kuu za kilimwengu kulisababisha hasara ya ubadilishi ikipunguza zaidi matokeo yetu. Kundi lilipoteza manufaa ya ubadilishanaji tuliokuwa nayo kwa kuwa na mapato na akiba ya fedha za kigeni(tazama tabihi (5(a)(ii))). Shilingi ya Kenya tangu hapo ilitulia kwa kiwango imara katika sehemu ya baadaye ya mwaka 2024, na mtazamo wa kipindi cha karibuni ni kuwa tutaendesha mwaka 2025 na ukweli huu akilini.

Kutokana na matokeo ya hayo yote, biashara ya majani chai ilimaliza mwaka na hasara ya KShs milioni 255, biashara ya parachichi ilimaliza mwaka na hasara ya KShs milioni 64, na biashara ya makadamia ilimaliza mwaka na hasara ya KShs milioni 105. Biashara ya kahawa ilikuwa kitengo cha pekee imara kikimaliza mwaka na faida ya KShs milioni 186. Mashamba ya Kahawa pamoja na ofisi kuu zilipata hasara ya KShs. milioni 318, na vitengo vingine vikifunga na hasara ya KShs 6.9. Hii ilipelekea Kundi kupata hasara baada ya kodi ya KShs. milioni 562.9.

Tulifunga mwaka na sazo zuri la pesa la KShs. milioni 929. Kundi pia lilikuwa na uwekezaji za hati dhamana za muundomsingi za Serikali vya KShs.milioni 159. Kiwango cha ubadilishaji wakati wa kipindi cha kuripoti kilikuwa na wastani wa KShs 140.27/USD 1.

Tulianzisha juhudi zetu za kimkakati zitakazoiendesha biashara katika kipindi cha kimkakati cha 2023-2026 na zitaegemezwa kwenye vigezo sita vifuatavyo:

- i) Kutafuta na kuendesha upanuzi wa biashara yetu kwa maeneo mapya ya mazao.
- ii) Kufuatia kujasirisha juhudi za pamoja na miradi wima na ifaayo kusaidia kukua.
- iii) Kuelekeza safari yetu inayoendelea kutimiza malengo ya maendeleo endelevu na msukumo wetu wa Mazingira, Jamii na utawala (MJU)
- iv) Kutumia teknolojia kuendeleza ufanisi na kupunguza gharama.
- v) Kutafuta ukuaji kupitia upanuzi wa kijiografia na,
- vi) Kulenga kwenye ukuaji wa vipaji kuendeleza safari ya kuvutia ya zaidi ya miaka kadhaa tuliomo ndani.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA TAARIFA YA MWENYEKITI (KUENDELEZA)

Kitengo chetu cha wafanyikazi kilibakia thabiti na imara, kikisukuma uendelezi wa kuiendesha biashara vizuri na kitakuwa muhimu katika kutekeleza malengo ya kimkakati yaliyopo hapo juu.

Mwaka jana tulianza kuelekeza mlengo wetu wa MJU na juhudi za kuharakisha za United Nations Global Compact kufuatia juhudi zao za 'Mbele haraka zaidi' zinazolenga kuharakisha utimizaji wa malengo ya MME kufikia mwaka 2030 na pia yale malengo yaliyoanzishwa na kusukumwa na juhudi za ushirikiano za Muungano wa Viongozi wa Biashara za Kiafrika kwenye hatua ya tabianchi na usawa wa kijinsia. Sasini PLC imejitolea kikamilifu katika juhudi hizi za kimaksudi kuufanya ulimwengu mahali bora zaidi pakuishi na ilikuwa na pia ni kampuni mojawapo za mwanzo nchini Kenya kuchukua juhudi hizi za kilimwengu.

Kazi yetu ya kuendeleza usimamizi wa maji ilitufanya tushirikiane na mmoja wa wateja wetu Betty's na Taylors wa Harrogate kuanza uchimbaji wa visima katika Kaunti ya Nyamira ikilenga kutoa maji safi na yanayonyweka kwa wakulima na jamii katika eneo letu la biashara yetu ya majani chai. Tunanuia kuzidisha kazi hii kupitia ubia imara zaidi na mteja huyu na wengine kuturuhusu kuongeza utoaji maji huku tukipanua athari tunayoweza sababisha katika Kaunti za Nyamira, Kericho na Bomet. Tutaendelea kusimamia nyenzo za maji tulizonazo katika biashara yetu kwa busara na pia katika kufuatilia na kupata utumizi mzuri.

Tunaendelea na kazi yetu ya programu za haki na usawa wa kijinsia katika zote kampuni na jamii tunazosisaidia kuendeleza maendeleo ya wenzi wetu wa kike tukilenga kutimiza lengo letu la usawa wa kijinsia katika kampuni kufikia mwaka 2026. Tutaendelea kazi hii kwa kulenga kuathiri mifuatano yetu ya thamani ili kuwa na mlengo huohuo wa kuendeleza sio tu usawa wa kijinsia bali pia haki.

Katika biashara yetu ya majani chai, tumeendelea kufanya kazi na wabia wafaa katika juhudi yetu iliyolenga katika kutoka kwenye kulipa kima cha chini cha ujira kwenda kwa ujira wa kuishi kwa heshima kwa wafanyikazi wetu. Pia tumeanzisha msukumo wa kimaksudi kutafuta majani chai ya kijani ya ubora mkuu, kuturuhusu kuwalipa wakulima kiheshima kutimiza lengo hili. Tunalenga kuendeleza kazi hii na katika mwaka 2025 tutaanzisha hili pia kwa wakulima wetu wa makadamia na parachichi.

Katika mwaka 2025 tunanuia kupima na kuripoti athari yetu ya kaboni tukitumia zana zilizoegemezwwa kisayansi kutathmini tulipo katika safari yetu ya kutokuwa na kaboni. Tumekuwa wazuri kabisa katika utendaji wetu katika eneo hili na tunanuia kuendelea kuwa waandalizi katika tasnia kwa kuwa sio tu imara katika utekelezaji lakini watetezi thabiti wa hali ya tabianchi kwa ujumla.

Timu yetu ya usimamizi ilibakia imara katika mwaka katika uongozi wa biashara ikisimamiwa na Halmashauri ambayo imebaki kujitolea kupata matokeo mazuri wakati tukifuatilia ukuaji na uendeleu. Msingi wa ajira pia umekuwa imara na kuvurugwa kuchache kutokana na wanaondoka na tuna nafasi nzuri ya kutafuta ufaulu kwenda mbele na mpango wetu imara wa mfululizo. Katika wakati uliopita karibuni, Halmashauri imeweka mtazamo endelevu wa biashara na mtindo wa uongozi unaolenga kuongoza kampuni kuendelea kuwa mchezaji muhimu katika eneo la kilimobiashara ulimwenguni. Uhusiano wa kimkakati na kiutendaji baina ya Halmashauri na usimamizi ni imara kabisa. Tunaendelea kuisaidia timu ya uongozi hususan na biashara kwa jumla katika kuendesha ukuaji hata katika kile kinachoendelea kuwa hali ngumu za soko.

Dhidi ya kuhimili mwaka mgumu sana katika 2024, kampuni iko tayari kurudi mara moja katika faida katika mwaka 2025. Hili litaegeshwa kwenye ujitoleaji imara wa kuendelea kwa malengo yetu ya kimkakati na usimamizi wa busara wa fedha kuhakikisha hali nzuri ya ufanyaji kazi.

Kuwa biashara ya kilimwengu inahitaji uthabiti hasa katika miaka ambapo matokeo hayatuelekei. Tunaendelea kulenga kupata ahueni kutoka hali hizi mbaya za mwaka 2024, zikiwa ni pamoja na matokeo ya kuvurugika kwa hali ya hewa, changamoto ngumu sana za soko, mabadiliko ya sheria kote nchini na kimataifa, masuala ya siasa ya nchi inayoathiriwa na jioografia Ulaya na Mashariki ya Kati na athari zake mbaya katika biashara. Tunaendelea kuelekea kuwa biashara ya kilimobiashara ya juu kabisa katika bara na tutaanza mwaka 2025 na mlengo mpya wa kurudia matokeo thabiti katika shughuli zetu.

SASINI PLC

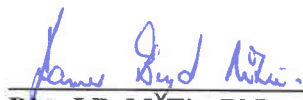
RIPOTI YA MWAKA NA TAARIFA ZA FEDHA TAARIFA YA MWENYEKITI (KUENDELEZA)

Kazi yetu ya kuanzisha utumizi wa mashine katika biashara yote itaendelea katika kitengo cha majani chai na katika vitengo vingine vya makadamia na parachichi. Tutaendelea kujadiliana na serikali katika kuwa na sera ambazo ni nzuri kwa uendelezi na utekelezi wa biashara, uanzishi na ulinzi wa kazi na ukuaji wa uchumi kijumla.

Katika mwaka 2025 tutaimarisha utekelezaji wa mfumo wetu mpya wa kimkakati ulio na malengo ya tamaa kuu ya kutosukuma kuwa biashara ya kilimo inayoongoza na endelevu Afrika.

SHUKRANI

Tafadhali muniruhusu kutoa shukrani zangu kwa wanahisa, warekebishaji, wakulima, wateja, wanunuzi na washikadau wengine ambao wameendelea kusaidia kazi yetu. Lazima niishukuru Halmashauri inayobakia thabiti katika uongozi wake na jukumu la usimamizi wa biashara kwa ujumla. Timu ya uongozi ya kampuni inaendelea kuongoza na kusimamia biashara kwa busara na ningependa kutoa shukrani zangu kwao kwa kujitolea kwao. Kwa wafanyikazi wetu wote wa Sasini PLC, asanteni sana kwa kazi yenu ya bidii. Munaendelea kutufanya tujivune na tunajitolea usaidizi wetu kwenu nyote tunapojaribu kupata ahueni imara katika mwaka 2025 katika safari yetu ya ukuaji.

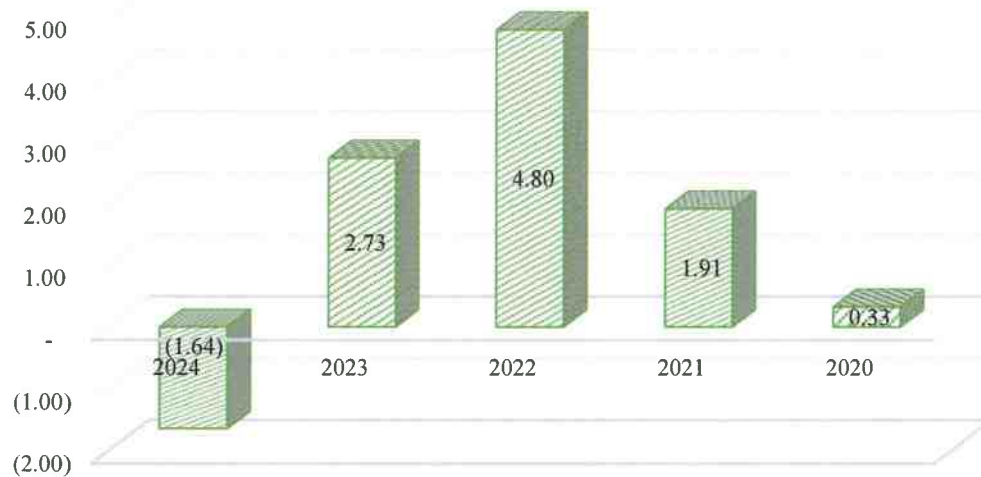

Dkt. J.B. McFie, PhD.
Mwenyekiti

Tarehe: 10 Januari 2025.

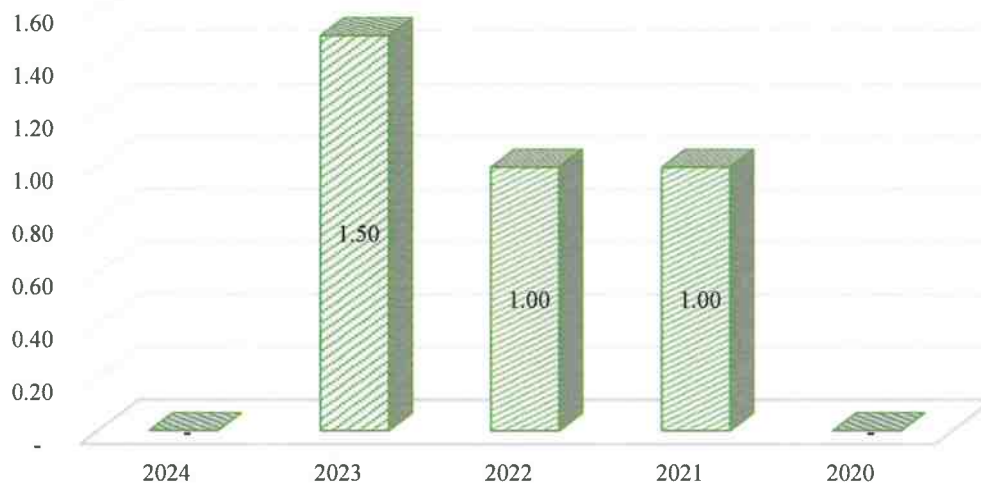
SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS GRAPHICAL HIGHLIGHTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

EARNINGS PER SHARE ON OPERATING ACTIVITIES (KSHS)



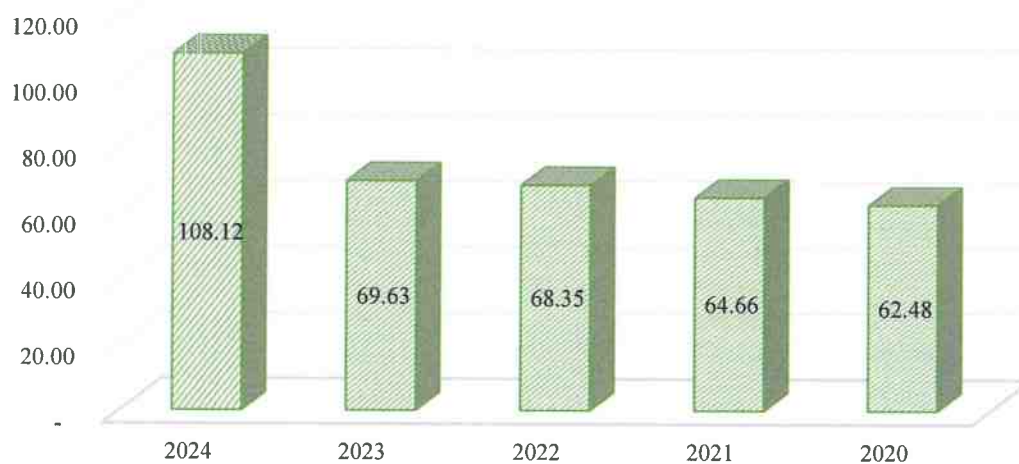
DIVIDEND PER SHARE (KSHS)



SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS GRAPHIC HIGHLIGHTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

CAPITAL EMPLOYED PER SHARE



EARNINGS/(LOSS) PER SHARE ON BIOLOGICAL ASSETS (KSHS)

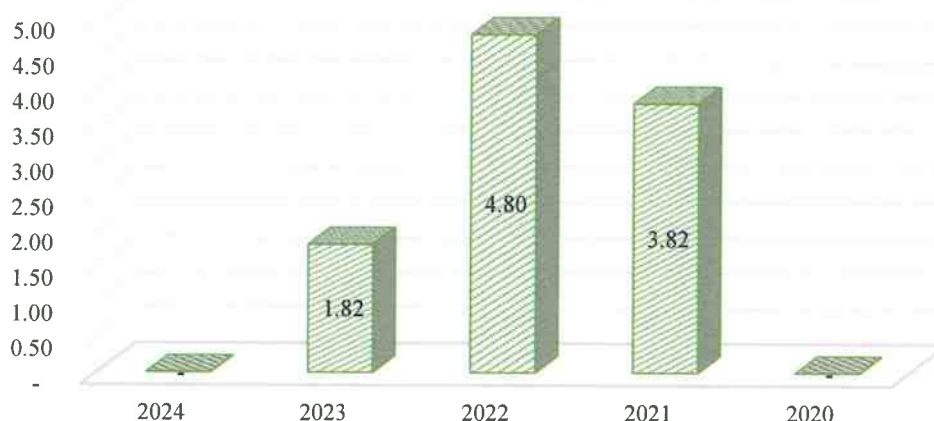




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ANNUAL REPORT AND FINANCIAL STATEMENTS GRAPHIC HIGHLIGHTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

DIVIDEND COVER (TIMES COVERED)



FIVE YEAR PERFORMANCE ANALYSIS

	2024 KShs 000	2023 KShs 000	2022 KShs 000	2021 KShs 000	2020 KShs 000
Revenue	6,893,826	5,718,437	7,345,305	5,389,963	4,145,408
(Loss)/profit after tax	(562,869)	542,556	1,168,012	573,200	12,605
Total assets	25,184,539	16,298,808	16,355,717	15,142,739	14,577,755
Total liabilities	3,936,558	2,489,234	2,114,429	1,698,748	1,524,690
	KShs	KShs	KShs	KShs	KShs
Earnings per share	(2.42)	2.41	5.12	2.49	0.07
Dividends per share	-	1.50	1.00	1.00	-

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

The Directors have the pleasure of submitting their annual report together with the audited consolidated and separate financial statements for the year ended 30 September 2024, which disclose the state of affairs of the Group and the Company.

1. Activities

The principal activities of the Company and its subsidiaries are the growing, processing, and sale of tea and coffee, the milling and trading of coffee, value addition operations on related products, forestry and packing of avocado fruits and macadamia nuts for export.

2. Results

The results of the Group and Company for the year are set out on pages 87 and 88, respectively.

3. Dividends

The Directors do not recommend the payment of a dividend. (2023 – KShs 1.50 per share)

4. Equity and reserves

The authorized issued share capital and reserves of the Group and Company on 30 September 2024 and matters relating thereto are set out in Notes 28 and 29 to the financial statements. No shares or debentures were issued during the year ended 30 September 2024.

Full details of the Group and Company reserves and movements therein during the year are shown on pages 91, 92, 93 and 94.

5. Property, plant, and equipment

Details of the movements in property, plant and equipment are shown on Note 18 to the financial statements.

6. Directors

The Directors who served during the year and up to the date of this report are set out on page 1.

7. Business review

Performance and position of the Group

Sasini PLC is among the leading agribusiness in Kenya. The company is listed at the Nairobi Securities Exchange where the shares are traded. The financial year straddles the calendar year and runs from October to September. The company has been in operation since 1952. We aim to create a strong foundation for sustainable agribusiness to deliver value for all our stakeholders.

We note that agricultural activities have a significant impact on sustainable development through the intensive use of natural resources, location in rural areas, and the usage of a large amount of labour. In short, we have a substantial environment footprint but also exposed to the climate change challenges.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

7. Business Review (Continued)

Performance and position of the Group (continued)

The Company has the potential to contribute to the sustainable development goals by enhancing the positive impacts or by preventing and mitigating the negative impacts of our activities on the economy, environment and people.

Sasini PLC acknowledges that its sustained business success is dependent on nesting the business harmoniously with the society in the environment it operates. We, therefore, premise our approach on the three principles of the **planet, people, and profits** for prosperity as we focus on nine (9) chosen Sustainable Development Goals (SDGs 1, 3, 4, 5, 7, 8, 9, 12, & 15). In addition, the group has the following certifications:

- Rain Forest Alliance certification (for our tea and coffee operations and manufacturing processes);
- Kenya Bureau of Standards Diamond mark of quality (for branded Teas);
- ISO 22000:2018 Certification (for the tea manufacturing process); Food Safety Management System (FSMS) 2017, 2018, 2019 (tea);
- Food Safety Systems Certification 22000 (FSSC 22000) (for the processing of macadamia nuts);
- Kosher Certification (for the processing of macadamia nuts);
- British Retail Consortium Global Standard Certification (BRC GS) for macadamia nuts;
- C.A.F.E Practices Certification (in coffee operations);
- Fairtrade Certification (in coffee operations);
- Global G.A.P, Sedex Members Ethical Trade Audit (SMETA) and;
- British Retail Consortium Global Standard (BRC GS) Certifications (for Avocado business).

The Group's business performance for the year ended way below expectations with the global economic situation adversely affecting business. The poor weather patterns in the earlier part of the year negatively impacted the crop production circles, directly derailing our agricultural operations on both fronts of the crop quality and volumes. The year was marked with unprecedented reforms and changes effectively increasing the cost of doing business and worsened by the geopolitics issues in the Middle East. This was aggravated by the depressed commodity prices, lower-than-expected production volumes, and less market demand for some of our products. The increasing political tensions in the Middle East have drastically affected the shipping duration of our avocado produce resulting in quality deterioration. The strengthening of the local currency against the major currencies in the second quarter also affected the business environment. In addition, the tea glut in the auction resulted in a protracted market depression, major private buyers also failed to execute any long-term contracts as prices continuously floored given that auction performance is a key reference point for the negotiation of private deals. Similarly, spot offers to the same buyers did not attract profitable pricing and resulted in loss-making sales which were way below the cost of production.

Overall, the economic situation remained significantly challenging both at the domestic and international levels during the year. This was also aggravated by diminished nuts market in the US, disruptions in the fruit value chain, collapsed pricing in the tea auction channel that has negatively affected the private treaties. The high cost of production driven by escalated input costs of fertilizer and elevated cost of power, lower-than-expected production volumes, made the issues worse. Consequently, the financial performance of some of the units was adversely affected than others. Only the coffee trading unit was profitable. The tea, Avocado, macadamia and the coffee estates were severely affected and performed dismally.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

7. Business Review (Continued)

Performance and position of the Group (continued)

Despite these business drawbacks, the management focused on mitigating the losses and laying grounds for returning to profitability in the coming years. The turnover increased by 20.6% to KShs 6.89 billion from KShs 5.72 billion in the previous year. The costs of sales also increased by 45.1% to KShs 6.3 billion from KShs 4.35 billion in the previous year

Overall, The Group attained a loss after tax (including the changes in the fair value of biological assets) of KShs 562.9 million (prior year profit KShs 542.6 million). This comprises a loss from the operating activities of KShs 374.9 million (prior year profit KShs 622.6 million); Minority interest loss of KShs 10.6 million (prior year KShs 7.1 million) and KShs 177.4 million net loss (prior year KShs 72.9 million) from changes in the fair value of biological assets.

The Macadamia nuts business operating in EPZ experienced improvement in demand although not enough to positively impact the performance. The unit generated interest income from cash reserves that mitigated some of the losses. The unit managed to ship 15 (2023: 6) containers of kernels at an average price of KShs 1,091/Kg (\$7.78/kg) against the prior year price of KShs 1,349/Kg (\$10.17/Kg). The unit purchased 1,015,202 Kgs (2023 – 528,312 Kgs) of nuts in shell (NIS) for processing. The year ended with a stock worth of KShs 14.25 million. Our orchards currently in infancy stage comprise 64,231 macadamia nut trees.

The Avocado unit, also operating in an EPZ performed below expectation. The quality of the fruit was affected by the weather and the long transit time during the period. The disruptions of the Suez Canal shipping route resulted in delayed delivery periods, impacting the quality on arrival at the destination market and resulting in losses. The additional cost implications also reduced the earnings drastically. Only 71 containers were shipped (2023 – 89) under the fixed price regime at an average price of KShs 887/carton (Euro 5.83/carton) against prior year's KShs 794/carton (Euro 5.71/carton). Most of the fruits were sourced from farmers as our orchards are still in the infancy stages of growing. We currently have a total of 42,271 avocado fruit trees in our plantations at our estates.

The coffee estates business was 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 at the Nairobi Coffee Exchange. The unit performance and milling/marketing activities were largely disrupted by the government backed coffee sub-sector reforms that negatively affected the value chain sourcing for the mill. The coffee prices achieved were much lower than expected and averaged \$4.65/Kg. (KShs 653/Kg. against \$4.39/Kg. (KShs 581/Kg.) in the prior year, owing to unfavorable prices realized in the auction and direct sales driven by a lower-than-anticipated volume of coffee in the market and market disruption. During the year, the rainfall was moderate and sufficient for the crops despite the excessive wet conditions.

Coffee production volume was flat at 564 tonnes against the prior year's 565 tonnes due to the favorable conditions. However, the coffee sales were buoyed by the coffee trading division which generated the highest ever profits in its operation. The parchment coffee received for curing/milling for the year was 798,366 Kgs (prior year: 5,277,302 Kgs). Clean coffee produced was 624,903 Kgs (prior year: 3,844,941 Kgs), whereas coffee marketed was NIL Kgs (prior year: 3,825,255 Kgs). On the coffee trading front, a total of 3,934,270 Kgs (prior year: 1,713,270 Kgs) of coffee was purchased during the year and coffee trading sales totaled 4,229,018 Kgs (220 containers) valued at KShs 3,301.59 million (\$24.94 million) against prior year's 1,696,105 Kgs. (88 containers) valued at KShs. 1,330.48 million (\$10.03 million).

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

7. Business Review (Continued)

Performance and position of the Group (continued)

The Tea operations recorded a significant drop in revenue compared to the prior year, mainly due to the impact of lower volumes and prices. The unit generated interest income from cash reserves that mitigated some of the losses. The unit, however, continued to benefit from mechanization, and operational improvements despite the challenges. The improved manufacturing efficiencies in the factories, cost leadership, the use of solar energy, and competitive sourcing of quality out grower leaf ensured quality and consistent production for the competitive market. This year, tea prices attained achieved an average of \$1.58/Kg. (KShs 222/Kg.) compared to \$1.99/Kg. (KShs 264/Kg.) in the prior year. The tea produced during the year was 11,834,546 Kgs compared to prior years 13,912,659 Kgs, largely due to the adverse weather patterns and heightened quality control at the green leaf intake points. Teas sold during the year was 12,057,334 Kgs against the prior year's 12,802,953 Kgs on account of the glut in the market. The year ended with stocks worth KShs 320.26 million.

The restructuring of the local retail unit is still ongoing to increase the sales volume and contribute to profitability. This business is, however, dogged by stiff competition from other players in the segment, reduced purchasing power of the target market related to higher cost of living, and general variations in consumer preferences.

A review of the contributions from the business segments to the profitability is highlighted in the segment reporting in note 7 (pages 125 to 128) of this annual report.

Despite the unfavorable effects on the business, our liquidity is stable and will be sufficient to support the business units subsequently. 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 now unpredictable environment.

Principal risks and uncertainties

The Group's business activities expose it to a variety of risks and uncertainties. These Risks as analysed during the year can be categorized as agricultural risks, geopolitical risks, financial risks, regulatory risks, market risks, operational risks, climate change risks, environmental, social, and governance (ESG) risks, cyber-security risks, and data privacy risks.

The primary responsibility for the development and implementation of controls to address business risk is assigned to management. This responsibility is supported by the development of the overall Groupwise Risk Management Framework and Process for the management of risks across all areas of our business operations.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

7. Business Review (Continued)

Principal risks and uncertainties (continued)

Agricultural risk: is the risk of direct or indirect loss arising from adverse agricultural conditions such as disease outbreaks, floods, droughts, hailstones, and other adverse weather events caused by climatic changes. The rapid climate change being experienced led to unprecedented changes in weather patterns (i.e prolonged droughts, hailstorms, irregular rainfall patterns, and emergency of new and resilient pests and diseases) which affect crop production and reduce volumes for our crops. During the financial year, the tea catchment area experienced frequent hail damage and prolonged drought that affected the crop yields.

The Group has adopted appropriate strategies to mitigate agricultural risk which include: agricultural diversification of products, processes and the adoption of sound agricultural practices. The Group's risk management process for agricultural risk focuses on anticipating, avoiding, and/or reacting to shocks attributable to adverse agricultural conditions. The Group's objective is to achieve an efficient risk management system for agriculture that preserves the value of agricultural outputs, strengthens the viability of farm businesses, and ensures an environment that supports and sustains continued investment in the farming sector.

The Group's principal financial instruments arising from the operations comprising of cash and cash equivalents, investments, receivables, bank loans, and payables expose it to a variety of **financial risks**. These risks include market risks (including foreign exchange risks, interest rate risks, and price risks), credit risks, and liquidity risks.

Our risk management strategies towards financial risk include ensuring proper due diligence while onboarding customers, and aggressive collection and recovery of outstanding debts, claims, and other receivables owed to the company by third-party business partners. The group has also maintained a solid financial position through Fixed Deposit accounts in Tier I & II Banks and other financial instruments. The strong management drive to optimize costs and minimize wastage has also played a key role in mitigating financial risks. Finally, the availability of committed credit lines with reputable banks and reputable and well-established trading partners in our overseas markets has played a significant role in managing emerging financial uncertainties.

The financial year also experienced increased **geopolitical volatility** due to ever rising geopolitical tension within the middle east region, that has led to the closure of Suez Canal [a key shipping route for our fruit crops to the European Market].. The ongoing Russia-Ukraine conflict, internal conflict in Sudan and the existing tensions between the big global economies such as China, the USA, Russia, Germany, etc significantly affected the global supply chain, demand for our products in the overseas markets, and the cost of farm inputs, leading to a sharp increase in the cost of production. The company continued adjusting and building resilience to counteract the effect of geopolitical risks through measures like sourcing for alternative Markets for our products, assessing alternative sourcing for traditional inputs and supplies (such as fertilizers), and maintaining close business relationships with our trading partners including the shipping lines for proper logistics planning

Market risk: the level of uncertainty in the global marketplace continued to rapidly evolve, presenting many new market risks that were not in existence in the previous years. Economic conditions (including inflationary pressures) in the markets we currently serve significantly hindered growth opportunities and impacted the margins. Our commodities markets are susceptible to macroeconomic and geopolitical volatility and may decline because of economic downturns, rising inflation, currency depreciation, government austerity programs, changes in legislation and regulations, and the changing competitive landscape both locally and globally. These factors had a significant impact on the demand of our trading commodities and price fluctuations of the same thus eroding our margins. The collapse of the global macadamia nuts market in the USA due to rising inflation greatly affected our nuts business.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

7. Business Review (Continued)

Principal risks and uncertainties (continued)

Changes in legislation and regulations: Our business environment is highly regulated and that exposes us to regulatory risk and possible reputational damage in case of breach of these regulations. The various reforms by the government to streamline the agricultural sub sector, continued to impact our revenue channels. Management continued to build constructive and proactive relationships with our regulators and government with a shared understanding of the need for inclusive economic development.

Besides, the Directors periodically review and agree on policies for managing these risks. Our Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize any potential adverse effects on its financial performance (see Note 5 to the financial statements).

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group processes, personnel, technology infrastructure, and from external factors such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior,. The Group's objective is to manage operational risk to balance the avoidance of financial losses and damage to the Group's reputation with overall cost-effectiveness and to avoid control procedures that restrict initiative and creativity. The group continued to adopt a number of measures that helped to continuously mitigate the threats resulting from operational risks. These include:

- Regular review of business continuity plans and insurance policies for adequacy.
- Continuous enforcement of a robust internal controls framework by training staff to reduce human errors, comply with the company policies, processes, and procedures.
- Carrying out monthly risk assessments across all the business units that enable early identification of risks and immediate implementation of treatment plans.
- Continuous improvement of our ICT systems and adoption of modern technology enhances operational efficiency.

On environmental and social sustainability risks: the Group is committed to sustainability and acting responsibly to promote employee well-being, minimize our impact on the environment, and giving back to the wider community. The Group has built partnerships with our employees, clients, investors, suppliers, and communities based on mutual respect, trust, and fairness. The Group continues to take good care of the immediate environment by planting trees on all available land. Equally, tillage is kept to a bare minimum to conserve topsoil. The employees are well looked after with clean and hygienic housing provided by the company, piped clean water in all the villages, and daycare centers for toddlers and schools for older children. The Group has established four primary schools and one secondary school within its premises. We ensure complete adherence to the collective bargaining agreements and local legislation.

Information Technology Risk [Cyber Security & Data Privacy Risk]: The dynamic nature of the cyber threats landscape, the growing adoption of Artificial Intelligence by organizations and the Internet of things coupled with the complexity of the data privacy regulatory environment continued to evolve, elevating the Information Technology Risk within the business. These risk issues remained a critical area of concern for the business. Cyber-attacks compromise business operations leading to process disruptions, loss of revenue, system downtime, data breaches, and possible fines, and penalties to the companies. Non-compliance with data privacy regulations and breach of the same would expose the company to hefty regulatory fines. We continued to manage these risks strongly through implementing appropriate measures commensurate with the risk.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

7. Business Review (Continued)

Principal risks and uncertainties (continued)

Outlook

The market and economic situations remain significantly challenging both at the domestic and international levels, aggravated by several disruptions in the value chain. To this end, we have taken a strong and prudent approach towards managing costs and have been doing this the whole year as we aimed to weather a lot of these headwinds we faced in the business. We continue to drive hard to achieve the best results in the future despite the heavy challenges facing each business unit. Nonetheless, the Group maintained a stable liquidity position despite the lower-than-projected profitability, and heavy outflows during the year. The year closed with a cash balance of KShs 929 million comprising interest-bearing deposits of KShs 552 million and current accounts of KShs 377 million.

The current spread of the deposits is as follows; bank fixed deposits at an average rate of 15.00% p.a., Call deposit at 15.00% p.a., infrastructure bonds with allocation of KShs 159 million at an average rate of 12.59% p.a, and USD call deposits of \$0.003 million (Equiv. KShs 0.40 million) at 7% p.a.

Our liquidity position is stable and firm and is well poised to support the company in driving forward and achieving profitable growth. We, however, continue to make prudent business decisions to mitigate these negative effects and aim to continue delivering the desired results in the future.

Given the soft 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.

8. Donations

The Group did not make donations to any political entity during the year. (2023 - Nil). The Group made donation of KShs 1,000,000.00 to MP Shah Hospital, Healing Hearts and Jain Social Group.

9. Relevant audit information

The Directors in office at the date of this report confirm that:

- There is no relevant audit information of which the Company's auditor is unaware; and
- Each director has taken all the steps that they 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.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

10. Substantial shareholdings

The Directors are aware of the following interests which amount to 5% or more of the issued share capital of the Company:

	Shareholding %	
	2024	2023
Legend Investments Limited	41.84	41.84
Yana Towers Limited	13.25	12.60
East Africa Batteries Limited	11.02	11.02
Gulamali Ismail	<u>7.92</u>	<u>7.92</u>
	<u>74.03</u>	<u>73.38</u>

Directors' interests

Directors' direct interests in the shares of the Company were as follows:

Name of Director	2024	2023
	No. of shares	No. of shares
Mr. A. H. Butt	30,300	30,300
Mr. S. N. Merali	1,403,600	1,403,600

Some of the other Directors have indirect interests through entities.

11. Employees

The Group maintained a good relationship with the employees during the year. The average number of staff employed by the Group and Company was as below:

	Group		Company	
	2024	2023	2024	2023
Management	230	170	35	49
Other staff	<u>2,028</u>	<u>2,130</u>	<u>993</u>	<u>1,023</u>
Total	<u>2,258</u>	<u>2,300</u>	<u>1,028</u>	<u>1,072</u>

12. Auditor

The auditor, KPMG Kenya, is eligible and hereby offer themselves for re-appointment in accordance with the requirements of the Kenyan Companies Act, 2015.

13. Approval of financial statements

The financial statements were approved and authorized for issue at a meeting of the Directors held on 10 January 2025.

BY ORDER OF THE BOARD



MILLICENT C. NG'ETICH CPS-K
Company Secretary

Date: 10 January 2025.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA RIPOTI YA WAKURUGENZI MWAKA ULIOISHIA TAREHE 30 SEPTEMBER 2024

Wakurugenzi wanafuraha kuwasilisha ripoti yao ya kila mwaka pamoja na taarifa za kifedha zilizounganishwa na za kandokando zilizokaguliwa za mwaka ulioishia 30 Septemba 2024, zinazoarifu hali ya shughuli za Kundi na Kampuni.

1. Shughuli

Shughuli kuu za Kampuni na kampuni zake tanzu ni ukuzaji, utengenezaji na uuzaji wa majani chai na kahawa, usagaji kahawa wa kibiashara na uuzaji wake, shughuli za uongezeaji thamani wa bidhaa zinazohusika, biashara ya misitu, ufungaji wa parachichi na makadamia kwa biasharanje.

2. Matokeo

Matokeo ya Kundi na Kampuni ya mwaka yameonyeshwa katika ukurasa 87 na 88 mtawalia.

3. Mgao wa Faida

Wakurugenzi hawapendekezi gawio lafaida. (2023 KShs 1.50 kwa kila hisa)

4. Rasilimali ya Hisa na Akiba

Rasilimali ya hisa na akiba zilizoidhinishwa na kutolewa za Kundi na Kampuni kufikia tarehe 30 Septemba 2024 na mambo yanayohusiana nazo yanaonyeshwa kwenye tanbihi 28 na 29 za taarifa za kifedha. Hakuna hisa wala dhamana ya mikopo zilizotolewa katika mwaka ulioishia 30 Septemba 2024.

Maelezo kamili ya akiba za Kundi na Kampuni na mienendo yake katika mwaka yameonyeshwa katika kurasa za 91, 92, 93 na 94.

5. Mali, Mitambo na Vifaa

Maelezo ya mienendo ya mali, mitambo na vifaa yanaonyeshwa katika tanbihi ya 18 ya taarifa za kifedha.

6. Wakurugenzi

Wakurugenzi waliohudumu katika mwaka na mpaka tarehe ya ripoti hii wameonyeshwa katika ukurasa wa 1.

7. Mapitio ya Biashara

Utendaji na nafasi ya Kundi

Sasini PLC ni miongoni mwa biashara za kilimo zinazoongoza nchini Kenya. Kampuni imeorodheshwa katika Soko la Kubadilishana Amana la Nairobi ambapo hisa zinafanyiwa biashara. Mwaka wa kifedha upo baina ya mwaka wa kalenda unaoanzia kutoka Oktoba hadi Septemba. Kampuni imekuwa ikishughulika kutokea mwaka 1952. Tunalenga kuunda msingi thabiti kwa biashara ya kilimo endelevu kutoa thamani kwa washika wadau wetu wote.

Tunatambua kuwa shughuli za ukulima zina athari muhimu kwenye maendeleo endelevu kupitia utumizi makini wa maliasili, sehemu katika maeneo vijijini, na utumizi wa kiwango kikubwa cha nguvukazi. Kwa kifupi, tuna nafasi thabiti ya mazingira lakini pia tunahatarishwa na changamoto za mabadiliko ya tabianchi.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA RIPOTI YA WAKURUGENZI MWAKA ULIOISHIA TAREHE 30 SEPTEMBER 2024 (KUENDELEZA)

7. Mapitio ya Biashara (Kuendeleza)

Utendaji na nafasi ya Kundi (kuendeleza)

Kampuni ina uwezo wa kuchangia katika malengo ya maendeleo endelevu kwa kuimarisha athari chanya au kwa kuzuia na kupunguza athari hasi za shughuli zetu kwenye uchumi, mazingira na watu. Sasini PLC inatambua kuwa ufaulu endelevu wa biashara yake unategemea kugesha biashara kwa mpangilio mzuri na jamii katika mazingira inamoshughulika. Kwa hivyo tunaegemeza mtazamo wetu kwenye misimamo mitatu ya **sayari, watu, na faida** kwa ufanisi tukilenga kwenye Malengo tisa (9) ya Maendeleo Endelevu yaliyochaguliwa (MME 1, 3, 4, 5, 7, 8, 9, 12 & 15). Kuongezea, kundi lina hati zinafuatazo:

- Hati ya uthibitisho wa Rain Forest Alliance (kwa shughuli zetu za majani chai na kahawa na njia za utengenezaji);
- Alama ya ubora wa Almasi ya Kenya Bureau of Standards (kwa aina za majani chai yenye chapa);
- Hati ya uthibitisho wa ISO 22000:2018 (kwa utengenezaji majani chai); Mfumo wa Usimamizi wa Usalama wa Chakula 2017, 2018, 2019 (Majani chai)
- Hati ya uthibitisho wa Food Safety Systems 22000 (FSSC 22000) (kwa utengenezaji vidima vya makadamia);
- Hati ya uthibitisho wa Kosha (kwa utengenezaji wa vidima vya makadamia);
- Hati ya uthibitisho wa Kiwango cha Ulimwengu cha British Retail Consortium (BRC GS) kwa vidima vya makadamia;
- Hati ya uthibitisho wa Desturi za C.A.F.E (katika shughuli za kahawa);
- Hati ya uthibitisho ya Biashara ya Haki (katika shughuli za kahawa)
- Hati za thibitisho za Global G.A.P, Sedex Members Ethical Trade Audit (SMETA), na;
- Hati ya uthibitisho ya Kiwango cha Kilimwengu cha British Retail Consortium (BRC GS) (kwa biashara ya parachichi).

Utendaji wa kibiashara wa Kundi wa mwaka uliisha chini sana ya matarajio na hali ya kiuchumi ya kilimwengu ikiathiri vibaya biashara. Ruwaza mbaya za hali ya hewa katika sehemu ya mwanzo wa mwaka iliathiri kihasi mizunguko ya uzalishaji mazao ikiangusha shughuli zetu za kilimo moja kwa moja kwa pande zote za ubora wa mazao na wingi. Mwaka ulikuwa na mageuzi na mabadiliko yasio na kifani yakiongeza zaidi gharama za kufanya biashara na kuathiriwa vibaya zaidi na masuala ya siasa za nchi zinazoathiriwa na jiografia katika Mashariki ya Kati. Hili lilizidishwa na bei za bidhaa zilizoshuka, wingi wa uzalishaji wa chini ya ilivyotarajiwa, na mahitaji ya soko ya chini kwa baadhi ya bidhaa zetu. Mivutano ya kisiasa inayozidi katika Mashariki ya Kati imeathiri sana muda wa usafirishaji wa mazao yetu ya parachichi ikisababisha kupungua kwa ubora. Kuimarika kwa fedha ya nchi dhidi ya fedha kuu katika nusu ya pili ya mwaka pia kuliathiri mazingira ya biashara. Pamoja na hayo, ongezeko kubwa la majani chai katika mnada lilisababisha kuzidi kupungua kwa soko, wanunuzi wakuu wa kibinafsi pia walikosa kutimiza mikataba yoyote ya muda mrefu kwa vile bei ziliendelea kupungua ikiwa hasa utendaji wa mnada ni kirejelezi muhimu katika mapatano ya maafikiano ya kibinafsi. Pia upataji bei wa papo kwa wanunuzi hao hao haukuleta bei ya faida na kusababisha mauzo ya hasara ambayo yalikuwa chini sana ya gharama za uzalishaji.

Kwa ujumla, katika mwaka hali ya uchumi ilibakia ya changamoto kubwa katika viwango vyote vya nchini na kimataifa. Hili lilizidishwa na kupungua kwa soko la vidima Marekani, kuvurugwa kwa mfuatano wa thamani ya matunda, kuanguka kwa uamuaaji bei katika mnada wa majani chai kulikoathiri kihasi mikataba ya kibinafsi. Gharama za juu za uzalishaji kutokana na gharama zilizopanda za pembejeo ya mbolea na gharama ya umeme ilioongezeka, wingi wa uzalishaji wa chini ya ilivyotarajiwa ilifanya mambo kuwa mabaya zaidi.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA RIPOTI YA WAKURUGENZI MWAKA ULIOISHIA TAREHE 30 SEPTEMBER 2024 (KUENDELEZA)

7. Mapitio ya Biashara (Kuendeleza)

Utendaji na nafasi ya Kundi (kuendeleza)

Kwa hiyo, utendaji wa kifedha wa baadhi ya vitengo uliathiriwa zaidi ya vingine. Kitengo cha biashara ya kahawa pekee ndicho kilichokuwa na faida. Mashamba ya majani chai, parachichi, makadamia na kahawa yaliathiriwa vibaya na kutenda vibaya. Dhidi ya vipingamizi hivi vyote vya biashara, usimamizi ulilenga kupunguza hasara na kujitayarisha kurudi kupata faida katika miaka inayokuja. Mapato yaliongezeka kwa asilimia 20.6 hadi KShs. bilioni 6.89 kutoka KShs. Bilioni 5.72 katika mwaka uliotangulia. Gharama za mauzo pia ziliongezeka kwa asilimia 45.1 kuwa KShs bilioni 6.30 kutoka KShs bilioni 4.35 katika mwaka uliotangulia.

Kwa ujumla, kundi lilipata hasara baada kodi na uwekezaji usiyodhibitiwa (ikijumuisha mabadiliko katika thamani ya sawa ya rasilimali za kibiolojia) ya KShs milioni 562.8 (mwaka uliopita KShs milioni 542.5). Hii ni pamoja na hasara kutoka kwa uendeshaji wa shughuli ya KShs milioni 374.9 (mwaka uliopita KShs milioni 622.6); Hasara ya uwekezaji chache ya KShs milioni 10.6 (mwaka uliopita hasara ya KShs milioni 7.1) na hasara ya KShs milioni 177.4 (mwaka uliopita hasara ya KShs milioni 72.9) kutoka kwa mabadiliko ya thamani ya sawa ya rasilimali za biolojia.

Biashara ya vidima vya makadamia inayoendeshwa katika EPZ ilipata ongezeko katika mahitaji ijapokuwa sio la kutosha kuathiri utendaji kichanya. Kitengo kilizalisha mapato ya riba kutoka pesa za akiba yaliopunguza baadhi ya hasara. Kitengo kiliweza kusafirisha makasha 15 (2023:6) ya vidima kwa bei ya wastani KShs 1,091 kwa kilo (\$7.8 kwa kilo) dhidi ya bei ya mwaka uliotangulia ya Ksh 1,349 kwa kilo (\$10.17 kwa kilo). Kitengo kilinunua kilo 1,015,202 (2023: kilo 528,312) za vidima vilimo kwenye maganda kwa utengenezaji. Mwaka ulimalizika na mali ya thamani ya KShs milioni 14.25. Kwa sasa mashamba yetu yana miti ya makadamia 64,231 katika hatua ya uchanga.

Kitengo cha parachichi pia kinachofanya kazi katika EPZ kilitenda chini ya matarajio. Ubora wa matunda uliathiriwa na hali ya hewa na muda mrefu wa kuwa safarini katika kipindi hiki. Kuvurugwa kwa njia ya usafirishaji wa Mfereji wa Suez kulisababisha kuchelewa kwa muda wa uwasilishaji, ikiathiri ubora yanapofika katika soko la kikomo cha safari na kusababisha hasara. Athari ya gharama za ziada pia ilipunguza mapato sana. Makasha 71 pekee yalisafirishwa (2023: 89) chini ya utaratibu wa bei isiyobadilika kwa bei ya wastani ya Ksh 887 kwa katoni (Yuro 5.83 kwa katoni) dhidi ya Ksh 794 kwa katoni mwaka uliotangulia (Yuro 5.71 kwa katoni). Karibu matunda yote yalipatikana kutoka kwa wakulima kwa vile mashamba yetu bado yako katika hatua changa za ukuaji. Kwa sasa tuna jumla ya miti 42,271 ya parachichi katika mashamba yetu.

Biashara ya mashamba ya kahawa iliathiriwa na athari za hali mbaya za hewa na mabadiliko ya tabianchi, uvurugaji wa njia za ugavi, na mdororo wa uchumi katika masoko makuu. Matokeo yalionekana katika kupungua kwa wingi wa uzalishaji, ukubwa wa mbegu na maswala ya ubora yalioathiri upatikanaji wa bei katika soko la kahawa la Nairobi. Utendaji wa kitengo na shughuli za usagaji/uuzaji ziliathiriwa pakubwa na mageuzi yalioshinikizwa na serikali katika sekta ya kahawa yalioathiri vibaya mfuatano wa utafutaji thamani wa kiwanda.

Bei za kahawa zilizopatikana zilikuwa za chini zaidi ya ilivyotarajiwa na zilikuwa na wastani wa \$4.65 kwa kilo (KShs 653 kwa kilo) dhidi ya \$4.39 kwa kilo (KShs 581 kwa kilo) mwaka uliotangulia, kutokana na bei zisizoridhisha zilizopatikana katika mnada na mauzo ya moja kwa moja yaliotokana na wingi wa kahawa wa chini ya ilivyotarajiwa katika soko na kuvurugwa kwa soko. Mvua ilikuwa ya wastani na ya kutosha kwa mazao dhidi ya hali za majimaji za kuzidi katika mwaka.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA RIPOTI YA WAKURUGENZI MWAKA ULIOISHIA TAREHE 30 SEPTEMBER 2024 (KUENDELEZA)

7. Mapitio ya Biashara (Kuendeleza)

Utendaji na nafasi ya Kundi (kuendeleza)

Wingi wa uzalishaji wa kahawa wa tani 564 dhidi ya tani 565 mwaka uliotangulia kutokana na hali za kuridhisha. Ijapokuwa, mauzo ya kahawa yaliongezwa na sehemu ya ufanyaji biashara ya kahawa iliyozalisha faida kubwa zaidi katika shughuli yake. Kahawa iliokaushwa iliopokelewa kukaushwa/kusagwa kwa mwaka ilikuwa kilo 798,366 (mwaka uliopita: kilo 5,277,302). Kahawa safi iliyozalishwa ilikuwa kilo 624,903 (mwaka uliopita: kilo 3,844,941), hali ambapo kahawa iliyouzwa ilikuwa kilo kapa (mwaka uliopita kilo 3,825,255). Kwa upande wa ufanyaji biashara ya kahawa jumla ya kilo 3,934,270 (mwaka uliopita: kilo 1,713,270) za kahawa zilinunuliwa katika mwaka na mauzo ya ufanyaji biashara ya kahawa yalikuwa jumla ya kilo 4,299,018 (makasha 220) yenye thamani ya KShs milioni 3,301.59 (\$milioni 24.94) dhidi ya kilo 1,696,105 (makasha 88) yenye thamani ya KShs milioni 1,330.48 (\$ milioni 10.03).

Shughuli za majani chai zilirekodi punguo kubwa katika mapato ikilinganishwa na mwaka uliotangulia, hasa kutokana na athari ya wingi wa chini na bei. Kitengo kilizalisha mapato ya riba kutoka kwa pesa za akiba zilizopunguza baadhi ya hasara. Hata hivyo, kitengo kiliendelea kufaidika kutokana na utumizi wa mashine na maendeleo ya uendeshaji dhidi ya changamoto. Uimarikaji wa utengenezaji fanisi katika viwanda, uongozi wa gharama, utumizi wa nishati ya jua na utafutaji shindani wa ubora wa majani kutoka kwa wapanzi zilihakikisha ubora na uzalishaji thabiti kwa soko lenye ushindani. Mwaka huu, bei za majani chai zilizopatikana zimefikia wastani wa \$1.58 kwa kilo (Ksh 222 kwa kilo) ikilinganishwa na \$1.99 kwa kilo (Ksh 264 kwa kilo) mwaka uliotangulia.

Majani chai yaliyozalishwa katika mwaka yalikuwa kilo 11,834,546 ikilinganishwa na kilo 13,912,659 mwaka uliotangulia hasa kutokana na ruwaza mbaya za hali ya hewa na udhibiti wa ubora uliokazaniwa katika vituo vya upokeaji majani chai ya kijani. Majani chai yaliyouzwa katika mwaka yalikuwa kilo 12,057,334 ikilinganishwa na kilo 12,802,953 mwaka uliotangulia kutokana na ongezeko katika soko. Mwaka ulimalizika na mali ya thamani ya KShs milioni 320.26.

Upangaji upya wa kitengo cha mauzo ya rejareja nchini bado unaendelea kuongeza wingi wa mauzo na kuchangia katika faida. Hata hivyo biashara hii imeandamwa na gharama kubwa za pembejeo za majani chai, ushindani mkali kutoka kwa washiriki wengine katika sehemu, kupungua kwa uwezo wa ununuaji wa soko lengwa kutokana na gharama ya juu ya maisha, na tofauti za kawaida katika chaguo la watumizi.

Mapitio ya michango katika faida kutoka kwa sehemu za biashara yameonyeshwa katika ripoti ya sehemu katika tanbihi 7 (kurasa 125 hadi 128) ya ripoti hii ya mwaka. Dhidi ya athari zisizofaa kwenye biashara, uwezo wetu wa kupata pesa ni thabiti na utatosha kuendeleza vitengo vya biashara baadaye. Tunaendelea kufanya maamuzi ya busara ya kibiashara kuhimili athari hizi hasi na kunuia kuendelea kutoa matokeo ya kuridhisha katika mazingira haya magumu sana na yasiyotabirika sasa.

Hatari kuu na kutokuwa na hakika

Shughuli za biashara za Kundi zinaliwacha wazi kwa hatari tofauti na hali za kutokuwa na hakika. Hatari hizi kama zilivyochanganuliwa katika mwaka zinaweza kuainishwa kama hatari za kilimo, hatari za siasa za nchi kama zinavyoathiriwa na jiografia, hatari za kifedha, hatari za kikanuni, hatari za soko, hatari za utendaji kazi, hatari za mabadiliko ya tabianchi, hatari za mazingira, jamii, na utawala (MJU), hatari za usalama wa mtandao, na hatari za usiri wa data.

Jukumu la msingi la uendelezi na utekelezaji wa vidhibiti kushughulikia hatari za biashara limepatiwa usimamizi. Jukumu hili linasaidiwa na uendelezi wa jumla wa Mfumo wa Namna ya Usimamizi wa Hatari za Kundi kwa usimamizi wa hatari katika maeneo yetu yote ya shughuli za biashara.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA RIPOTI YA WAKURUGENZI MWAKA ULIOISHIA TAREHE 30 SEPTEMBER 2024 (KUENDELEZA)

7. Mapitio ya Biashara (Kuendeleza)

Utendaji na nafasi ya Kundi (kuendeleza)

Hatari ya kilimo ni hatari ya hasara ya moja kwa moja au isiyo ya moja kwa moja inayotokana na hali mbaya za kilimo kama vile milipuko ya magonjwa, mafuriko, ukame, mvua ya mawe na matukio mengine mabaya ya hali ya hewa yanayosababishwa na mabadiliko ya tabianchi. Badiliko la haraka la tabianchi lililokuwa likitokea lilisababisha mabadiliko ya kipekee katika ruwaza za hali ya hewa (yaani ukame wa kuendelea, mvua za mawe, ruwaza za mvua zisizokuwa za kawaida, na kujitokeza kwa wadudu wapya na thabiti na magonjwa) yakiathiri uzalishaji wa mazao na kupunguza wingi wa mazao yetu.

Katika mwaka wa kifedha, eneo linalokuzwa majani chai lilipata uharibifu wa mvua za mawe za mara kwa mara na ukame ulioendelea ulioathiri mazao.

Kundi limepanga mikakati inayofaa kuzuia hatari ya kilimo ambayo ni pamoja na kutengeza bidhaa na njia za kilimo anuwai na kufuata desturi thabiti za kilimo.

Mchakato wa usimamizi wa hatari wa Kundi kuhusiana na hatari ya kilimo unalenga katika kutarajia, kuepuka na/au kushughulikia mabaya yanayosababishwa na hali mbaya za kilimo. Madhumuni ya Kundi ni kupata mfumo ufao wa usimamizi wa hatari ya kilimo unaohifadhi thamani ya mazao ya kilimo, unaoimarisha uwezekano wa biashara za shamba na unaohakikisha mazingira yanayosaidia na kuhimili uekezaji wa kuendelea katika sekta ya ukulima.

Vifaa vikuu vya kifedha vya Kundi vinavyotokana na shughuli vikijumuisha pesa na visawe vya pesa, vitega uchumi, stakabadhi zinazopokelewa, mikopo ya benki, na stakabadhi zinazolipwa vinaliacha wazi kwa **hatari tofauti za kifedha**. Hatari hizi ni pamoja na hatari za soko (pamoja na hatari za ubadilishaji fedha za kigeni, hatari za kiwango cha riba na hatari za bei), hatari za mkopo na hatari za kuwa na uwezo wa kupata pesa.

Mikakati yetu ya usimamizi wa hatari kuhusiana na hatari ya kifedha ni pamoja na kuhakikisha uangalifu ipasavyo wakati wa kupata wateja, na ukusanyaji wa hima na kudai madeni yanayodaiwa, madaai na stakabadhi nyingine zinazopokelewa zinazodaiwa na kampuni na wenzi wa kibiashara wa mtu wa tatu. Kundi pia limehifadhi nafasi imara kifedha kupitia hesabu za Amana za Kudumu katika Benki za safu za I na II na vifaa vingine vya kifedha. Msukumo thabiti wa usimamizi kupata gharama bora zaidi na kupunguza uharibifu pia umekuwa na nafasi muhimu katika kuzuia hatari za kifedha. Mwishowe uwepo wa fursa za mikopo ya kweli kutoka kwa benki zenye sifa njema na wenzi wazuri wa biashara na walio madhubuti katika masoko yetu ya ng'ambo umekuwa na nafasi ya muhimu katika kusimamia kutokuwa na uhakika wa kifedha unaojitokeza.

Mwaka wa kifedha ulipitia ongezeko la mabadiliko ya hali za kisiasa za **nchi zilizoathiriwa na jiografia** kutokana na kuongezeka kwa mivutano ya kisiasa ya nchi zilizoathiriwa na jiografia inayoongezeka kila uchao katika eneo la Mashariki ya Kati, iliosababishwa na kufungwa kwa Mfereji wa Suez [njia muhimu ya usafirishaji wa mazao yetu ya matunda katika soko la Ulaya]. Mzozo unaoendelea wa Urusi-Ukraine, mzozo ndani ya Sudan na mivutano iliopo baina ya chumi kubwa za ulimwengu kama vile Uchina, Marekani, Urusi, Ujerumani, n.k. iliathiri pakubwa mfululizo wa ugavi wa ulimwengu, mahitaji ya bidhaa zetu katika masoko ya ng'ambo, na gharama za pembejeo za ukulima zikisababisha ongezeko kubwa katika gharama za uzalishaji.

Kampuni iliendelea kurekebisha na kujenga uthabiti kuzuia athari za hatari za kisiasa za nchi zilizoathiriwa na jiografia kupitia hatua kama ya kutafuta masoko mbadala kwa bidhaa zetu, kukadiria kutafuta badala za pembejeo za kiasili na vifaa (kama vile mbolea), na kudumisha mahusiano ya karibu ya kibiashara na wenzi wetu wa biashara pamoja na kampuni za meli kwa upangaji sawa wa utaratibu wa ugavi na usafirishaji.

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RIPOTI YA MWAKA NA TAARIFA ZA FEDHA RIPOTI YA WAKURUGENZI MWAKA ULIOISHIA TAREHE 30 SEPTEMBER 2024 (KUENDELEZA)

7. Mapitio ya Biashara (Kuendeleza)

Utendaji na nafasi ya Kundi (kuendeleza)

Hatari ya Soko. Kiwango cha kutokuwa na uhakika katika soko la ulimwengu kiliendelea kubadilika kwa haraka kikitoa hatari nyingi mpya za soko ambazo hazikuwepo katika miaka iliotangulia. Hali za kiuchumi (pamoja na shinikizo za mfumko wa bei) katika masoko tunayoyahudumia kwa sasa zilizuia pakubwa nafasi za kukua na kuathiri faida. Masoko ya bidhaa zetu yanaathirika kwa urahisi na mabadiliko ya uchumi mkuu na siasa za nchi zinazoathiriwa na jiografia na yanaweza kupungua kutokana na kushuka kwa uchumi, mfumko wa bei unaoongezeka, kushuka kwa fedha, mipango ya ukingaji wa serikali, mabadiliko katika utungaji sheria na kanuni, na mandhari ya ushindani yanayobadilika kote nchini na ulimwenguni. Vipengele hivi vilikuwa na athari kubwa kwa mahitaji ya bidhaa zetu za biashara na mabadiliko ya bei za bidhaa hizo hivyo kupunguza faida zetu. Kuporomoka kwa soko la kilimwengu la vidima vya makadamia Marekani kutokana na kuongezeka kwa mfumko wa bei kuliathiri biashara yetu ya vidima.

Mabadiliko katika utungaji sheria na kanuni. Mazingira yetu ya biashara yanadhibitiwa pakubwa na hilo linatuacha wazi kwa hatari za kisheria na pengine madhara ya sifa yanayoweza kuwepo katika hali ya kuvunja sheria hizi. Mageuzi tofauti ya serikali kunyoosha sekta ya kilimo yaliendelea kuathiri njia zetu za mapato. Usimamizi uliendelea kujenga mahusiano jenzi na makini na warekebishaji wetu na serikali wakiwa na uelewa wa pamoja wa hitaji la maendeleo jumuishi ya kiuchumi.

Aidha, kila baada ya kipindi fulani, Wakurugenzi hupitia na kukubaliana kuhusu sera za kudhibiti hatari hizi. Halmashauri yetu ya Wakurugenzi ina jukumu la jumla la uanzishi na uangalizi wa mfumo wa usimamizi wa hatari ya Kundi. Mpango wa jumla wa usimamizi wa hatari unalenga kwenye kutotabirika kwa masoko ya fedha na hutafuta kupunguza athari zozote mbaya zinazoweza kuwepo kwenye utendaji wake wa kifedha (angalia tanbihi ya 5 kwenye taarifa za kifedha).

Hatari ya utendaji kazi ni hatari ya hasara ya moja kwa moja au isiokuwa ya moja kwa moja inayotokea kutokana na sababu nyingi tofauti zinazohusishwa na ufanyaji kazi wa Kundi, wafanyikazi, teknolojia, muundomsingi na kutoka vipengele vya nje kama vile vinavyotokana na mahitaji ya sheria na utungaji sheria na viwango vilivyokubaliwa kwa kawaida vya mwenendo wa shirika. Nia ya Kundi ni kusimamia hatari ya utendaji kazi kusawazisha uepukaji wa hasara za kifedha na kuharibu sifa ya Kundi kwa ufanisi wa gharama kwa jumla na kuepuka taratibu za udhibiti zinazozuia ari na ubunifu. Kundi liliendelea kuchukua hatua kadhaa zilizosaidia kuendelea kuzuia vitisho kutoka kwa hatari za utendaji kazi. Hizi ni pamoja na:

- Kupitia kwa kawaida mipango ya maendelezi ya biashara na sera za bima kwa utoshelevu.
- Utekelezi wa kuendelea wa mfumo imara wa vidhibiti vya ndani kwa kuwapa mafunzo wafanyikazi kupunguza makosa ya kibinadamu, kutii sera za kampuni, utendaji kazi na taratibu.
- Kufanya tathmini za hatari kila mwezi katika vitengo vyote vya biashara zinazowezesha utambuaji wa mapema wa hatari na utekelezi wa mapema wa mipango ya uzuiaji.
- Uimarishaji wa kuendelea wa mifumo yetu ya habari, mawasiliano na teknolojia na utumizi wa teknolojia ya kisasa unaoongeza ufanisi wa utendaji kazi.

Kuhusu **hatari za uendeleu wa kimazingira** na kijamii, Kundi limejitolea na kutenda kiwajibu kuendelea ustawi wa mfanyikazi, kupunguza athari yetu kwenye mazingira na kutendea wema jamii pana. Kundi limejenga ubia na wafanyikazi wetu, wateja, waekezaji, wagavi na jamii ulioegemezwa kwenye kuheshimiana, kuaminiana na usawa. Kundi linaendelea kutunza mazingira yaliopo jirani vizuri kwa kupanda miti kwenye ardhi iliyopo. Aidha, ulimaji unafanywa kwa kiwango kidogo sana kuhifadhi udongo wa juu. Wafanyikazi wanatunzwa vyema kwa makazi safi na ya afya kutolewa na kampuni, maji safi ya bomba katika vijiji vyote, na vituo vya kutunza watoto wadogo na shule kwa watoto wakubwa. Kundi limeanzisha shule nne za msingi na moja ya upili katika maeneo yake. Tunahakikisha utekelezi kamili wa makubaliano ya majadiliano ya pamoja na sheria za nchi.

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7. Mapitio ya Biashara (Kuendeleza)

Utendaji na nafasi ya Kundi (kuendeleza)

Hatari ya Habari na Teknolojia [Hatari ya Usalama wa Mtandao na Usiri wa Data]: Kawaida ya nguvu ya mandhari ya matishio ya mtandao, utumizi unaokua wa akili mnemba na mashirika na mtandao wa vitu pamoja na uchangamano wa mazingira ya sheria ya usiri wa data zinaendelea kukua, ikiongeza Hatari ya Habari na Teknolojia katika biashara. Masuala ya hatari hizi yalibakia eneo muhimu la kuishughulisha biashara. Mashambulizi ya mtandao huhatarisha shughuli za biashara yakisababisha uvurugaji wa utendaji kazi, hasara ya mapato, mifumo kutofanya kazi, kuvunja usiri wa data na pengine kulipa faini na adhabu kwa makampuni. Kutofuata sheria za usiri wa data na uvunjaji wake kutaiacha kampuni wazi kulipa faini kubwa za kisheria. Tuliendelea kudhibiti hatari hizi kwa nguvu kupitia kutekeleza hatua zifaazo kutoshana na hatari.

Mtazamo

Hali za soko na uchumi zinabakia ngumu kote katika kiwango cha nchini na kimataifa, zikizidishwa na vurugu kadhaa katika mfululizo wa thamani. Kutokana na hili, tumechukua mtazamo thabiti na wa busara katika kudhibiti gharama na tumekuwa tukifanya hivi mwaka mzima tukilenga kujikinga na vipingamizi hivi vingi tulivyokabili katika biashara. Tunaendelea kujisukuma sana kupata matokeo mazuri kabisa katika siku za usoni dhidi ya changamoto ngumu zinazokabili kila kitengo cha biashara. Hata hivyo, Kundi lilidumisha nafasi imara ya uwezo wa kupata pesa dhidi ya faida ndogo zaidi ya ilivyotarajiwa, na utumizi mwingi wa fedha katika mwaka. Mwaka ulimalizika na sazo la pesa la KShs milioni 929 ikijumuisha amana zinazopata riba za KShs milioni 552 na akaunti za hundi za KShs milioni 377.

Uenezi wa sasa wa amana ni kama ifuatavyo; amana za kudumu za benki kwa kima cha wastani cha asilimia 15 kwa mwaka, Amana ya kuitisha wakati wowote kwa asilimia 15 kwa mwaka, hatifungani za muundomsingi za mgawanyo wa Ksh milioni 159 kwa kima cha wastani cha asilimia 12.59 kwa mwaka na amana za dola za kimarekani za kuitisha wakati wowote za \$ milioni 0.003 (sawa na KShs milioni 0.40) kwa asilimia 7 kwa mwaka.

Nafasi yetu ya uwezo wa kupata pesa ni imara na thabiti na iko tayari kusaidia kampuni kuendelea mbele na kupata ukuaji wa faida.

Ijapokuwa, sisi tunaendelea kutekeleza maamuzi ya busara ya biashara kuzuia athari hizi hasi na kulenga kuendelea kutoa matokeo yanayotamanisha katika siku za usoni.

Kutokana na utendaji hafifu katika mwaka, usimamizi utaendelea kutafuta na kuanzisha ubia wa kimkakati kupanua uwezo wetu na kutafiti bidhaa na dhana mpya ili kufaa katika mazingira ya biashara yabadilikayo kupanua na kuongeza thamani ya mwanahisa. Msisitizo kwenye ubora pamoja na wingi kutokana na muundo endelevu unaendelea kuwa kileleni katika ajenda yetu ya utenda kazi.

8. Michango

Kundi halikutoa michango kwa chombo chochote cha kisiasa katika mwaka (2023-Kapa). Kundi lilitoa mchango wa KShs milioni 1,000,000.00 kwa Hospitali ya MP Shah, Healing Hearts na Kundi la Kijamii la Jain.

9. Habari husika za uhasibu

Wakurugenzi waliopo ofisini kufikia tarehe ya ripoti hii wanahakikisha kuwa:

- Hakuna habari zozote muhimu za uhasibu ambazo kwamba mhasibu wa Kampuni hazijui; na
- Kila mkurugenzi amechukua hatua zote ambazo kwamba anafaa kuchukua kama mkurugenzi kufahamu habari yoyote muhimu ya uhasibu na kuhakikisha kuwa mhasibu wa Kampuni anafahamu habari hiyo.

SASINI PLC

RIPOTI YA MWAKA NA TAARIFA ZA FEDHA RIPOTI YA WAKURUGENZI MWAKA ULIOISHIA TAREHE 30 SEPTEMBER 2024 (KUENDELEZA)

10. Umilikaji wa hisa nyingi

Wakurugenzi wanafahamu kuhusu makampuni yanayofuata yanayomiliki asilimia 5 au zaidi ya rasilimali ya hisa zilizotolewa za Kampuni:

	Umilikaji wa hisa %	
	2024	2023
Legend Investments Limited	41.84	41.84
Yana Towers Limited	13.25	12.60
East Africa Batteries Limited	11.02	11.02
Gulamali Ismail	<u>7.92</u>	<u>7.92</u>
	<u>74.03</u>	<u>73.38</u>

Ushirika wa Wakurugenzi

Ushirika wa moja kwa moja wa Wakurugenzi katika hisa za Kampuni ni kama ufuatao:

Jina la Mkurugenzi	2024	2023
	Idadi ya hisa	Idadi ya hisa
Bw. A.H. Butt	30,300	30,300
Bw. S. N. Merali	1,403,600	1,403,600

Baadhi ya wakurugenzi wana ushirika usiokuwa wa moja kwa moja kupitia vyombo.

11. Wafanyikazi

Kundi lilikuwa na uhusiano mzuri na wafanyikazi katika mwaka. Idadi wastani ya wafanyikazi walioandikwa na Kundi na Kampuni ni kama ililopo hapa chini:

	Kundi		Kampuni	
	2024	2023	2024	2023
Usimamizi	230	170	35	49
Wafanyikazi wengine	<u>2,028</u>	<u>2,130</u>	<u>993</u>	<u>1,023</u>
Jumla	<u>2,258</u>	<u>2,300</u>	<u>1,028</u>	<u>1,072</u>

12. Mhasibu

Mhasibu, KPMG Kenya, anastahiki na hapa wanajitolea kuandikwa tena kulingana na mahitaji ya Sheria ya Makampuni ya Kenya, 2015.

13. Kuidhinishwa kwa taarifa za kifedha

Taarifa za kifedha zilikubaliwa na kuidhinishwa kutolewa katika mkutano wa wakurugenzi uliofanyika tarehe 10 Januari 2025.

KWA AMRI YA HALMASHAURI

Millicent C. Ng'etich CPS-K
Katibu wa Kampuni

Tarehe: 10 Januari 2025.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **DIRECTORS REMUNERATION REPORT** **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

INFORMATION NOT SUBJECT TO AUDIT

Information not subject to audit comprise the following with respect to Directors:

- Policy on Directors' remuneration
- Any substantial changes to Directors' remuneration during the year
- Contract of service
- Statement of voting at general meeting on Directors' remuneration
- Clear focus on critical talent, scarce skills and our transformation imperatives in allocating reward.

Policy on Directors' remuneration

The remuneration report details the remuneration arrangements for Sasini PLC Directors who served during the year ended 30 September 2024. The report sets out the policy that the Company has applied to remunerate executive and non-executive Directors.

The report has been prepared in accordance with the relevant provisions of the Capital Markets Authority (CMA) Code of Corporate Governance guidelines on Directors' remuneration and the Kenyan Companies Act, 2015.

The Companies remuneration approach is aligned to the market remuneration standards in Kenya. The remuneration policy supports the achievement of the strategic objectives through balancing rewards for both short-term and long-term sustainable performance. It is aligned to the delivery of the Company's strategy and sustainable shareholder returns.

Oversight of the remuneration approach is provided by the Board's Governance, Remuneration and Nominations Committee. The Committee reviews the annual remuneration of the executive and non-executive Directors and the structure of their compensation package for approval by the Board. The Board received shareholders' authorization to fix the Directors; via a resolution passed at the Annual General meeting held on 7 March 2024. The remuneration of the Group Managing Director is as per the negotiated employment contract.

The executive and non-executive Directors listed below are collectively referred to as Directors

Name	Position
Dr. J. B. McFie, PhD, MBS	Chairman – Non-executive Director
A. H. Butt, CPA (Kenya), FCCA	Non-executive Director
S. N. Merali, Bsc, MSc	Non-executive Director
Dr. S. O. Mainda, PhD, MA, ACII, EBS	Non-executive Director
Betty Koech, MBA, BCom	Non-executive Director
Rosemary Munyiri, MSc, BCom, CPA (Kenya), CISA	Non-executive Director
M. R. Ochieng, MBA, Bsc	Group Managing Director

Remuneration Policy for the Non-Executive Directors

The Company has put in place a policy that defines the remuneration and related privileges received by the non-executive Directors of the Company. This policy is subjected to shareholder approval at every Annual General meeting.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **DIRECTORS REMUNERATION REPORT** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

Remuneration Policy for the Non-Executive Directors (Continued)

Board members receive annual fees and allowances for attending meetings. Non-Executive roles are not entitled to any performance related pay or pension.

The Non-Executive Directors (NEDs) are reimbursed for expenses, such as travel and related expenses incurred by them as Directors of the Company in respect to the performance of their duties.

The Non-Executive Directors do not have service contracts. The Company's policy is to appoint the Non-Executive Directors for an initial three-year period, which may be renewed subject to their re-election by shareholders at annual general meetings. The Directors appointed all have letters of appointments that set out their duties and terms of reference.

The NEDs are subject to retirement by rotation and re-election by Shareholders. A third of the Board is elected in every Annual General Meeting for a term of 3 years on rotation basis as per the CMA regulations and The Kenyan Companies Act, 2015.

Non-Executive Director Remuneration Policy

The fees for Non-Executive Directors are set at a level which is considered appropriate to attract individuals with the necessary experience and ability to oversee the business. Fees are paid in cash. The amount of fees reflects the attached responsibility and time commitment. Additional fees are paid for further responsibilities such as chairing committees and sitting on appointed board committees.

The value of benefits provided will be reasonable in the market context and take account of the individual circumstances and benefits provided in comparable roles for companies within the industry. The Committee responsible for this subject on a regular basis to ensure the policy aligns with the business needs to promote the success and sustainability of the Company.

Key objectives of Sasini's Remuneration Policy

Our remuneration philosophy underpins our evolving strategy, supports the evolution of our culture and is aligned to our risk management approach. It aims to direct our employees' efforts in delivering our strategy to create sustainable long-term value for our stakeholders in a manner that is both fair and responsible. The Board undertook a review of the Group's remuneration frameworks in 2022. A key consideration was to make further progress concerning pay-for performance to facilitate sustainable business performance, long-term stakeholder value creation and ensuring that Sasini's reward practices continue to be market related. The following fundamental principles guided the Sasini's Remuneration decisions during the year. These included ensuring:

- Appropriate balance of stakeholder interests over time.
- Simplified, fit-for-purpose remuneration frameworks that increase transparency and enable the delivery of the Group's strategy and creation of long-term shareholder and stakeholder value.
- Differentiated reward outcomes based on performance and contribution.

Remuneration principles

1. Attract, retain and engage high-calibre individuals who have the skills, ambition and talent to deliver our strategy.
2. Support the realization of our stakeholder aspirations, with a specific focus on rewarding our employees for the achievement of our strategy within our risk appetite relative to performance and shareholder returns.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS DIRECTORS REMUNERATION REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

Remuneration principles (Continued)

3. Align the long-term interests of our executives and shareholders by ensuring remuneration outcomes are transparent and are aligned to the value we create in the short, medium and long term. This entails a specific emphasis on the contribution of longer-term incentives for senior and executive employees, which are aligned to market practice.
4. Continuously build confidence and trust in our reward outcomes through high quality reward governance, engagement on our disclosure with shareholders, and internal transparency and effective communication.
5. Remuneration that is fair and transparent.
6. Remuneration that reflects the Company's commitment to the employee's wellbeing.

There were no changes in the remuneration policy from the prior year

Directors' remuneration

There were no changes in the fees and allowances during the year and the agreed structure was maintained as follows:

Committee	Sitting allowance FY 2023/24	Sitting allowance FY2022/23
Risk and Audit Committee	KShs 42,875 per sitting	KShs 42,875 per sitting
Governance, Remuneration & Nominations Committee	KShs 42,875 per sitting	KShs 42,875 per sitting
Kipkebe Limited	KShs 57,143 per sitting	KShs 57,143 per sitting
Mweiga Estates Limited	KShs 57,143 per sitting	KShs 57,143 per sitting
Finance ICT and Strategy Committee	KShs 42,875 per sitting	KShs 42,875 per sitting
Main Board	KShs 57,143 per sitting	KShs 57,143 per sitting

Contract of service – Executive Directors

Name	Date of contract	Unexpired term	Notice period	Amount payable for early
M.R. Ochieng'	Contract expiry on 28/09/2028	4 Years and 5 Months	3 Months – Maintained	Salary in lieu of notice period (3 Months) – Maintained.

Statement of voting at general meeting on directors' remuneration

In the last AGM held on 07 March 2024, the shareholders unanimously passed a resolution to approve the Directors' remuneration report and the Directors' remuneration policy.

Information subject to audit (auditable part)

Information subject to audit comprises the amounts of each Director's emoluments and compensation in the relevant years. Directors' remuneration is paid during the year.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS DIRECTORS REMUNERATION REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

Information subject to audit (auditable part) – (Continued)

Non-executive Directors

	FY2023/24			FY2022/23		
	Fees	Sitting allowance	Total	Fees	Sitting allowance	Total
	KShs' 000	KShs' 000	KShs' 000	KShs' 000	KShs' 000	KShs' 000
Dr. J.B. McFie*	1,200	550	1,750	1,200	670	1,870
A.H. Butt	1,000	1,471	2,471	1,000	1,543	2,543
S.N. Merali	1,000	743	1,743	1,000	843	1,843
Dr. S.O. Mainda	1,000	529	1,529	1,000	657	1,657
Mrs. Betty Koech	1,000	614	1,614	1,000	786	1,786
Mrs. Rosemary Munyiri	1,000	614	1,614	1,000	786	1,786
Total	6,200	4,521	10,721	6,200	5,285	11,485

All fees and sitting allowances were paid during the year, consequently, there were no outstanding amounts payable.

*These fees were paid to educational charities on behalf of the Director.

Executive Directors

	Basic pay KShs'000	Gratuity KShs'000	Bonus KShs'000	Non-cash benefits KShs'000	Total KShs'000	Amounts paid KShs'000
2024:						
M. R. Ochieng'	41,941	5,302	-	3,112	50,355	50,355

	Basic pay KShs'000	Gratuity KShs'000	Bonus KShs'000	Non-cash benefits KShs'000	Total KShs'000	Amounts paid KShs'000
2023:						
M. R. Ochieng'	38,035	4,824	-	3,027	45,886	58,509

There were no other sums paid to third parties in respect of Directors' services.

Approval of the Directors' remuneration report

The Directors confirm that this report has been prepared in accordance with the Kenyan Companies Act, 2015, Capital Markets Authority (CMA) Code and listing rules and reflects the disclosure requirements under the IFRSs.

BY ORDER OF THE BOARD


Chairman/Director

Date: 10 January 2025.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Corporate Governance statement

Sasini Plc recognizes its responsibility to practice high standards of Corporate Governance as one of the contributing factors to its long-term success and attainment of sustainable shareholder value. The Company's approach to Governance ensures that the Company is effectively managed in line with the strategy and the expectations of all key stakeholders.

The Companies Act, 2015, requires Directors to always act in the best interest of the Company and in good faith as well as promote the success of the Company for the benefit of its stakeholders.

The Board ensures that high standards and practices in Corporate Governance and more specifically the principles, practices and recommendations set out under the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 ("the CMA Code"), the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 ("POLD"), the Companies Act, 2015 ("the Act") as well as the Company's Memorandum and Articles of Association are adhered to. The Directors also accept responsibility for putting in place an effective and efficient Governance structure and effective internal control and risk governance systems that are designed to promote good governance practice. The Board regularly reviews its corporate governance practices and ensures that the same reflects the developments in regulation, best market practice and stakeholder expectations.

Our statement of compliance summarizes how the Group has implemented the principles and provisions of the Capital Markets Authority (CMA) Corporate Governance Code. The Board considers that the Group has complied in all material respects with the Code for the year ended 30 September 2024. In compliance with the CMA Code, Sasini PLC conducted Governance and Legal Audits for the 2-year period ending 30 September 2023. The reports were adopted by the Board and implementation of the recommendations is on-going.

A clear vision of purpose and strategy, aligned with an inclusive culture with the following highlights:

2024 Highlights

- Overall, the economic situation remained significantly challenging both at the domestic and international levels during the year.
- A diminished macadamia nuts market in the US,
- Disruptions in the fruit value chain,
- Collapsed pricing in the tea auction channel that has negatively affected the private treaties.
- The high cost of production driven by escalated input costs and elevated cost of power,
- A lower-than-expected production volumes due to the poor weather patterns in the earlier part , directly derailing our agricultural operations on both fronts of the crop quality and volumes.
- The year was marked with unprecedented reforms and changes effectively increasing the cost of doing business and worsened by the geopolitics issues in the Middle East.
- A depressed commodity prices, and less market demand for some of our products.
- The increasing political tensions in the Middle East have drastically affected the shipping duration of our avocado produce resulting in quality deterioration.
- The strengthening of the local currency against the major currencies in the second quarter also affected the business environment.
- The tea glut in the auction resulted in a protracted market depression, major private buyers also failed to execute any long-term contracts as prices continuously floored given that auction performance is a key reference point for the negotiation of private deals. Spot offers did not attract profitable pricing and resulted in loss-making sales which were way below the cost of production.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

2024 Highlights (Continued)

- Entrenched our Environmental, Social, and Governance (ESG) competence through Sustainable Development Goals (SDGs) mainstreaming to create a meaningful impact.
- The government's new policy of aggressive and enhanced revenue collection to bring on board additional revenue.
- Implementation of the Finance Act 2024 increased the cost of doing business.
- Automation of operational processes continues to mitigate the high cost of production.
- Continued support by out-grower farmers in supplementing the production volumes of tea, avocado, coffee, and macadamia nuts.
- The use of solar energy in our tea factories to reduce costs.
- The launch of the second sustainability report in accordance with the Global Reporting Initiative (GRI) Standards.
- Strong management rigor in driving efficiency in operation, diversification of sales channels, and performance improvement.
- Cost containment measures in our operations.

2025 Priorities

- Continue to entrench our Environmental, Social, and Governance (ESG) competence through Sustainable Development Goals (SDGs) mainstreaming to create a meaningful impact.
- Support organic growth through strong geographic expansion to enhance shareholders' value.
- Continue to use innovation and technology to drive efficiency to contain cost and produce quality products.
- Seek and establish strategic partnerships to expand our reach.
- Emphasis on quality and quantity based on a sustainable model

“Our aim is to create strong foundations for sustainable future success, delivering value for our employees, shareholders and wider society.”

Dear Shareholder,

I am pleased to introduce our Corporate Governance Statement, which explains how the Group's governance framework supports the principles of integrity, strong ethical values, and professionalism integral to our business. The Board recognizes that we are accountable to shareholders for good corporate governance, and this report, together with the others, seeks to demonstrate our commitment to high standards of governance that are recognized and understood by all.

Leadership, governance, and purpose

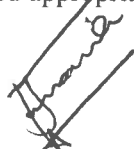
Good governance depends on good and effective leadership and a healthy corporate culture, supported by robust systems and processes and a good understanding of risk and risk appetite. We aim to stay abreast of developments in good governance and practice and have well-developed plans to ensure that we will meet international standards of Corporate Governance. This includes making sure our purpose, vision, and values are clearly articulated, and that we have in place effective channels of engagement with our workforce, shareholders, and stakeholders. The Board is involved in setting measurable objectives to promote a healthy corporate culture that is aligned with strategy and delivers on our commitment to the principles of sustainability and trust that are the hallmark of our business.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

Leadership, governance, and purpose (Continued)

The reports of our Board Committees show how our policies and processes have been applied and developed during the year in a way that remains consistent with our values and strategy, focusing on engagement, operational improvement, and reward and incentive structures, ensuring progress can be measured and monitored appropriately and promoting a business that is resilient, responsible and alive to opportunity.



Martin R Ochieng'
Group Managing Director

Date: 10 January 2025.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

1. The Board lays solid foundations for management and oversight

Roles and responsibilities of the Board and Management

The Board is responsible for the overall direction of the Company with oversight and review of the management, administration and overall governance.

The Board Charter provides a framework for the effective operation of the Board, which sets out the:

- Board's roles and responsibilities;
- Relationship and interaction between the Board and Management; and
- Authority delegated by the Board to Management and Board Committees.

The Board's role is to, among other things:

- Represent and serve the interests of Shareholders by overseeing and appraising Company's strategies, policies and performance;
- Oversee the Company, including providing leadership and setting its objectives;
- Approve and monitor systems of risk management, internal compliance, accountability and control, codes of conduct and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- Set the risk appetite within which the Board expects Management to operate;
- Monitor Senior Management's performance and approve remuneration policies and practices; Monitor implementation of strategy and ensure appropriate resources are available;
- Approve and monitor the progress of major capital expenditure, capital management and acquisitions, and divestitures;
- Approve budgets;
- Approve and monitor the corporate, financial, and other reporting systems of Sasini Group, including external audits and oversee their integrity;
- Adopt appropriate procedures to ensure compliance with all laws, governmental and regulatory bodies' regulations, and accounting standards, including establishing procedures to ensure the information that a reasonable person would expect to have a material effect on the price or value of the Company's Shares, is appropriately and accurately disclosed on a timely basis in accordance with all legal and regulatory requirements; and
- Monitor the effectiveness of Sasini's governance practices.

Matters that are specifically reserved for the Board (or its Committees) include:

- Appointment of the Chair;
- Appointment and removal of the Group Managing Director;
- Appointment of Directors to fill a vacancy or as an additional or alternate Director;
- Establishment of Board Committees, their membership, and delegated authorities;
- Recommendation/declaration of increase or decrease of authorised capital, dividends, Bonus issues and Rights issues;
- Approval of major capital expenditure, acquisitions, and divestitures in excess of authority levels delegated to Management; and
- Any other specific matters nominated by the Board from time to time.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

1. The Board lays solid foundations for management and oversight (Continued)

Separation of powers and duties of the Chairman and the Group Managing Director (GMD)

The Chairman and the Group Managing Director (GMD) have distinct and clearly defined duties and responsibilities. The separation of the functions of the Chairman (a Non-Executive Director) and the GMD (Executive Director) supports and ensures the independence of the Board and Management. The balance of power, increased accountability, clear definition of responsibilities and improved decision-making are attained through a clear distinction between the non-executive and executive roles.

Changes in Board Composition during the year

There were no changes in the Board composition during the year ended 30 September 2024.

Management of conflicts of interest

The Directors are obligated to fully disclose to the Board any real or potential conflict of interest, which comes to any Director's attention, whether direct or indirect. The statutory duty to avoid situations in which the Directors have or may have interests that conflict with those of the Company has been observed by the Board in the financial year under review. All business transactions with all parties, directors or their related parties are carried out at arm's length. An acknowledgment that should it come to the attention of a Director that a matter concerning the Company may result in a conflict of interest, obligates the Director to declare the same and exclude himself/herself from any discussion or decision over the matter in question. The Board has formal procedures for managing conflicts of interest in accordance with the Companies Act, 2015 and the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015. Directors are required to give advance notice of any conflict issues to the Chairman or Company Secretary and these are considered at the next Board meeting. Declaration of a conflict of interest is also a standard agenda item which is addressed at the onset of each Board and Committee meeting. Affected Directors are excluded from the quorum and vote in respect of any matters in which they have an interest. No material conflicts were reported by Directors in the year under review.

Director induction

On joining the Board, all new Directors receive a full induction. This provides an overview of the Company, the Company's operating environment and new developments thereof, the Company's constitution, accounting and financial reporting developments, as well as any regulatory matters. As part of the induction training, detailed presentations by management, are factored in, so that the Directors gain a good sense of the Company's operations and central functions.

Training and development

Board members undergo regular training and education to enable them to fulfill their responsibilities. Directors receive functional presentations built into the annual Board Work Plan to gain a good sense of the company's operations and central functions. During the financial year under review, the Directors engaged in e-learning and facilitator-led training from credible sources on areas of governance. The Company ensures that the directors secure at least twelve hours of development per year in areas of governance from credible trainers.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

1. The Board lays solid foundations for management and oversight (Continued)

Training and development (continued)

The Board received training in 2023/24 on various aspects including:

- International Trade and Associated Risks.
- Moving sustainability from the sidelines to mainstream at Sasini PLC

Board evaluation

In line with the provisions of the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Board undertook an annual evaluation of its performance as an entity, its committees, the Chairman and each individual Director, including the Group Managing Director and the Company Secretary. This was aimed at enabling the board and its members and the committees to gauge their performance and identify areas of improvement. The evaluation was conducted by a third-party firm.

The evaluation entailed a peer review for each director, the Group Managing Director and the Company Secretary. The mode used was questionnaires and individual interviews. The areas covered include the overall board engagements, conduct and participation in meetings, effectiveness of the committee as well as the support provided by the Company Secretary.

The Board Evaluation exercise resulted in a score of **VERY GOOD** on the performance and effectiveness of the Full Board. This points to a well-functioning and collegial board with good support from the Company Secretary. The Board continually looks for areas of improvement and to develop an action plan to address any concerns.

Values, principles, standards, and norms of behavior

Good conduct, underpinned by ethics, is fundamental to the sustainability of the agribusiness industry and the creation of value. Good conduct is evidenced through our daily behavior and exhibited in our individual and collective actions and decisions. Sasini is committed to the highest standards of integrity and ethical behavior. The Board recognizes that for leadership to be effective it must be ethical. Our directors uphold the standards of conduct, including ethics, required of them by law, regulation, and policies, while demonstrating the behaviours that are consistent with our Values. The Board oversees the various tools, processes, and systems used to embed an ethical culture in the organization.

Alignment with the Sustainable Development Goals (SDGs)

The Group is focused on the following sustainable development goals:

- *SDG Goal Number 1: No poverty.*

Eradicating poverty remains one of the focus areas in keeping with our sustainable business agenda. We are aware that every initiative we take to address this global concern like provision of education facilities and employment opportunities, training of our staff and outgrower farmer communities, and gender equality are among some of the keys to unlocking enormous human potential and abating poverty.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

1. The Board lays solid foundations for management and oversight (Continued)

Alignment with the Sustainable Development Goals (SDGs) – (continued)

— SDG Goal Number 3: Good health and well-being

It is our strong policy position that as corporate citizens we have a moral duty to contribute to social sustainability in areas where we operate in. As such we have made it our business to ensure good health and well-being in several ways. Our farm produce comprises health giving beverages, namely, tea and coffee, and superfoods, such as macadamia nuts and avocados.

We have also made it possible for the host communities to access quality coffee, tea, macadamia, and avocado seedlings to help small-scale farmers/outgrowers increase farm productivity and meet the growing demands of the food chain while improving their socio-economic development and increasing their resilience to challenges associated with poverty and hunger.

The provision of health facilities is an area of strategic importance for Sasini PLC. The group maintains a well-equipped medical Centre with in-patient and out-patient treatment options within the tea operations as well as a satellite dispensary and a diagnostic laboratory. The facilities have ambulances on stand-by to transfer critical cases to larger facilities whenever such needs arise. These facilities cater for both the company employees and local community residents.

Additionally, we have wellness teams from within our establishment and are engaged in health enhancement activities such as, hiking, trekking, gym membership among other physical activities.

For us, access to clean water is a huge factor in our employees' and host communities' welfare. In this regard, we have invested in clean water systems to provide purified potable water direct from mains via purifying machines at the workplace and drilling of boreholes in the neighborhood of our Tea Operations.

— SDG Goal Number 4: Quality education

Education is another area of strategic importance to Sasini PLC as it is a huge factor in solving poverty.

Lifting a community out of poverty means availing education facilities to it by investing in resources for schools and encouraging school attendance. This for us means developing talents, creating a more enlightened society and better-equipped citizens, and uplifting society's socio-economic status in the fight against poverty.

We have invested in the provision of learning facilities within our tea operations and offer support to learning institutions within our areas of operation through donations of learning material to schools around our coffee estates. Our Tea division maintains nursery and primary schools providing free education to the children of employees, dependents, and surrounding communities. The Tea Division also maintains a secondary school within one of the tea estates. The group supports education through bursaries and stipends while also providing funds to improve schools located near our plantations. We also provide resources such as computers, laboratory equipment, sports kits, and learning material to the schools.

— SDG Goal Number 5: Gender equality

We encourage gender balance and through our Diversity and Inclusion Policy, we aim at attracting more women to managerial positions. When women are allowed to participate in gainful economic activities, a company and ultimately the country thrives. We have in place programs such as training and development, reward schemes and recognition, and work-life flexibility that enhance our goal of being an employer that promotes gender parity.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

1. The Board lays solid foundations for management and oversight (Continued)

Alignment with the Sustainable Development Goals (SDGs) – (continued)

— SDG Goal Number 7: Affordable and clean energy

Implementing a gradual migration of energy usage to renewable energy sources, namely, Solar power at our tea estates ensures that we will be a sustainable consumer going forward. Over time, we intend to reduce reliance on hydroelectricity and diesel generated power by progressively promoting the uptake of renewable energy in our operations and minimize our Greenhouse Gas (GHG) emissions.

— SDG Goal Number 8: Decent work and economic growth

Our investment in education and training is an important business strategy for promoting decent work and economic growth. This helps to create more productive and efficient workforce, increase employability, and improve living standards.

— SDG Goal Number 9: Industry, innovation, and infrastructure

We have through research continued to learn and invested in agricultural technological interventions and solutions that address the market's needs to enhance productivity and quality as well as improve on efficiencies and cost reductions. Our successful mechanization of tea harvesting and application of fertilizers using drones and self-propelled spreader in our tea business has greatly improved our efficiency, cut our production costs and enhanced the quality of tea we produce for the market. This initiative is being extended to the automation of our tea factories.

— SDG Goal Number 12: Responsible consumption and production

We make the most efficient use of resources at our tea, coffee, macadamia, and avocado operations while reducing waste and minimizing its deleterious impact on the environment.

The gradual elimination of one-time plastic use and plastic water carboys in the office place is ongoing. We have put in place production procedures that adhere to food safety standards to produce safe products for people and the environment at all stages of the value chain from development, manufacturing, use, and safe disposal of byproducts.

— SDG Goal Number 15: Life on land

Reduction of greenhouse gas emissions, through prudent farm and factory practices to reduce the farmers' and neighboring communities' vulnerability to the adverse effects of climate change continues to be the mainstay of our production setups. Increasing the tree population through a sound afforestation program within our estates is something we are very proud of as well as biodiversity conservation through sustainable agriculture practices, protection, and preservation of habitats. Efficient use of water, protection of water courses, and riparian reserves, and reduction of the release of water pollutants through soak lagoons is an established practice in all our operations.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

1. The Board lays solid foundations for management and oversight (Continued)

Alignment with the Sustainable Development Goals (SDGs) – (continued)

The Board has established the following Committees to assist it in discharging its functions:

Governance, Nomination and Remuneration Committee, which is responsible for establishing the policies and practices of the Group regarding the human resources strategy, the remuneration of Directors and employees, and reviewing the overall human resources and remuneration framework; It also is responsible for advising the Board on the composition of the Company's Board and its Committees, maintaining proper succession plans, and evaluating performance.

Risk and Audit Committee, which is responsible for monitoring and advising the Board on Group's audit, risk management, and regulatory compliance policies and procedures; and

Finance, ICT, and Strategy Committee, which is responsible for advising the Board on matters of technology and innovation in supporting the Group's overall business strategy, reviewing the financial health and soundness of the organization, reviewing, and monitoring the effectiveness of the Group's IT systems and data security measures.

The Group Managing Director is responsible for the day-to-day management of Sasini Group with the authority to exercise all necessary powers, discretions and delegations authorized from time to time by the Board. The Group Managing Director's responsibilities are set out in the Board Charter. The Group Managing Director is supported by his Executive team which meets weekly to plan and monitor the execution of the Group's strategy.

2. Access to information and independent professional advice

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time they consider it appropriate. The Board collectively, and each Director individually, has the right to seek independent professional advice, at Sasini Group's expense, subject to the approval of the Chair, or the Board as a whole.

Board meetings

The Board meets on such number of occasions each year as the Board deems appropriate or as frequently as may otherwise be required to deal with urgent matters, which might arise between the scheduled meetings. For details of the current Directors, their qualifications, skills and experience, refer to the Directors' section on pages 3 to 5. For details of Directors' attendance at Board and Committee Meetings for the year ended 30 September 2024, refer to Directors' Meetings on page 64 and 65.

3. Appointment and re-election of Directors

The composition, structure and proceedings of the Board are primarily governed by the Constitution and the laws governing corporations in jurisdictions where Sasini PLC operates. It is intended that the Board will comprise a majority of independent Non-Executive Directors. It is intended that the Board comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds that is appropriate to Sasini Group and its strategy.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

3. Appointment and re-election of Directors (Continued)

When appointing new Directors, the Board, together with the Governance, Nomination and Remuneration Committee, evaluates the balance of skills, knowledge and experience on the Board and, in light of the evaluation, determines the role and capabilities required for the appointment, subject to limits imposed by the Constitution and the terms served by existing Non-Executive Directors. At commencement of the Director selection process, the Board, together with the Governance, Nomination and Remuneration Committee undertakes appropriate checks on potential candidates to consider his or her suitability to fill a casual vacancy on the Board or for election as a Director. Prior to appointment, candidates are required to provide the Chairman with details of other commitments and an indication of time involved, and to acknowledge that he or she will have adequate time to fulfil his or her responsibilities as a Non-Executive Director of Sasini Group. Directors eligible for re-election at a general meeting are reviewed by the Governance, Nomination and Remuneration Committee and recommended to the Board. Directors are re-elected in accordance with the Constitution, Capital Markets Authority(CMA) (Public Offers Listing and Disclosures (POLD) and the CMA corporate governance code. Shareholders will be provided with details about each Director for re-election in the notice of meeting for the AGM to enable Shareholders to make a decision on re-election. Sasini PLC enters into a written agreement with each Director and Senior Executive setting out the key terms, conditions and responsibilities of their position. Non-Executive Directors must inform the Chairperson before accepting any new appointment as a Director of another listed entity, another material directorship or other position with a significant time commitment attached.

4. Company Secretary

The Company Secretary, a member of the Institute of Certified Secretaries of Kenya (ICPSK) is the Secretary to all the Committees of the Board and offers the critical role of supporting the Board on procedural and regulatory matters while ensuring the Company adheres to Board policies and procedures. All Directors have direct access to the Company Secretary who is responsible to the Board on all matters relating to the conduct and functions of the Board and each of its Committees. The Company Secretary's responsibilities are set out in the Board Charter.

5. Diversity

Sasini PLC values a strong and diverse workforce and is committed to promoting a corporate culture that embraces diversity. The Group's policy is that no employee or job applicant will be treated less favourably on the grounds of race, colour, nationality, ethnic or national origin, gender (including gender reassignment), pregnancy, marital or civil partner status, sexual orientation, religious belief, age or disability, or on any other grounds which cannot be justified on job related terms. These policy principles are supported by our Code of Conduct. The Board is committed to achieving diversity in its widest sense. We ensure that briefs to external recruitment agencies and search consultants are aimed at improving diversity ratios and balance both at Board and senior management level and more widely within the business, while also reflecting the changing strategic needs of the Group. The Board will continue to support positively opportunities for talented individuals regardless of gender, ethnicity, age or social background. The board is engaged with the initiatives within the business in this area, while recognizing the need for more work to achieve true gender balance and greater diversity.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

6. Performance review of the Board and senior executives

The Governance, Nomination and Remuneration Committee is responsible for establishing the processes for reviewing the performance of the Board, the Board's Committees and individual Directors. The Board, Governance, Nomination and Remuneration Committee, Risk and Audit Committee and Finance, ICT, and Strategy Committee, periodically self-assess their performance against a range of set criteria developed annually by the Governance, Nomination and Remuneration Committee. The Board Evaluation for the year ended 30 September 2023 was carried out internally by the Governance, Nomination and Remuneration Committee through the support of the Company Secretary. The evaluation entailed a peer review of the Chairman, Group Managing Director, Board Committees and Company Secretary, and the methodology used was questionnaires. The evaluation revealed that the performance of the whole Board was very good. This is an indication of that the Board is effective in discharging its mandate. A peer review has been undertaken for each Director seeking re-election at the AGM to enable the Board to recommend that Shareholders elect that Director at the AGM.

7. Performance review of Executive Management

The Governance, Nomination and Remuneration Committee is responsible for reviewing and recommending remuneration arrangements for the Group Managing Director and Executive Team who report directly to the Group Managing Director, including contract terms, annual remuneration and participation in Sasini Group's short and long term incentive plans.

8. Governance Audit

The CMA Code provides that issuers of securities to the public are required to undertake periodic governance audits. Following extensive stakeholder consultation to consider the frequency, cost and scope of governance audits, CMA advised all issuers of a revision in the cycle of governance audits to at least once every two years with the option of CMA decreasing or decreasing this frequency on a risk based approach.

In compliance with the CMA code, a governance audit for Sasini PLC was conducted for the two-year period ending 30th September 2023 by CS Madren Oluoch-Olunya of Azali CPS, who issued an unqualified opinion. The audit confirmed that the Board has put in place effective, appropriate, and adequate governance structures in the organization which were in compliance with the legal and regulatory framework and in line with good governance practices for the interest of stakeholders. The next governance audit will be conducted in September 2025.

9. Legal and Compliance Audit

The CMA Code provides that issuers of securities to the public are required to undertake a comprehensive independent legal audit at least once every two years. Accordingly, the independent legal audit Sasini PLC for the period ended 30 September 2023 was conducted by Happi Kilongosi, an Advocate of the High Court of Kenya, who issued an unqualified opinion. The audit confirmed that the Board has put in place legal framework and processes for the

Company which substantially complies with the Constitution of Kenya, 2010, the applicable laws and regulations.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

10. The Board is structured to add value

Board Committees

(a) Governance, Nomination and Remuneration Committee

The role and responsibilities of the Committee are to:

- Advise the Board on the size and composition of the Board and its Committees and the selection and appointment of Directors to the Board and its Committees;
- Review and make recommendations to the Board on succession plans for the Board and ensure there are plans in place to manage the succession of the Managing Director and other Senior Executives;
- Advise the Board on the ongoing evaluation of the performance of the Board, its Committees and Directors and make recommendations to the Board accordingly;
- Develop a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership;
- Conduct performance evaluation of the Board, its Committees and individual Directors and developing and implementing plans for identifying, assessing and enhancing Director competencies; and
- Establish and facilitate a Director induction process and provide appropriate professional development opportunities for Directors.

(b) Risk and Audit Committee

The role and responsibilities of the Committee are to:

- Oversee, review and supervise Sasini Group's risk management framework and promote a risk management culture;
- Assist the Board in discharging its responsibilities relative to the financial reporting process, the system of internal controls relating to all matters affecting Sasini Group's financial performance and the audit process;
- Assist the Board in monitoring compliance with laws and regulations and Sasini Group's Code of Conduct and Ethics;
- Assist the Board to adopt and apply appropriate ethical standards in relation to the management of Sasini Group and the conduct of its business; and
- Review the adequacy of Sasini Group's insurance policies.

The responsibilities of the Committee in relation to external audit are as follows:

- Establish procedures for the selection, appointment and removal of the external auditor and for the rotation of external audit engagement partners;
- Review the external auditor's proposed audit scope and approach;
- Meet with the external auditor to review reports, and meet separately from Management, at least once a year, to discuss in that regard any matters that the Committee or auditors believe should be discussed privately;
- Establish policies as appropriate in regards to the independence, integrity and performance of the external auditor;
- Review of the independence of the external auditors and the appropriateness of any services provided by them to Sasini Group (if any), outside their statutory role;
- For the purpose of removing or appointing external auditors, review their performance, including their proposed fees, and if appropriate invite tenders from reputable and certified audit firms for provision audit services.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

10. The Board is structured to add value (Continued)

(b) Risk and Audit Committee (continued)

It is the policy of Sasini Group that its external auditing firm must be independent of it. The Risk and Audit Committee will review and assess the independence of the external auditor on an annual basis. The Risk and Audit Committee may obtain information from, and consult with, Management, the external auditor and external advisers, as it considers appropriate. The Risk and Audit Committee also has access to the external auditor to discuss matters without Management being present. The Risk and Audit Committee met five times during the year ended 30 September 2024.

(c) Finance, ICT, and Strategy Committee

The Committee is responsible for reviewing and, where appropriate, approving Sasini Group's Technology Strategy and overseeing its implementation. The Committee will assist the Board by:

- Reviewing key technology changes, innovations and trends in the marketplace and their potential for application within Sasini Group, including advising Sasini Group through industry meetings with experts and education visits to key technology partners, industries and regions;
- Reviewing and recommending to the Board management strategies relating to Sasini Group's Technology Strategy and their alignment with Sasini Group's overall strategy and objectives;
- Reviewing and monitoring Management's strategies and innovation framework for developing or implementing new technologies and systems; advising the Board in relation to Sasini Group's IT operations for the purpose of enhancing the Board's understanding of the use of technology as an enabler and a risk for Sasini Group;
- Reviewing and recommending to the Board major new technology projects and investments;
- Monitoring and reviewing the post-implementation results of all key technology projects, including the achievement of expected benefits and return on investment;
- Reviewing and recommending to the Board, Management's strategies for sourcing of major technology suppliers and monitoring the technology governance framework for third party suppliers; Reviewing, monitoring and advising on the effectiveness of the ISMS Information Security Risk Management Policy and Procedure;
- Advising the Risk and Audit Committee on matters of technology, systems, data and intellectual property risk and security;
- Improving the efficiency of the Board by taking responsibility for "technology" tasks delegated to the Committee where such tasks should be discussed in depth;
- Reviewing and reporting to the Board on the effectiveness of incident response plans as they relate to technology risks and cyber security risks, including disaster recovery plans and ensuring regular testing and reporting to the Board on the results of testing;
- The delivery of technology services to Sasini Group, including performance outcomes for quality, stability and reliability and, where reliable information and metrics are available,
- The integration of IT operations and technology within the broader organisation, including strategies to minimise residual integration risk and maximise transparency across the organisation;
- Such other matters relating to Sasini Group's Technology Strategy as the Committee may require from time to time; and
- The integration of Sustainability and Environmental, Social, and Governance (ESG) Strategy within the broader organisation.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

10. The Board is structured to add value (Continued)

(c) Finance, ICT, and Strategy Committee (continued)

Board Skills Matrix

The Board has adopted a policy that it shall be composed of a majority of independent, Non-Executive Directors who, with the Group Managing Director, comprise an appropriate mix of skills, expertise, experience and diversity to meet the Board's responsibilities and objectives.

The Board is comprised of highly experienced business leaders who each meet the fundamental requirements necessary to govern a listed company in the Securities Exchange. The Company has a diverse Board that collectively has:

- Strategic capabilities and commercial acumen;
- IT strategies and infrastructure, networks and innovations in data security and storage;
- Financial management capability, the ability to analyse statements and assess financial viability;
- Risk management understanding and experience;
- Knowledge of corporate governance and compliance in listed entities;
- Experience in human resource management, including workplace culture, management development and succession, health and safety, diversity and remuneration;
- Experience on the boards of other significant listed entities;
- Experience in identifying and managing the process for mergers and acquisitions, including integration;
- International experience; and
- Experience in executive leadership.

The Board, with the assistance of the Governance, Nomination and Remuneration Committee, determines the size and composition of the Board, subject to the Company's Constitution. The Board will continue to monitor and update the Board skills matrix at least annually to ensure that as Sasini develops, the Board comprises the appropriate mix of skills and experience. The Board recognises the importance of succession and renewal. It continues to monitor the Board composition accordingly.

Induction and education

The Governance, Nomination and Remuneration Committee is responsible for implementing an effective training and education program for all new and existing Directors, ensuring that Sasini provides appropriate professional development opportunities for Directors. The Committee is required to regularly review the effectiveness of the program to ensure Directors maintain the skills and knowledge required to perform their role effectively. Any new Directors undergo an induction program in which they are given a full briefing on Sasini, its operations and the industries in which it operates. Management, with the Board, provides an orientation program for new Directors which includes discussions with executives and management, the provision of materials to the new Director such as all of the Company's governance documents, access to the recent Board and Committee papers, along with minutes of these meetings. The objectives of the induction are to familiarise the new Director with Sasini Group's strategies, the nature of the various businesses, financial position, operational and risk management.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

11. The Board promotes ethical and responsible decision-making

(a) Code of Conduct and Ethics

The Board recognises the need to observe a high standard of corporate practice and business conduct. Accordingly, the Board adopted the Code of Conduct and Ethics, which outlines how Sasini expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards. All Sasini Group Directors, officers, employees and contractors (Personnel) must comply with the Code of Conduct and Ethics. This Code applies to all Personnel and all other people who represent Sasini Group or undertake work for the benefit of Sasini Group. Each member of Sasini Group and all Personnel are expected at all times to comply with all applicable laws. All Personnel are expected to conduct Sasini Group's operations with high legal, moral and ethical standards in all their dealings and to uphold Sasini Group's reputation as Sustainable Agribusiness. Specifically, all Personnel agree to act:

- Ethically, honestly, responsibly, diligently and with integrity;
- In full compliance with all laws and regulations that apply to Sasini Group and its operations and this Code; and
- In the best interests of Sasini Group. All Sasini Group Senior Management must lead by example and demonstrate a high regard for Sasini Group, and treat all Personnel with respect.

(b) Securities Trading Policy

Sasini Group has adopted the Securities Trading Policy that is intended to:

Explain the types of conduct in relation to dealings in securities that are prohibited under the CMA Act and establish a best practice procedure for the buying and selling of securities that protects Sasini Group, Directors and employees against the misuse of unpublished information that could materially affect the value of securities.

The Securities Trading Policy applies to:

- All Directors and officers of Sasini Group including the Group Managing Director;
- All direct reports to the Group Managing Director;
- All employees and contractors of Sasini Group;
- Their associates (as defined in the CMA Act) including, close family members and trusts and entities controlled by them; and
- Other persons identified by Sasini Group from time to time, (Restricted Persons).

The Securities Trading Policy sets out restrictions that apply to dealing with securities, including "trading windows", during which Restricted Persons, may deal in Sasini Group's Securities in the following periods.

12. The Board makes timely and balanced disclosure

The Board's aim is to ensure that Shareholders are kept informed of all major developments affecting the state of affairs of Sasini Group. Sasini Group has adopted a Continuous Disclosure Policy to ensure compliance with the explicit requirements and the spirit and intent of its disclosure obligations under the CMA Act, POLD and NSE Listing regulations. The Board bears the primary responsibility for Sasini Group's compliance with its continuous disclosure obligations and is therefore responsible for overseeing and implementing this Policy. The Board makes the ultimate decision on whether there is any materially price sensitive information that needs to be disclosed to the CMA and NSE.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

12. The Board makes timely and balanced disclosure (Continued)

It is a standing agenda item at all Board meetings to consider any information that must be disclosed to the CMA and NSE in accordance with Sasini Group's continuous disclosure obligations. The Board has appointed the Company Secretary as the Reporting Officer in order to streamline the day-to-day compliance with its continuous disclosure obligations. All Directors are required to notify the Reporting Officer if they believe there is materially price sensitive information which requires disclosure to the CMA and NSE.

13. The Board respects the rights of shareholders

Sasini Group respects the rights of its Shareholders and to facilitate the effective exercise of those rights, has adopted a Stakeholder's Management Policy. The following information is available on Sasini Group's website:

- A profile of Sasini Group and its businesses;
- Director and Executive Team profiles;
- Corporate governance overview; and
- All CMA announcements made to the market, including annual and half year financial results, are posted on Sasini Group's website.

To encourage Shareholder engagement and participation at the AGM, Shareholders have the opportunity to attend the AGM, ask questions from the floor, participate in voting and meet the Board and the Executive Team in person. Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the notice of the meeting.

The Board recognizes and manages risk

Risk and Audit Committee in its function as a risk committee, the Risk and Audit Committee assists the Board in fulfilling its corporate governance responsibilities in regard to oversight of Sasini Group's risk management framework and internal control systems. The Risk Management Policy sets out the requirements, roles and responsibilities for managing risks across Sasini Group. The Risk and Audit Committee's primary role with respect to risk management is to:

- Consider the overall risk management framework and risk profile and annually review its effectiveness in meeting sound corporate governance principles and keep the Board informed of all significant business risks;
- Review with Management the adequacy of Sasini Group's systems for identifying, managing, and monitoring the key risks to Sasini Group in accordance with the Risk Management Policy;
- Obtain reports from Management on the status of any key risk exposures or incidents;
- Review the adequacy of the Sasini Group's process for managing risk and provide a recommendation to the Board regarding the same in accordance with the Risk Management Policy;
- Review any incident involving fraud or other material or significant break down of the Sasini Group's internal controls in accordance with the Risk Management Policy;
- Review any material or significant incident involving any break down of Sasini Group's risk management framework in accordance with the Risk Management Policy;
- Review the Sasini Group's insurance program having regard to Sasini Group's business and the insurable risks associated with its business and inform the Board regarding the same; and
- Review whether Sasini Group has any material exposure to any economic, environmental and social sustainability risks and if so, develop strategies to manage such risks to present to the Board.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

13. The Board respects the rights of shareholders (Continued)

Internal audit

The internal audit function provides objective assurance on the effectiveness of risk management, operational and transactional controls and governance. Internal Audit operates under an annual plan reviewed and considered by the Risk and Audit Committee and the findings are presented to the Risk and Audit Committee. The internal audit function is undertaken by external providers. Sasini Group has appointed an external provider to provide internal audit services.

Whistleblowing Policy

Sasini PLC has a whistleblowing policy and the Board and all employees have been informed on the same. The policy sets out the Company's whistleblowing procedures. It gives employees a platform to raise concerns with respect to suspected violations. This policy covers Sasini's commitment to issues such as corruption and human rights violations.

The Board ensures that any risks arising from any ethical issues are identified and managed through a clear defined process.

Data Protection Policy

Sasini PLC acknowledges that personal data is a key asset for the Company and therefore has put in place measures to ensure that this is protected in compliance with the Laws and Regulations. In line with this, the Company has put in place a policy that guides the collection, use and management of personal data and also gives the Board, employees and the general public guidance on compliance with the laws and regulations on data protection, protection of rights of the data subject who include employees, shareholders, suppliers, customers, business partners etc, transparency in data collection and processing as well as restrictions.

Information Technology Policy

Sasini PLC relies on information technology systems to support their operations. The ICT Policy aims to protect the company's investment in IT infrastructure, including networks and maintain high standards of cyber security, while protecting the Company's confidential and sensitive information. The policy facilitates the ease of use of the IT systems by staff and other stakeholders.

Procurement Policy

Sasini PLC has a procurement policy that governs the procurement of goods and services within the Company. This policy ensures that value is obtained by the business from the services and goods acquired. It also spells out the controls that need to be applied during procurement. The Company periodically reviews the policy as may be necessitated by market conditions and regulation.

Stakeholder Engagement policy

Sasini PLC acknowledges that effective management of Stakeholders will positively impact the Company's achievement of its strategy and long-term growth. Sasini PLC appreciates the interdependence between effective stakeholder management and organizational performance. Stakeholder engagement is therefore integral to the Company's sustainability and success.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **CORPORATE GOVERNANCE** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

13. The Board respects the rights of shareholders (Continued)

The Policy has been prepared in line with and adherence to The Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 issued by The Capital Markets Authority. It proposes and seeks to adopt a stakeholder-inclusive approach bringing about greater inclusion of stakeholder needs, interests and legitimate expectations in decision making for better and enhanced corporate governance outcomes as well as the social dividend generated by the Company's activities. The purpose and objective of this policy is to govern Sasini PLC's stakeholder engagement towards the desired governance outcomes of good reputation, legitimacy, goodwill and relationship health towards improved relations with its varied stakeholders in all its activities and operations.

14. Economic, environmental and social sustainability risks

Sasini Group is committed to sustainability and acting in a responsible manner to promote employee well-being, minimise our impact on the environment and give back to the wider community. Sasini Group's ethos is to build partnerships with our employees, clients, investors, suppliers and communities based on mutual respect, trust and fairness.

The CMA Code of Corporate Governance Principles define 'material exposure' as a 'real possibility that the risk in question could substantively impact the listed entity's ability to create or preserve value for security holders over the short, medium or long term'.

Board and Board Committees Attendance

The Board meets as often as necessary to fulfil its role. Directors are required to allocate sufficient time to the Company to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During the reporting year, the Board met five (5) times. Members of the Executive Leadership Team and other members of senior management attended meetings of the Board by invitation. Attendance at Board and standing Board committee meetings during financial year 2023/2024 is set out in the table below:

Full board

Members present/ in attendance	November 2023	January 2024 *	February 2024	May 2024	August 2024
Dr. J. B. Mcfie	√	√	√	√	√
Ms. Betty Koech	√	√	√	√	√
Ms. Rosemary Munyiri	√	√	√	√	√
Mr. Sameer Merali	√	√	√	√	√
Mr. Martin Ochieng'	√	√	√	√	√
Mr. A. H. Butt	√	√	√	√	√
Dr. Steve Mainda	√	√	√	√	√
Ms. Victoria Cherotich	√	√	√	√	√

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

14. Economic, environmental and social sustainability risks (Continued)

Finance, ICT, and Strategy Committee

Members present/in attendance	October 2023	January 2024	May 2024	August 2024	September 2024 *
Mr. Sameer Merali	√	√	√	√	√
Mr. Martin Ochieng'	√	√	√	√	√
Mr. A. H. Butt	√	√	√	√	√
Ms. Victoria Cherotich	√	√	√	√	√

Risk and Audit Committee

Members present/in attendance	October 2023	January 2024 *	January 2024	April 2024	July 2024
Ms. Betty Koech	√	√	√	√	√
Dr. J. B. Mcfie	√	√	√	√	√
Ms. Rosemary Munyiri	√	√	√	√	√
Mr. Sameer Merali	√	√	√	√	√
Mr. Akif Butt	√	√	√	√	√
Mr. Martin Ochieng'	√	√	√	√	√
Ms. Victoria Cherotich	√	√	√	√	√

Governance, Nomination and Remuneration Committee

Members present/in attendance	October 2023	January 2024	April 2024	July 2024
Mr. Steve Mainda	√	√	x	x
Dr. J. B. Mcfie	√	√	√	√
Mr. A. H. Butt	√	√	√	√
Mr. Martin Ochieng'	√	√	√	√
Ms. Victoria Cherotich	√	√	√	√

* - Special meeting

√ - In attendance

x – Absent with apology

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

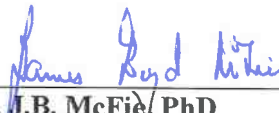
Top ten shareholders at 30 September 2024

The ten largest shareholders of the Company as at 30 September 2024 were as follows:

	Names	Postal address	Shares	Percentage
1	Legend Investments Limited	P.O. Box 55358-00200 Nairobi	95,417,345	41.84%
2	Yana Towers Limited	P.O. Box 55358-00200 Nairobi	30,225,240	13.25%
3	East Africa Batteries Limited	P.O. Box 55358-00200 Nairobi	25,135,700	11.02%
4	Ismail, Gulamali	P.O. Box 90626-80100 Mombasa	18,064,800	7.92%
5	Tropical Veterinary Services Limited	P. O. Box 87496-80100 Mombasa	10,343,500	4.54%
6	NIC Custodial Services A/C 077	P.O. Box 44599-00100 Nairobi	9,921,700	4.35%
7	Jamal, Karim	P.O. Box 49863 Nairobi	4,587,841	2.01%
8	Schwartzman, Joseph	P.O. Box 30118-00100 Nairobi	1,972,100	0.86%
8	Morjaria, Shardaben Vithaldas	P.O. Box 445-00600 Nairobi	1,812,700	0.79%
10	Merali, Sameer Naushad	P.O Box 55358-00200 Nairobi	1,403,600	0.62%
11	Others	-	29,170,974	12.79%
Grand totals:			228,055,500	100.00%

Distribution of shareholders

	Range	Records	Shares	Percentage
1	1 to 500	3,949	824,734	0.36%
2	501 to 1000	1,094	909,307	0.40%
3	1001 to 5000	1,241	2,969,555	1.30%
4	5001 to 10000	274	2,005,040	0.88%
5	10001 to 50000	264	5,891,180	2.58%
6	50001 to 100000	49	3,261,740	1.43%
7	100001 to 500000	42	8,781,588	3.85%
8	500001 to 1000000	4	3,177,830	1.39%
9	1000001 to 2000000000	11	200,234,526	87.80%
Grand totals:		6,928	228,055,500	100.00


Dr. J.B. McFie, PhD
Chairman


Mr. Martin R. Ochieng'
Group Managing Director

Date: 10 January 2025.



Report of the independent governance auditor to the Directors of Sasini Plc

Introduction

We have performed the Governance Audit for Sasini PLC covering the year ended 30 September 2023 which comprised an assessment of Governance Practices, Structures and Systems put in place by the Board.

Board responsibility

The Board is responsible for putting in place governance structures and systems that support the practice of good governance in the organization. The responsibility includes planning, designing, and maintaining governance structures through policy formulation necessary for efficient and effective management of the organization. The Board is responsible for ensuring its proper constitution and composition; ethical leadership and corporate citizenship; accountability, risk management and internal control; transparency and disclosure; members' rights and obligations; members' relationship; compliance with laws and regulations; and sustainability and performance management.

Governance auditor's responsibility

Our responsibility is to express an opinion on the existence and effectiveness of Governance instruments, policies, structures, systems and practices in the organization within the legal and regulatory framework and in accordance with best governance practices as envisaged under proper Board constitution and composition; ethical leadership and corporate citizenship; accountability, risk management and internal control; transparency and disclosure; members' rights and obligations; members' relationship; compliance with laws and regulations; and sustainability and performance management, based on our audits.

We conducted our audits in accordance with CMA circular No. CMA/MRT/004/2017 and ICPSK Governance Audit Standards and Guidelines which conform to global standards. These standards require that we plan and perform the governance audit to obtain reasonable assurance on the adequacy and effectiveness of the organizations' policies, systems, practices, and processes. We believe that our governance audits provide a reasonable basis for our opinion.



SASINI PLC



Report of the independent governance auditor to the Directors of Sasini Plc

Introduction

We have performed the Governance Audit for Sasini PLC covering the year ended 30 September 2023 which comprised an assessment of Governance Practices, Structures and Systems put in place by the Board.

Board responsibility

The Board is responsible for putting in place governance structures and systems that support the practice of good governance in the organization. The responsibility includes planning, designing, and maintaining governance structures through policy formulation necessary for efficient and effective management of the organization. The Board is responsible for ensuring its proper constitution and composition; ethical leadership and corporate citizenship; accountability, risk management and internal control; transparency and disclosure; members' rights and obligations; members' relationship; compliance with laws and regulations; and sustainability and performance management.

Governance auditor's responsibility

Our responsibility is to express an opinion on the existence and effectiveness of Governance instruments, policies, structures, systems and practices in the organization within the legal and regulatory framework and in accordance with best governance practices as envisaged under proper Board constitution and composition; ethical leadership and corporate citizenship; accountability, risk management and internal control; transparency and disclosure; members' rights and obligations; members' relationship; compliance with laws and regulations; and sustainability and performance management, based on our audits.

We conducted our audits in accordance with CMA circular No. CMA/MRT/004/2017 and ICPSK Governance Audit Standards and Guidelines which conform to global standards. These standards require that we plan and perform the governance audit to obtain reasonable assurance on the adequacy and effectiveness of the organizations' policies, systems, practices, and processes. We believe that our governance audits provide a reasonable basis for our opinion.

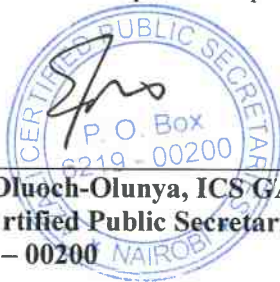


Report of the independent governance auditor to the Directors of Sasini Plc (Continued)

Opinion

In our opinion, the Board has put in place effective, appropriate, and adequate governance structures in the organization which are in compliance with the legal and regulatory framework and in line with good governance practices for the interest of stakeholders.

We therefore issue an unqualified opinion.



Cs. Madren Oluoch-Olunya, ICS GA No. 00192
For: Azali Certified Public Secretaries LLP
PO Box 6219 – 00200
Nairobi

Date: 10 January 2025.

SASINI PLC



REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF SASINI PLC

Introduction

We have performed the Legal and Compliance Audit for Sasini Plc covering the year ended 30th September 2023 to ascertain the level of adherence to applicable laws and regulations to deliver long term value to stakeholders. The Audit was undertaken in compliance with the Capital Markets Authority Code of Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015.

Our responsibility

Our responsibility was limited to conducting the Audit in accordance with the Constitution of Kenya 2010, applicable laws, and regulations; providing a Legal Audit Report of Findings and Recommendations; and giving an opinion on compliance of Sasini Plc to the Constitution of Kenya 2010, and the applicable laws and regulations. Recommendations for further improvement have been notified to the Board.

Basis of our opinion

We conducted the Audit in accordance with the terms of reference and conditions detailed in the contract. The Audit involved obtaining and reviewing documentary evidence of compliance to the law, policies, practices, and structures provided by the Act and other relevant laws. We believe that the audit evidence obtained and reviewed was sufficient and appropriate to provide a basis for our opinion.

Our opinion

In our opinion, the Board has put in place a satisfactory legal framework in the Company in compliance with the Constitution of Kenya 2010, the applicable laws, and regulations. We therefore issue an unqualified opinion.

Signed by the Lead Auditor



CS. Happi Kilongosi
ICPSK Practice Certificate Number P.1234
For: Azali Certified Public Secretaries LL.P
P. O. Box 6219 – 00200
Nairobi

Date: 10 January 2025.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **SUSTAINABILITY UPDATE 2024** **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

In alignment with our broader commitment to sustainability, our focus was on achieving sustainable business continuity and development ensuring that our business activities and business relationships, had minimal adverse impacts on the economy, environment, and people.

Sustainable business development refers to ‘development which meets the needs of the present generation without compromising the ability of future generations to meet their own needs’.

The company’s philosophy, vision, mission, values, governance, policies, and corporate responsibility continue to be geared towards sustainable business development, stewardship of, and sound protection of the primary factor in our business; the environment.

Having embraced the Ten Principles of the United Nations Global Compact, we continue to maintain our focus on key areas of strict adherence to human rights, the entrenchment of good labour practices, sound and prudent stewardship of the environment, and a strong focus on fighting corruption. Our objective is to conduct our business responsibly combining the good effects of the planet, people, and profits for prosperity.

Sasini PLC has ten subsidiary companies, three of which operate in the Export Processing Zones and one is registered outside Kenya in pursuit of our strategic imperative of organic growth through strong geographic expansion.

The principal activities of the company, which straddle the breadth of Kenya and lately with a regional presence, include the growing, processing, packing, marketing and selling of tea, coffee, avocado, and macadamia nuts. It also has a division that packs tea and coffee for the local and international market.

All of the groups production activities are certified under various internationally recognized certification standards which include: ISO 22000:2018, Rainforest Alliance, C.A.F.E Practices, Fairtrade, Food Safety Management System (FSSM), Global G.A.P. Food Safety Systems Certification (FSSC 22000), Kosher, British Retail Consortium Global Standard (BRC GS), Sedex Members Ethical Trade Audit (SMETA), and Kenya Bureau of Standards Dimasong Marck of Quality to assure our customers of prudent employment of food safety handling techniques, quality products and traceability at all levels of production.

Our purpose

To focus on innovative and efficient business practices, quality products and commitment to all our stakeholders

Our vision

To be the leading sustainable agribusiness in Africa.

Our strategic imperatives

- Actively pursue diversification to expand our revenue and profit base
- Deliberately pursue opportunities for bolt-on businesses to drive bottom line growth
- Entrench our ESG competence through SDG mainstreaming to create meaningful impact
- Use innovation and technology to drive efficiency and reduce costs
- Support our organic growth through strong geographic expansion
- Accelerate skill enhancement by focusing on talent development.

Our sustainability activities focus on the key areas highlighted in the table in page 72 below.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **SUSTAINABILITY UPDATE 2024** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

Our key stakeholders

Our key stakeholders are the environment, organizations, individuals and communities who may be affected by the conduct of our business and or who may affect/influence the Company's achievement of its business strategy and long-term growth.

The value chain making up the activities and operations of Sasini PLC is diverse. Therefore, the company's stakeholders are both internal and external and fall into various categories and groups.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS SUSTAINABILITY UPDATE 2024 FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

Stakeholder engagement

	Stakeholder Group	Material Relationship	Means of Engagement	Material Interests	Outcomes
1	Employees	Employees' health, safety, welfare, and professional development are fundamental to Sasini's performance and key to enhancing our future-ready workforce.	– Regular dialogue sessions, town halls, and forums with senior management – Training activities (e.g., workshops and team-building sessions) – Employee engagement surveys – Employee grievance handling procedures. – Performance Appraisals – Internal communication platform – Face to face meetings	– Corporate strategy and growth plans – Job security – Remuneration and benefits – Career development opportunities – Occupational safety, health, and wellbeing – Labour and human rights – Work-life balance - Employee volunteerism – Workplace environment and conditions	– Improved employee satisfaction – Better alignment of employee and Group goals – Increased productivity – Lower turnover rate – Enhanced safety and health for employees – Improved employee relations and trust in management – Enhanced skills and knowledge transfer



SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS SUSTAINABILITY UPDATE 2024 FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

Stakeholder engagement (Continued)

	Stakeholder Group	Material Relationship	Means of Engagement	Material Interests	Outcomes
2	Out-growers and Suppliers	We work closely with partners in our value chain to ensure that their operations align with Sasini's Safety, Health, and Environment (SH&E) policies and standards, prioritising environmental performance, workplace safety, and employee health and wellbeing.	– Policies on SH&E – Supplier code of conduct – Day-to-day procurement processes – Regular supplier verification – Training programs – Incentives schemes – Engagement is on regular basis	– Legal compliance – Quality – Innovation – Workers' safety, health, and wellbeing – Responsible procurement – Environment conservation – Ethical business conduct – Workplace environment and conditions	– Revision of the Suppliers Code of Conduct – Service level agreements – Suppliers' agreements with out-growers
3	Shareholders and Investors	We are keen on good corporate governance and ESG integration and continue to build shareholder trust and confidence through open dialogue with shareholders and the investment community.	– AGM, meetings, and site visits – Media releases and interviews – Investor briefings – Annual reports and financial statements – Announcement of results – Corporate website and social media platforms – Engagement is on a quarterly basis	– Corporate governance – ESG disclosures aligned with leading global standards and frameworks – Sustainability performance tracking and reporting – Ethical workplace and marketing practices – Workplace environment and conditions	– Increased transparency – Increased shareholder's value – Improved financial performance – Improved stakeholder management – Increased brand awareness – Better risk management – Improved stakeholder relations – Better alignment of investors and Group's goals

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS SUSTAINABILITY UPDATE 2024 FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

Stakeholder engagement (Continued)

	Stakeholder Group	Material Relationship	Means of Engagement	Material Interests	Outcomes
4	Community	We ensure that our developments do not affect the well-being of surrounding communities. We also invest in community development projects to foster collaborations that support the UN SDGs	- Group website and social media platforms - Corporate advertisements - Collaborations with charities and NGOs for community development - Corporate Social Responsibility (CSR.) - Participation in community development programs - Engagement is on a regular basis	- Workers' safety, health, and wellbeing - Promoting environmental awareness and human rights - Advocating best practices in sustainability - Caring for the less fortunate - Advocacy and thought leadership in sustainability for the agriculture industry - Ethical business practices	- Enhanced brand position - Community led development - Improved business goodwill - Awards and recognition
5	Business Partners	This include business associations of which Sasini are members, advocacy platforms, agricultural initiatives and peer led.	- Face-to-face meetings - Webinars - Organised conferences - Quarterly Calls - Surveys - Engagement is on a regular basis	- To exchange knowledge on emerging issues i.e. corporate climate action, Net Zero - To develop a common position to tackle key issues affecting the agricultural service sector in the region	- Enhanced international relationships - Increased brand reputation - Enhanced knowledge management by leveraging peer-to-peer learning and capacity building opportunities - Alignment with international frameworks

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS SUSTAINABILITY UPDATE 2024 FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

Stakeholder engagement (Continued)

Stakeholder Group	Material Relationship	Means of Engagement	Material Interests	Outcomes
			through developing a common approach and mainstream collective bargaining - To foster joint projects that enhance agricultural services initiatives and innovative solutions that can be scaled – To align with global commitments that seek to accelerate global ambition and action i.e. climate change	
6 Media	We raise greater awareness of the sustainability agenda and Sasini's sustainable practices by engaging the media regularly through mainstream news and information channels.	– Mainstream media platforms – Other information channels – Engagement is on a regular basis	– Partnership to foster education on sustainability – Collaboration for advertisements – Cooperation on disclosing information about the Group – Relationships to foster enhanced brand and image on sustainable agriculture	– Improved media ratings – Enhanced PRVs – Increased media impressions – Seamless native advertising – Accurate profiling of the Sasini story, strategy and performance – Objective reporting about our brand – Reaching new customers – Enhanced competitiveness

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS SUSTAINABILITY UPDATE 2024 FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

Stakeholder engagement (Continued)

Stakeholder Group	Material Relationship	Means of Engagement	Material Interests	Outcomes
7 Regulators	We partner with key government agencies and regulators to elevate industry standards for sustainable agricultural practices, ethical business discipline, and health and safety standards.	- Sasini's senior management representation on boards of various industry advocacy bodies -Long Standing partnership in various national programs - Thought leadership supports public policies and regulations about sustainability and sustainability reporting. - Engagement is on a quarterly basis	- Programmes to cultivate responsible workplace practices - Sharing of industry best practices - Advocating ESG integration with financial reporting - Promoting occupational health and safety	- Compliance - Alignments with the regulatory landscape - Enhanced thought leadership - Increased conversation leadership on topical regulatory issues i.e., regenerative agriculture, finance, licences, climate change etc
8 Customers	Delivering safe, high-quality products to our customers defines our purpose and financial success.	- Regular dialogue sessions - Customer satisfaction surveys - Customer feedback mechanisms - Compliance handling mechanisms - Engagement is on a regular basis	Export - Product health and safety standards - Quality assurance - Workplace safety and health - Environment conservation - Ethical marketing practices	- Customer satisfaction - Increased understanding of customer needs - Access to new customer segments - Better alignment of business opportunities with customer needs - Improved customer retention and lifetime value

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
SUSTAINABILITY UPDATE 2024
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

Stakeholder engagement (Continued)

Stakeholder Group	Material Relationship	Means of Engagement	Material Interests	Outcomes
			– Clean and safe workplace environment Local – Customer service and experience – Ethical market practices – Product health and safety standards – Quality assurance	– Enhanced customer service and support – Increased customer engagement and feedback

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **SUSTAINABILITY UPDATE 2024** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

Stakeholder engagement (Continued)

We endeavour to involve our stakeholders in identifying, understanding, and responding to ESG issues and concerns. We report, explain clearly, and answer for our decisions, actions, and performance and failure thereof to affected stakeholders. To identify and understand the reasonable interests, concerns, needs, and legitimate expectations of our stakeholders, the Board and management of the Group have put in place mechanisms and processes that support constructive engagements and foster good relationships with them.

The stakeholder-inclusive approach brings about greater inclusion of stakeholder needs, interests and legitimate expectations in decision making for better and enhanced corporate governance outcomes as well as the social benefits generated by the Company's activities.

Sasini aims for meaningful engagement with all its stakeholders by clearly articulating its purpose, vision, and values and establishing effective engagement channels. It also ensures that activities with positive impacts are enhanced, and the negative ones are mitigated. We seek to demonstrate our deliberate intent to create value for all stakeholders based on our perceived responsibility. As a Group, we recognise and acknowledge our varied stakeholders and continue to interact with them through distinct types and levels of engagement to understand better factors they believe are critical for Sasini and the agriculture industry.

During the financial year under review, we had constructive engagement with all our stakeholders to understand and address matters of mutual interests and concerns. The identified issues of material interest were addressed through various channels.

Sustainability Framework

Sasini PLC supports the United Nations Sustainable Development Goals (SDGs) and we have chosen to underpin our business future to align with the SDGs.

As a company with keen eye for the future, Sustainability is one of the key pillars of our business strategy. Our Sustainability framework is premised on three very critical principles of the Planet, People and Profits for prosperity, and we strongly believe that sustainable, ethical, and responsible business practices are vital business imperatives in creating triple effect value for the environment, society, and business.

The Company's agenda is informed by various internal and external factors arising from the concerns of our stakeholders. These concerns are the material matters.

To establish material matters that impact the Company, we conduct materiality assessments to identify the risks and opportunities that impact the business operations. These are condensed into topics which are then aligned to SDGs. The identified material issues inform the sustainable development strategy.

The following key material matters are identified as those that could significantly impact value creation for the company in the foreseeable future.

1. Environmental Management and Combating Climate Change
2. Sustainable Products and Services
3. Commitment to Our Markets and Partners
4. Culture, Excellence, Equality, and Diversity
5. Business Ethics and Compliance

The environment is our key stakeholder. As part of the planet's ecosystem all business enterprises thrive on the planet's resources to develop, grow and make economic gains.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **SUSTAINABILITY UPDATE 2024** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

Sustainability Framework

Our core businesses are anchored on agriculture, which is the mainstay of the Kenyan economy. Therefore, as a leading agricultural company, we have a duty of care and responsibility to the environment not only as stewards but also to demonstrate best practices in our farms. We adhere and align with the requirements of all the relevant regulatory authorities and certification bodies.

Agricultural innovation is critical to our being future fit entity and remains core to our strategic growth.

The continuing digitization in our operations and technological intervention through the investment in mechanized tea harvesting, fertilizer application using unmanned aerial vehicle (UAV) or unmanned aircraft system (UAS) also known as Drones, have helped us in reducing wastage, increasing efficiencies and containing cost of production. We have extended these benefits to select outgrower farmers looking to have all our outgrower farming community in the partnership loop. Our fleet of the tea harvesting machines currently include thirty two (32) mechanical tea harvester(MTH), eight (8) self-propelled harvester(SPH) and one (1) self-propelled pruner(SPP).

Our community engagement is a strategic process of working with and involving local populations in decision-making, policy development and implementation to strengthen relationships, thus building trust and empowering communities.

As an entity focused on the successive growth of the economy, Sasini is an active enabler in the socio-economic development of women, person living with disability and the youth by providing them with platforms that can help to provide secure livelihoods and actively participates in the initiatives by communities in areas where we operate through our community assistance and development programme.

By supporting local communities who also comprise our suppliers, investing in education and healthcare initiatives in the regions where we operate and respecting indigenous rights and local cultures, we ensure that we create positive impact on the engagement with the communities.

In promoting education and social welfare, the Group has constructed four (4) primary schools and one secondary school within the tea operations and renders support to schools around our coffee operations. Our Tea division maintains nursery and primary schools providing free education to the children of employees, dependents, and surrounding communities. We see this as one critical means of developing talent and uplifting the society's socio-economic status. The Group supports education through bursaries and stipends while also providing funds to improve schools located near our plantations. We also provide resources such as computers, laboratory equipment, sports kits and learning material to schools.

The Group maintains a well-equipped medical center with in-patient and out-patient treatment options within the tea operations as well as satellite dispensary and a diagnostic laboratory. The facilities have ambulances on stand-by to transfer critical cases to larger facilities whenever such needs arise. These facilities cater for the company employees.

Strong governance structure, ethics and morals are the hallmarks of a thriving and successful society. As a responsible business we aim at inculcating strong culture, business ethos and conduct among our stakeholders. A strong moral attitude and ethical culture instills awareness and understanding of the consequences for non-compliance, creates accountability and transparency and builds confidence. To address the material issues, we have a robust risk management programme. In addition, the company has in place a code of conduct and ethics at workplace and conducts training for staff on matters of ethics to drive the correct behavioral ethos.

Community Assistance and Development

The Tea Operations completed the construction of a second borehole during the year, which was commissioned and handed over to the Nyabisimba community in May 2024 to offer water solutions to them, meeting their needs for clean water and sanitation as well as promoting good health and well-being. The cost at completion was KShs 6,285,129.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **SUSTAINABILITY UPDATE 2024** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

Community Assistance and Development (Continued)

The Coffee Operations made the following donations in kind:

1. A donation of 500 indigenous tree seedlings were made to the area Chief, Ting'ang'a Location during the Government National tree growing day on 13 November 2023 to aid in mitigating climate change.
2. Eight (8) refurbished desk top computers and accessories were donated to Njenga Karume Primary school for CBC learning during the month of February 2024 to facilitate quality education.

As good stewards of the environment, the company offered the services of Gyro- mowing of overgrown grass covering two (2) acres at GSU Recce Unit in Ruiru, Ndumberi Primary School, and Ting'ang'a Primary School, in the month of January 2024.

The Coffee operations also played host to Scouts from Happy Times Toto Academy for a nature walk along Nyawara Road through Gachoroba Block 9 Coffee Nursery at the Ting'ang'a Estate affording the scouts an opportunity to learn more on good farm husbandry, environmental stewardship and biodiversity.

Our staff at the Head office also participated in the following programs:

1. Standard Chartered Marathon 2024 in October 2023.
2. Grass cutting on the playing field of Muguga Green Primary School in January 2024.
3. Hike at Mount Ellis, Mount Kenya in February at 12 Apostles in the Aberdares in April 2024 as well as enlisted some staff on metabolic balance nutritional program, which runs for six months. These activities are under our wellness program
4. Integrity Walkathon organized by Transparency International in September 2024 on drum support for fight against corruption.

Our commitments and progress

Sasini PLC's vision is to become the leading agribusiness in Africa. The company strongly focuses on meeting its Environment Social and Governance (ESG) yardstick to ensure sustainable business operation as it continues to proactively integrate the United Nations Sustainable Developments Goals (SDGs) along with the fulfillment of its corporate social responsibility and create sustainable corporate value to all our stakeholders.

Responsible and sustainable development is the business thinking and belief that Sasini PLC has always held since its establishment in 1952.

In line with the Company's chosen nine SDGs, namely, SDG 1- No Poverty, SDG 3-Good Health and Wellbeing, SDG 4 - Quality Education, SDG 5 - Gender Equality, SDG 7 – Affordable and Clean Energy, SDG 8 – Decent Work and Economic Growth, SDG 9 – Industry, Innovation and Infrastructure, SDG 12 – Responsible Consumption and Production and SDG 15 – Life on Land, and evolving ESG trends as well as changing regulatory landscape in our major markets locally and globally, which focus on sustainability, the Company continues to refine its environmental, social and governance strategies and activities to enable its ESG initiatives align with the relevant laws and standards to generate substantial benefits and long-term impact, in order to promote economic growth, environmental sustainability and social harmony. The Company will do its best to fulfill its corporate social responsibility, create sustainable business value, and make contribution to the realization of global economic, social and environmental sustainability.

Climate change is an existential challenge that calls all to action. To decarbonize the climate, we have in place a robust afforestation program that seeks to expand our tree populations within our estates. In addition to these efforts, we plan to expand the use of sustainable and clean energy across the whole group following the successful launch of use of solar power in our two tea factories.

We continue to be committed to a culture that values safety, inclusiveness, innovation, ethical behavior and engagement.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **SUSTAINABILITY UPDATE 2024** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

Our commitments and progress (Continued)

We remain strongly committed to increasing the diversity of our workforce, building a talent stream that provides career development and preferential advancement for women and vulnerable/underrepresented groups into mid and top management level position in our estates and factories and the selections are widely reflective of the communities we serve. The importance of diversity and inclusion goes beyond financial metrics. The essence is about creating workplaces that reflect the diverse societies we serve, foster innovation through varied perspectives and building a culture of belonging where all employees feel accommodated, valued, and can thrive. As a matter of policy and strategy, we recruit individuals from diverse backgrounds and foster an inclusive workplace.

As a company, we appreciate how effective diversity and inclusion can transform organizational culture, foster teamwork, enhance employee involvement and drive sustainable business growth. We have a target to achieve a 50:50 gender balance across the whole business by 2026 and are currently at 69:31.

We aim to provide unconscious bias training, mentorship and leadership development programmes to cultivate previously underrepresented talent within the company. During the year under review, we conducted leadership and talent development to thirty five (35) of our staff members in different cadres of employment. In future we look to extending this initiative to the broader community.

We are also committed to supporting diversity and inclusion in our supply chain, mainly the outgrower community. By providing comprehensive support, training, and incentives, we encourage a large number of outgrowers to participate in the programme. This not only enhances their skills but also improves product quality and sustainability. The programme has trained more than 15,317 outgrower farmers in better agricultural practices, environmental management, financial management, social issues, and health and safety, leading to improved crop yields, better earnings and improved livelihoods.

A strong and diligent governance is essential to our existence. Our Board of Directors and the management team are committed to purposeful decision-making, acting ethically and with integrity, providing leadership oversight of our sustainability strategy, managing risks and opportunities, and holding ourselves accountable. We do this to promote the long-term interests of our shareholders and other stakeholders.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Directors are responsible for the preparation and presentation of the consolidated and separate financial statements of Sasini PLC (the Group and Company) which comprise the consolidated and company statements of financial position as at 30 September 2024, and the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the financial statements including material accounting policies and the information identified as subject to audit in the Directors' Remuneration Report and sustainability report.

The Directors' responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances, preparation and presentation of financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Under the Kenyan Companies Act, 2015, the Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the profit or loss of the Group and Company for that year. It also requires the Directors to ensure the company and its subsidiaries keep proper accounting records which disclose with reasonable accuracy the financial position of the group and the company.

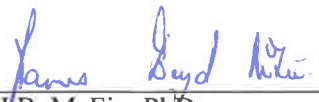
The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015. The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Group and the Company and of the Group and Company profit or loss and cash flows.

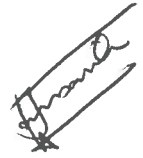
The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Company and its subsidiaries ability to continue as a going concern and have no reason to believe the Company and its subsidiaries will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved and authorised for issue by the Board of Directors on 10 January 2025.


Dr. J.B. McFie, PhD
Chairman


Mr. Martin R. Ochieng'
Group Managing Director

Date: 10 January 2025.



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INDEPENDENT AUDITORS' REPORT **TO THE MEMBERS OF SASINI PLC**

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Sasini PLC ("the Group and Company") set out on pages 87 to 164, which comprise the consolidated and company statements of financial position as at 30 September 2024, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity, consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Sasini PLC as at 30 September 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SASINI PLC (CONTINUED)**

Report on the audit of the consolidated and separate financial statements (Continued)

Key audit matters (continued)

Valuation of biological assets in the consolidated and separate financial statements	
See Note 3 (i) and Note 20	
The key audit matter	How the matter was addressed in our audit
The Group's and Company's biological assets include unharvested tea leaves, coffee berries, standing timber, unharvested avocado fruits and livestock which are measured at fair value less costs to sell. (See Note 20) Estimating the fair value of coffee berries and unharvested avocado fruits is a complex process involving a number of judgments and estimates regarding various inputs including estimating the expected harvest/yields and selling prices at the point of harvest and costs to be incurred to maturity of the biological asset as well as costs to sell at the point of harvest (incremental costs). Due to the nature of the standing timber, the valuation technique includes a discounted cash flow model that involves judgments and estimates regarding a number of inputs such as the useful life of standing timber, estimated number of standing trees at the reporting date, discount rate, selling prices at the measurement date expected harvest quantities or expected yield that is estimated based on historical trends derived from internal sources. Valuation of biological assets relating to, unharvested coffee berries, standing timber and unharvested avocado fruits is a key audit matter because estimating the fair values is a complex process involving a number of judgements and estimates regarding various inputs.	Our audit procedures in this area included: — Evaluating the effectiveness of the Group's and Company's design and implementation of the controls around standing timber and coffee berries. — Evaluating the Group's and Company's inputs and assumptions used in calculating the estimated cash flows with respect to yields and incremental costs by comparing previous estimates of yields and costs to maturity with the related historical yields and cost to maturity and with the Group's and Company's plans/budgets, as well as our understanding of the industry and the economic environment the Group and Company operates in — Evaluating the historical accuracy of the Group's and Company's estimated future prices of standing timber, coffee berries and unharvested avocado fruits by comparing previous forecasts for prices to actual outcomes (historical prices) and obtaining evidence and explanations for any material variances identified. — Evaluating the reasonableness of the number of standing trees at the reporting date by observing the physical tree counts as well as measuring the distance between the trees do determine the average number of trees per hectare and using the data to predict the expected number of trees for the total area covered by standing timber. — Evaluating the historical accuracy of the Group's and Company's assessment of the useful life and harvested quantity of standing timber with industry information and historical actual outcomes. — Involving our own valuation specialist in evaluating the appropriateness of the discount rates (weighted average cost of capital) used to discount cash flows relating to standing timber which included determination of the discount rate by adjusting the risk-free rate of return to the derivative of the equity risk premium and the stock beta to arrive at a Weighted Average Cost of Capital. — Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities in accordance with IFRS 13 <i>Fair Value Measurement</i>.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the *Sasini Plc, Annual Report and financial statements for the year ended 30 September 2024*, but does not include the consolidated and separate financial statements and our auditor's report thereon.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SASINI PLC (CONTINUED)

Report on the audit of the consolidated and separate financial statements (Continued)

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015 as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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.

Directors' responsibilities for the consolidated and separate financial statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 ISAs 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SASINI PLC (CONTINUED)

Report on the audit of the consolidated and separate financial statements (Continued)

Auditor's responsibilities for the audit of the consolidated and separate financial statements (continued)

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 Group and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Kenyan Companies Act, 2015 we report to you, solely based on our audit of the consolidated and separate financial statements, that in our opinion:

- (i) The information given in the report of the Directors on pages 27 to 34 is consistent with the consolidated and separate financial statements; and
- (ii) The auditable part of the Directors' Remuneration Report has been prepared in accordance with the requirements of Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is FCPA Joseph Kariuki – practicing certificate No. P/2102.

Joseph Kariuki.

For and on behalf of:

KPMG Kenya
Certified Public Accountants
PO Box 40612 - 00100
Nairobi

Date: 15 January 2025.

SASINI PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2024

		2024	2023
	Note	KShs'000	KShs'000
			*Restated
Revenue	8	6,893,826	5,718,437
Cost of sales	9	(6,304,841)	(4,345,369)
Gross profit		588,985	1,373,068
Fair value changes on biological assets	20(a)	33,986	223,541
Other income	10	64,103	115,427
Total operating income		687,074	1,712,036
Administration and establishment expenses	11(a)	(1,160,523)	(974,803)
Selling and distribution expenses	12	(196,929)	(89,184)
Impairment (loss)/reversal on financial assets	24	(10,297)	13,289
Results from operations		(680,675)	661,338
Finance income	13(a)	261,882	267,313
Finance cost	13(b)	(255,585)	(55,653)
Net finance income	13	6,297	211,660
(Loss)/profit before tax	14	(674,378)	872,998
Income tax credit/(expense)	15(a)	111,509	(330,442)
(Loss)/profit for the year		(562,869)	542,556
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Net change in FV of debt investments at FVOCI	27	(2,497)	(17,917)
		(2,497)	(17,917)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of assets net of tax		8,135,568	-
Remeasurement of post-employment benefits, net of tax	31	(17,767)	1,397
Impact of changes in tax rate on revaluation reserves	30	-	(729,694)
Total other comprehensive income		8,115,304	(746,214)
Total comprehensive income for the year		7,552,435	(203,658)
Profit attributable to:			
Owners of the company		(552,322)	549,628
Non-controlling interest		(10,547)	(7,072)
		(562,869)	542,556
Total other comprehensive income attributable to:			
Owners of the company		7,854,523	722,804
Non-controlling interest		260,781	(23,410)
		8,115,304	(746,214)
Total comprehensive income attributable to			
Owners of the company		7,302,201	(173,176)
Non-controlling interest		250,234	(30,482)
		7,552,435	(203,658)
Earnings per share:			
Basic and diluted (KShs)	16	(2.42)	2.41

The notes set out on pages 97 to 164 form an integral part of the consolidated and separate financial statements. *The comparatives have been restated see note 38.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2024

		2024	2023
	Notes	KShs'000	KShs'000 *Restated
Revenue	8	466,808	1,722,611
Cost of sales	9	(699,676)	(1,603,217)
Gross profit		(232,868)	119,394
Fair value changes on biological assets	20(b)	90,779	230,160
Other income	10	460,754	241,586
Total operating income		318,665	591,140
Administration and establishment expenses	11(a)	(450,342)	(476,994)
Impairment reversal on financial assets	24	10,980	6,970
Results from operations		(120,697)	121,116
Finance income	13(a)	3,143	25,873
Finance cost	13(b)	(42,582)	(55,653)
Net finance cost	13	(39,439)	(29,780)
Profit before tax	14	(160,136)	91,336
Income tax credit/(expense)	15(a)	90,081	(37,208)
Profit for the year		(70,055)	54,128
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of assets net of tax		6,132,125	-
Remeasurement of post-employment benefits, net of	31	2,183	2,377
Impact of changes in tax rate on revaluation reserves	30	-	(596,065)
Total comprehensive income		6,064,253	(539,560)
Earnings per share:			
Basic and diluted (KShs)	16	(0.31)	0.24

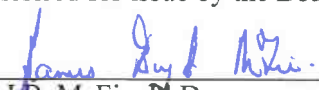
The notes set out on pages 97 to 164 form an integral part of the consolidated and separate financial statements. *The comparatives have been restated see note 38.

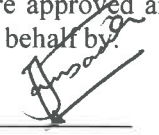
SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

ASSETS		2024	2023
	Note	KShs'000	KShs'000
Non-current assets			
Property, plant and equipment	18(a)	20,655,128	11,151,429
Capital work-in-progress	18(c)	187,643	200,955
Intangible assets	19	8,553	8,895
Biological assets	20(a)	966,138	1,217,362
Right of use assets	21(a)	49,331	59,193
Other investments	27	158,786	247,806
		<u>22,025,579</u>	<u>12,885,640</u>
Current assets			
Inventories	23	845,968	1,216,682
Biological assets	20(a)	221,634	223,174
Trade and other receivables	24	1,128,025	1,065,898
Current income tax recoverable	15(b)	33,871	33,978
Short term deposits	26(a)	-	2,317
Cash and bank balances	26(b)	929,462	871,119
		<u>3,158,960</u>	<u>3,413,168</u>
TOTAL ASSETS		<u>25,184,539</u>	<u>16,298,808</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	28	228,055	228,055
Reserves	29(a)	20,500,156	13,311,983
		<u>20,728,211</u>	<u>13,540,038</u>
Non-controlling interest	29(c)	519,770	269,536
		<u>21,247,981</u>	<u>13,809,574</u>
Non-current liabilities			
Deferred tax liability	30	3,225,076	1,905,466
Lease liability	21(b)	38,837	47,363
Post-employment benefits	31	144,395	117,025
		<u>3,408,308</u>	<u>2,069,854</u>
Current liabilities			
Bank loan	37	-	28,882
Trade and other payables	32	422,016	368,990
Lease liability	21(b)	8,526	6,637
Current income tax payable	15(b)	80,159	-
Post-employment benefits	31	17,549	14,871
		<u>528,250</u>	<u>419,380</u>
TOTAL EQUITY AND LIABILITIES		<u>25,184,539</u>	<u>16,298,808</u>

The consolidated and separate financial statements set out on pages 87 to 164 were approved and authorised for issue by the Board of Directors on **10 January 2025** and signed on its behalf by:


Dr. J.B. McFie, PhD
Chairman


Mr. Martin R. Ochieng
Group Managing Director

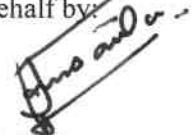
The notes set out on pages 97 to 162 form an integral part of the consolidated and separate financial statements.

SASINI PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

ASSETS	Note	2024 KShs'000	2023 KShs'000 *Restated
Non-current assets			
Property, plant and equipment	18(b)	14,483,178	7,304,773
Capital work-in-progress	18(c)	79,768	62,398
Intangible assets	19	7,982	6,100
Biological assets	20(b)	190,817	255,503
Right of use assets	21(a)	39,352	49,191
Investment in subsidiaries	22	638,227	637,727
		15,439,324	8,315,692
Current assets			
Inventories	23	189,484	469,583
Biological assets	20(b)	155,315	191,306
Trade and other receivables	24	154,670	245,233
Amounts due from related companies	25(a)	340,977	91,113
Current income tax recoverable	15(b)	21,912	24,072
Short term deposits	26(a)	-	-
Cash and bank balances	26(b)	139,684	99,662
		1,002,042	1,120,969
TOTAL ASSETS		16,441,366	9,436,661
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	28	228,055	228,055
Reserves	29(a)	13,864,769	7,914,544
Total equity		14,092,824	8,142,599
Non-current liabilities			
Deferred tax liability	30	2,091,237	1,067,150
Post-employment benefits	31	19,505	21,364
Lease liability	21(b)	38,837	47,363
		2,149,579	1,135,877
Current liabilities			
Bank loan	37	-	28,882
Amounts due to related parties	25(c)	22,518	21,877
Trade and other payables	32	166,073	99,925
Lease liability	21(b)	8,526	6,637
Current income tax payable	15(b)	-	-
Post-employment benefits	31	1,846	864
		198,963	158,185
TOTAL EQUITY AND LIABILITIES		16,441,366	9,436,661

The consolidated and separate financial statements set out on pages 87 to 164 were approved and authorised for issue by the Board of Directors on **10 January 2025** and signed on its behalf by:


Dr. J.B. McFie, PhD
Chairman


Mr. Martin R. Ochieng'
Group Managing Director

The notes set out on pages 97 to 162 form an integral part of the consolidated and separate financial statements. *The comparatives have been restated see note 38.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Share capital KShs'000	Revaluation Reserve KShs'000	Defined benefit reserve KShs'000	Bond Valuation reserve KShs'000	Retained Earnings KShs'000	Proposed dividends KShs'000	Total equity attributable to owners KShs'000	Non controlling interest KShs'000	Total equity KShs'000
2024:									
Balance at 1 October 2023	228,055	8,979,442	131,755	(28,749)	4,115,507	114,028	13,540,038	269,536	13,809,574
Total comprehensive income for the year									
Loss for the year	-	-	-	-	(552,322)	-	(552,322)	(10,547)	(562,869)
Other comprehensive income									
Fair value loss on investment in bonds	-	-	-	(2,497)	-	-	(2,497)	-	(2,497)
Reclassification of fair value gain on redemption of government bonds	-	-	-	21,473	(21,473)	-	-	-	-
Revaluation of assets net of tax	-	7,874,811	-	-	-	-	7,874,811	260,757	8,135,568
Remeasurement of post-employment benefit net of tax	-	-	(17,791)	-	-	-	(17,791)	24	(17,767)
Total other comprehensive income	-	7,874,811	(17,791)	18,976	(21,473)	-	7,854,523	260,781	8,115,304
Total comprehensive income for the year	-	7,874,811	(17,791)	18,976	(573,795)	-	7,302,201	250,234	7,552,435
Transactions with owners of the company recorded directly in equity									
Final 2023 dividend paid	-	-	-	-	-	(114,028)	(114,028)	-	(114,028)
Total distribution to owners of the company	-	-	-	-	-	(114,028)	(114,028)	-	(114,028)
At 30 September 2024	228,055	16,854,253	113,964	(9,773)	3,541,712	-	20,728,211	519,770	21,247,981

The notes set out on pages 97 to 164 form an integral part of the consolidated and separate financial statements.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

	Share capital KShs'000	Revaluation 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 equity KShs'000
2023:									
Balance as at 1 October 2022	228,055	9,712,585	130,530	(10,832)	3,880,932	-	13,941,270	300,018	14,241,288
Total comprehensive income for the year									
Profit for the year	-	-	-	-	549,628	-	549,628	(7,072)	542,556
Other comprehensive income									
Fair value loss on investment in bonds	-	-	-	(17,917)	-	-	(17,917)	-	(17,917)
Revaluation reversal on disposal of land	-	(27,031)	-	-	27,031	-	-	-	-
Impact of changes in tax rate on revaluation reserves	-	(706,112)	-	-	-	-	(706,112)	(23,582)	(729,694)
Remeasurement of post employment benefits net of tax	-	-	1,225	-	-	-	1,225	172	1,397
Total other comprehensive income	-	(733,143)	1,225	(17,917)	27,031	-	(722,804)	(23,410)	(746,214)
Total comprehensive income for the year	-	(733,143)	1,225	(17,917)	576,659	-	(173,176)	(30,482)	(203,658)
Transactions with owners of the company recorded directly in equity									
Dividend declared and paid to Interim 2023 dividend declared and paid Proposed dividend 2023	-	-	-	-	(228,056)	-	(228,056)	-	(228,056)
	-	-	-	-	(114,028)	114,028	-	-	-
Total distribution to owners of the company	-	-	-	-	(342,084)	114,028	(228,056)	-	(228,056)
At 30 September 2023	228,055	8,979,442	131,755	(28,749)	4,115,507	114,028	13,540,038	269,536	13,809,574

The notes set out on pages 97 to 164 form an integral part of the consolidated and separate financial statements.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Share capital KShs'000	Revaluation reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total equity KShs'000
2024:						
Balance as at 1 October 2023	228,055	6,450,406	13,229	1,336,881	114,028	8,142,599
Loss for the year	-	-	-	(70,055)	-	(70,055)
Other comprehensive income						
Revaluation of assets net of tax	-	6,132,125	-	-	-	6,132,125
Remeasurement of post employment benefits, net of tax (Note 30)	-	-	2,183	-	-	2,183
Total other comprehensive income	-	6,132,125	2,183	-	-	6,134,308
Total comprehensive income for the year	-	6,132,125	2,183	(70,055)	-	6,064,253
Transactions with owners of the company recorded directly in equity						
Final 2023 dividend paid	-	-	-	-	(114,028)	(114,028)
Total distribution to owners of equity	-	-	-	-	(114,028)	(114,028)
At 30 September 2024	228,055	12,582,531	15,412	1,266,826	-	14,092,824

The notes set out on pages 97 to 164 form an integral part of the consolidated and separate financial statements.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

	Share capital KShs'000	Revaluation reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total equity KShs'000
2023:						
Balance as at 1 October 2022	228,055	7,046,471	10,852	1,624,837	-	8,910,215
Profit for the year	-	-	-	54,128	-	54,128
Other comprehensive income						
Impact of changes in tax rate on revaluation	-	(596,065)	-	-	-	(596,065)
Remeasurement of post employment benefits, net of tax (Note 30)	-	-	2,377	-	-	2,377
Total comprehensive income	-	(596,065)	2,377	-	-	(593,688)
Total comprehensive income for the year	-	(596,065)	2,377	54,128	-	(539,560)
Transactions with owners of the company recorded directly in equity						
Interim 2023 dividend paid	-	-	-	(228,056)	-	(228,056)
Final dividend proposed 2023	-	-	-	(114,028)	114,028	-
Total distribution to owners of equity	-	-	-	(342,084)	114,028	(228,056)
At 30 September 2023	228,055	6,450,406	13,229	1,336,881	114,028	8,142,599

The notes set out on pages 97 to 164 form an integral part of the consolidated and separate financial statements.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2024

		2024	2023
Cash flows from operating activities	Note	KShs'000	KShs'000
Net cash flows generated from operations	33	390,779	339,041
Gratuity paid	31	(25,857)	(29,579)
Interest paid on lease liability	21(b)	(6,021)	(6,746)
Income taxes paid	15(b)	(33,595)	(586,193)
Net cash generated from/(used in) operating		<u>325,306</u>	<u>(283,477)</u>
Cash flows from investing activities			
Interest received	13(a)	65,679	105,869
Placement of short-term deposits	26(a)	2,317	464,829
Redemption of other investments	27	107,996	29,408
Gain on redemption of other investments	27	(21,473)	-
Purchase of property and equipment	18(a)	(87,823)	(191,577)
Purchase of capital work-in- progress assets	18(c)	(148,325)	(141,950)
Purchase of intangible assets	19	-	(242)
Proceeds from sale of property and equipment		<u>6,831</u>	<u>38,526</u>
Net cash (used in)/generated from investing activities		<u>(74,798)</u>	<u>304,863</u>
Cash flows from financing activities			
Interest paid on other borrowings	13(b)	(42,618)	(17,030)
Payment of lease liability – principal	21(b)	(6,637)	(5,029)
Borrowings received	37	1,668,389	816,566
Borrowings repaid	37	(1,697,271)	(787,684)
Dividends paid on ordinary shares		<u>(114,028)</u>	<u>(228,056)</u>
Net cash used in financing activities		<u>(192,165)</u>	<u>(221,233)</u>
Net (decrease)/increase in cash and cash equivalents		58,343	(199,847)
Cash and cash equivalents at the beginning of the year		871,119	1,088,406
Effects of movements in exchange rates on cash		<u>-</u>	<u>(17,440)</u>
Cash and cash equivalents at the end of the year	26(b)	<u>929,462</u>	<u>871,119</u>

The notes set out on pages 97 to 164 form an integral part of the consolidated and separate financial statements.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2024

		2024	2023
Cash flows from operating activities	Note	KShs'000	KShs'000
Net cash flows generated from/(used in) operations	33	253,964	(62,917)
Gratuity paid	31	(3,088)	(1,745)
Interest paid on lease liability	21(b)	(6,021)	(6,746)
Income taxes paid	15(b)	(7,816)	(97,722)
Net cash generated from/(used in) operating		<u>237,039</u>	<u>(169,130)</u>
Cash flows from investing activities			
Interest received	13	2,138	17,389
Proceeds from short-term deposits	26(a)	-	165,269
Purchase of property and equipment	18(b)	(30,808)	(47,619)
Investment in subsidiary	22	(500)	-
Purchase of capital work-in-progress	18(c)	(21,843)	(14,287)
Proceeds from sale of property and equipment		<u>3,543</u>	<u>798</u>
Net cash (used in)/generated from investing activities		<u>(47,470)</u>	<u>121,550</u>
Cash flows from financing activities			
Interest paid on other borrowings	13	-	(17,030)
Payment of lease liability – principal	21(b)	(6,637)	(5,029)
Borrowings received	37	-	816,566
Borrowings repaid	37	(28,882)	(787,684)
Dividends paid on ordinary shares		<u>(114,028)</u>	<u>(228,056)</u>
Net cash used in financing activities		<u>(149,547)</u>	<u>(221,233)</u>
Net (decrease)/increase in cash and cash equivalents		40,022	(268,813)
Cash and cash equivalents at the beginning of the year		<u>99,662</u>	<u>368,475</u>
Cash and cash equivalents at the end of the year	26(b)	<u>139,684</u>	<u>99,662</u>

The notes set out on pages 97 to 164 form an integral part of the consolidated and separate financial statements.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

1. REPORTING ENTITY

Sasini PLC (the “Company”) is a limited liability Company incorporated in Kenya under the Kenyan Companies Act, 2015 and is domiciled in Kenya. The consolidated financial statements of the company for the year ended 30 September 2024 comprise the company and its subsidiaries (together referred to as the “Group”).

The Group is primarily involved in growing and processing of tea and coffee, commercial milling and marketing of coffee, value addition of related products, forestry, sourcing and processing avocados, processing macadamia nuts, dairy operations and livestock.

The address of its registered office and principal place of business is as follows:

3rd Floor, Rivaan Centre
Off Brookside Grove
Muguga Green, Westlands
PO Box 30151 – 00100
Nairobi

The shares of the Company are listed on the Nairobi Securities Exchange (NSE).

Where reference is made to accounting policies to Group or Company it should be interpreted as being applicable to consolidated or separate financial statements as the context requires.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated and separate financial statements (the financial statements) are prepared in accordance with and comply with IFRS Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards) and the Kenya Companies Act, 2015. Details of the Group’s and Company’s material accounting policies are included in Note 3.

For Kenyan Companies Act 2015 reporting purposes, the balance sheet is represented in these financial statements by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income.

(b) Basis of accounting and measurement

The consolidated and separate financial statements have been prepared on the historical cost basis as modified by revaluation of certain items of property, plant and equipment, biological assets which are measured at fair value less cost to sell, other investments (government bonds) which are measured at Fair value through the other comprehensive income and a liability for staff gratuity subjected to actuarial valuation.

(c) Functional and presentation currency

The financial statements are presented in Kenya shillings (KShs), which is the Group’s and Company’s functional currency. Except as otherwise indicated, financial information presented in Kenya shillings has been rounded to the nearest thousand (KShs’000).

(d) Going concern

The Group’s and Company’s management has made an assessment of the Group and Company’s ability to continue as a going concern and is satisfied that the Group and Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group’s and Company’s ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

2. BASIS OF PREPARATION (Continued)

(e) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and assumptions are based on the Directors' best knowledge of current events, actions, historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in Note 4.

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

(i) *Subsidiaries*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2024. The subsidiaries are shown in Note 22.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained. Subsequently, it is accounted as an equity accounted investee or at Fair Value through Other Comprehensive Income (FVOCI) financial asset depending on the level of influence retained; and
- Recognises any surplus or deficit in profit or loss.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (continued)

(ii) *Transactions eliminated on consolidation*

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Monetary assets and liabilities carried in foreign currencies are translated into Kenya Shillings at the rate of exchange ruling at the reporting date. Transactions during the year in foreign currencies are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(c) Revenue recognition

The Group recognises revenue mainly from sale of agricultural produce to the export and local markets. Revenue is shown net of value added tax (VAT), returns, rebates and discounts.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

For the sale of agricultural produce to the export market, revenue is recognised when control of the agricultural produce has been transferred to the final customer by selling agents; In case of a Free On Board (FOB) incoterm arrangement, the revenue is recognised when the good is transferred to the shipping agent while on a Cost Insurance and Freight (CIF) incoterm arrangement, revenue is recognised at the point of delivery to the customer. The proceeds from sale are collected within 14 days for auction sales and as per contract terms for direct sales between 10 to 45 days. A receivable is recognised by the Group upon the agents confirming that the agricultural produce has been delivered to the final customer as this represents the point at which the right to consideration becomes unconditional. The payment terms are as per contracts.

For the sale of agricultural produce to the local market, revenue is recognised when control of the agricultural produce has been transferred, being at the point the customer purchases the goods at the retail outlet (direct sales) or when the agricultural produce is delivered to the customer. Payment is due immediately at the point the customer takes control of the agricultural produce. Under the Group's standard contract terms, customers do not have a right to return due to the nature of the agricultural produce.

For the sale of trees and nurseries, revenue is recognised when control of the seedlings and trees has been transferred, being at the point the customer collects and pays for the goods at the farm. Payment is due immediately at the point the customer takes control of the trees and nurseries.

Contracts with customers do not have a significant financing component and there are no variable considerations. See Note 8.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Taxation

Tax expense comprises current tax and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

(i) *Current taxation*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) *Deferred tax*

Deferred tax is provided in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Taxation (continued)

(ii) *Deferred tax – continued*

Deferred tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities.

(e) Investments in subsidiary companies

The investments in subsidiary companies are accounted for at cost in the Company's statement of financial position less any provisions for impairment losses. Where in the opinion of the Directors, there has been an impairment of value of an investment; the loss is recognised as an expense in the period in which the impairment is identified.

(f) Financial instruments

(i) *Recognition and initial measurement*

Financial assets and financial liabilities are recognised in the Group and Company's statement of financial position when the Group and Company becomes a party to the contractual provisions of the instrument except for trade receivables and debt securities issued, that are initially recognised when they are originated.

Financial assets and financial liabilities are initially measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(ii) *Classification and subsequent measurement*

The Group and Company classify their financial assets in the following categories; amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The classification of financial assets and their subsequent accounting will be determined by the application of dual tests examining the contractual cash flow characteristics of the financial instruments and the Group and Company's business model for managing the assets.

Financial assets may be held at amortised cost only where both:

- the asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that consist solely of principal and interest on the outstanding principal.

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that consist solely of principal and interest on the outstanding principal.

Financial liabilities are measured at amortised cost using the effective interest rate (EIR) model, unless the option to fair value liabilities is taken.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Financial instruments (continued)

(iii) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iv) *Impairment of Non- derivative financial assets*

— Financial instruments

The Group and Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group and Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and amounts due to related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and Company's historical experience and informed credit assessment and including forward-looking information.

The Group and Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group and Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group and Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group and Company considers this to be Baa3 or higher per GCR, S&P and Moody's ratings. Or BBB- or higher per GCR, S&P and Moody's ratings.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Financial instruments (continued)

(iv) *Impairment of Non- derivative financial assets - continued*

— Financial instruments and contract assets - continued

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and Company is exposed to credit risk.

— Measurement of the Expected Credit Losses

ECLs are probability -weighted estimate of credit losses. Credit losses are measured as the present value of all cash short falls. ECLs are discounted at the effective interest rate of the financial asset.

— Credit Impaired financial assets

At each reporting date, the Group and Company assess whether the financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

These include: Significant financial difficulty of the debtor, a breach of contract such as a default probability being more than 90 days past due and it is probable that the debtor will enter bankruptcy or other financial reorganization. The Group and Company has a default period of 90 days.

— Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and recognised in the OCI.

— Write off

The gross carrying amount of the financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers the Group has a policy of writing off the gross carrying amount when the financial asset is 90 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes assessment with respect to the timing and amount of write – off based on whether there is reasonable expectation of recovery. However, financial assets that are written off could still be subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Financial instruments (continued)

(v) *Derecognition of financial assets and liabilities*

The Group and Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group and Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises its financial liabilities when its contractual obligation are discharged or cancelled or expired. On derecognition of financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit or loss.

(g) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently at revalued amounts except for bearer plants that are carried at cost on initial recognition and subsequently measured at cost less accumulated depreciation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset including pruning, thinning, labour, tipping etc.

A bearer plant is defined as a plant that:

- (a) is used in the production or supply of agricultural produce;
- (b) is expected to bear produce for more than one period; and
- (c) has a remote likelihood of being sold as agricultural produce, except for scrapsales.

The Group's and Company's tea and coffee bushes meet the above definition and are classified as bearer plants.

Revaluation increases arising on the revaluations are recognised in other comprehensive income and accumulated in the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising out of revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Additionally, accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any surplus remaining in the revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Work-in-progress represents costs incurred in acquisition/installation of an item of property, plant and equipment which is not in use, including immature bearer plants. Work-in-progress is not revalued and is also not depreciated until the assets are completed and brought into use but is tested for impairment when there is an indicator for impairment as such this has been presented separately on the statement of financial position.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment (continued)

Revaluations are done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Subsequent expenditures such as improvements, replacements, pruning, thinning etc are capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and the Company. Ongoing repairs and maintenance is expensed as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The depreciation of bearer plants is triggered upon maturity. No depreciation is provided on freehold land. Other items of property, plant and equipment are depreciated on the straight line basis to write down the cost or revalued amount of each asset to its residual value over its estimated useful life for current and comparative periods as follows:

Buildings and improvements	12 – 45 years
Plant, machinery and tools	12.5% p.a
Rolling stock*	3.5% - 25% p.a
Farm implements and trailers	12.5% p.a
Furniture, fittings and equipment	12.5% -33% p.a
Bearer plants	2.0% p.a

*Rolling Stocks are powered and unpowered vehicles used by the Group and Company.

Useful lives, residual values and depreciation methods are reviewed on an annual basis and adjusted prospectively, if appropriate. An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is de-recognised.

The carrying values of the property, plant and equipment are assessed when there are indicators and adjusted for impairment where it is considered necessary. See Note 3(u)

(h) Intangible assets

An intangible asset arises from the purchases of accounting software. Acquired intangible assets are measured on initial recognition at cost.

The Group and Company recognises an intangible asset at cost if, and only if, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and/ or Company and the cost of the asset can be measured reliably. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be finite.

The intangible assets are amortised on a straight-line basis over their useful lives (5 years). Amortisation method, useful lives and residual values are reviewed at each reporting date.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

3. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Biological assets

Biological assets consist of livestock, trees and unharvested coffee berries, tea leaves and unharvested avocado fruits that are growing on bearer plants. They are measured on initial recognition and at each reporting date at fair value less cost to sell. Costs to sell include all costs that would be necessary to sell the assets including transportation costs. Any changes to the fair value are recognised in profit or loss in the period in which they arise. The fair value net of deferred tax is transferred to a fair value reserve in equity as a non-distributable reserve.

The fair value of livestock is determined based on the market prices of livestock of similar age, breed and sex. Where meaningful market determined prices do not exist to assess the fair value of the Group's and Company's other biological assets, the fair value is determined based on the net present value of expected future cash flows, discounted at appropriate pre-tax rate. The fair value of unharvested coffee berries and tea leaves is determined using estimated future market prices less costs to sell based on the biological transformation of the produce at the reporting date.

All costs incurred relating to mature biological assets such as picking, dressing, pruning, labour, transportation etc are recognised in profit or loss in the period in which they are incurred. Costs incurred relating to immature biological assets such as thinning, fertilizers etc are factored in the fair value adjustment. Agricultural produce is measured at fair value less cost to sell at the point of harvest.

Biological assets that are expected to be realised within 12 months (coffee and tea produce) at the reporting date are classified as current assets. Livestock consist of cattle and sheep reared for purposes of milk and sales and are hence classified as non-current biological assets See Note 20.

(j) Share capital

Ordinary shares are classified as equity. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

(k) Leases

At inception of a contract, the Group and Company assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and Company uses the definition of a lease in IFRS 16.

The Group and Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and Company's incremental borrowing rate. Generally, the Group and Company uses its incremental borrowing rate as the discount rate. The Group and Company determines its incremental borrowing rate by analysing its bank borrowings and makes certain adjustments to reflect the terms of the lease and type of asset leased.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Leases (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and Company is reasonably certain to exercise, lease payments in an optional renewal period if the Group and Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's and Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group and Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and Company presents right-of-use assets and lease liabilities as separate lines in the statement of financial position.

Short-term leases and leases of low-value assets

The Group and Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group and Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases as a lessor

The Group leases out its investment property consisting of its own commercial properties. All leases are classified as operating leases from a lessor perspective because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income recognised by the group is disclosed in Note 21. The Group recognises lease payments from operating leases as income on a straight-line basis and the costs, including depreciation, incurred in earning the lease income as an expense.

(l) Inventories

Tea, coffee, macadamia nuts, consumables and trees nurseries inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost. Cost comprises expenditure incurred in the normal course of business, including direct material costs, labour and production overheads, where appropriate, that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the price at which the inventory can be realised in the normal course of business after allowing for costs of realisation. Consumable stores are stated at the weighted average cost less provisions for obsolescence, slow moving and defective stocks.

The cost of finished goods and work in progress comprise the fair value less cost to sell of agricultural produce at the point of harvest, raw materials, direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(m) Employee benefit

The Group operates a defined contribution retirement benefits scheme for its non-unionised employees. For the unionised employees, the Group operates a gratuity scheme.

(i) *Defined contribution plan*

A defined contribution plan is a post-employment benefit plan which an entity pays fixed contribution into a separate entity and has no legal or constructive obligation to pay further amounts. The expense is recognised in profit or loss.

Contributions from the Group and Company, at a rate of 12.5% of the basic salary of each employee, are expensed in the year the services are rendered and paid over to a separate trustee administered fund. The Group and Company also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by local statute. The Group's and Company's contributions to the above schemes are charged to profit or loss in the year to which they relate. Prepaid contribution is recognised as an asset, to the extent that a cash refund or a reduction in future payments is available.

(ii) *Gratuity*

The Group and Company grants its employees a gratuity in the form of a payment on the retirement date based on the number of years in the service. The entitlement to gratuity under the collective bargaining agreements with the trade unions and long service awards are recognised when they accrue to employees. The gratuity scheme is funded by the Group and Company. A provision is made for the liability for such entitlements as a result of services rendered by employees up to the reporting date.

The remeasurements of the net defined benefit liability (asset) recognised in other comprehensive income shall not be reclassified to profit or loss in a subsequent period. However, the Group and Company may transfer those amounts recognised in other comprehensive income within equity.

The liability recognised in the statement of financial position is the present value of the estimated future cash outflows, calculated by an independent actuary using the projected unit credit method. The service cost and net interest on the gratuity is recognized in profit or loss profit or loss.

The determination of the liability is based on the time to maturity of members, those maturing within 12 months from the reporting date are classified as current liabilities while the other remaining portion as non- current liability.

(iii) *Accrued annual leave*

The monetary liability for employees accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

(iv) *Other short term employee benefits*

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(n) Earnings per share

Basic and diluted earnings per share (EPS) data for ordinary shares are presented in the financial statements. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

(o) Finance income and finance costs

Finance income comprises foreign currency exchange gains, interest income on funds invested at FVOCI, dividend income, gains on the disposal of FVOCI financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise foreign currency exchange losses, interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a gross basis. The Group and Company records foreign currency transaction on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. The foreign currency monetary items are translated using the closing rate while exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised by the Group and Company in profit or loss in the period in which they arise.

(p) Dividends

Dividends payable to the Group's and Company's shareholders are recognised as a liability in the period in which they are declared. Proposed dividends are disclosed as a separate component of equity.

(q) Related party transactions

The Group and Company discloses the nature, volume and amounts outstanding at the end of each financial year from transactions with related parties, which include transactions with the Directors, executive officers and Group or related companies.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's Management Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

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ANNUAL REPORT AND FINANCIAL STATEMENTS **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

3. MATERIAL ACCOUNTING POLICIES (Continued)

(s) Impairment of non-financial assets

The carrying amounts of the Group's and Company's non-financial assets, other than investment properties, inventories, deferred tax assets and biological assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss unless the asset is carried at revalued amount in accordance with the revaluation model in IAS 16. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with the requirements of IAS 16. An impairment loss on a non-revalued asset is recognised in profit or loss. However, an impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses in respect of goodwill are not reversed.

(t) New standards, amendments and interpretations

(i) New standards, amendments and interpretations effective and adopted during the year

The Group and Company have adopted the following new standards and amendments during the year ended 30 September 2024, including consequential amendments to other standards with the date of initial application by the Group and Company being 1 October 2023.

New standard or amendments	Effective for annual periods beginning on or after
— IFRS 17 Insurance Contracts	1 January 2023
— Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
— Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
— International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12	23 May 2023

The above standards and amendments did not have a material impact on the Group's and Company's financial statement.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (Continued)

(u) New standards, amendments and interpretations (continued)

(ii) *New standards, amendments and interpretations in issue but not effective for the year ended 30 September 2024*

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 September 2024 and have not been early adopted by the Group and Company. The Group and Company are in the process of assessing the impact of these standards on the Group's and Company's financial statements.

New standard or amendments	Effective for annual periods beginning on or after
— Classification of liabilities as current or non-current (Amendments to IAS 1)	1 January 2024
— Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
— Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
— IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures	1 January 2024
— Disclosures – Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
— Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
— Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
— Annual improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	1 January 2026
— IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
— IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
— Sale or Contribution of Assets between an Investor and its Associate or Company (Amendments to IFRS 10 and IAS 28).	Optional

All Standards will be adopted at their effective date (except for the standards and interpretations that are not applicable to the entity). The only standard that is expected to have an impact on the financial statements is IFRS 18 *Presentation and disclosure in financial statements*. It requires Group and Company to report a newly defined subtotal, 'operating profit'; disclose certain 'non-GAAP' measures – such as management-defined performance measures (MPMs) in the financial statements, meaning that they will now be subject to audit such as adjusted Earnings Before Income Tax, Depreciation and Amortisation (EBITDA) and to improve how they Group and Company information is presented. The Group and Company is assessing the impact for adoption.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

4. USE OF ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

(i) *Biological assets*

In determining the fair value of standing timber, the Group and Company use the present value of expected future cash flows from the assets discounted at the current market determined pretax rate. The fair value of unharvested coffee berries and tea leaves is determined using estimated future market prices less costs to sell based on the biological transformation of the produce at the reporting date, present location and condition.

The objective of calculating the present value of expected cash flows is to determine the fair value of biological asset. The Group and Company determines an appropriate discount rate to be used and in estimating net cash flows. The discount rate has been determined using the Capital Asset Pricing Model (CAPM) where the cost of equity is obtained by adding the risk-free rate of return to the derivative of the equity risk premium and the stock beta to arrive at a Weighted Average Cost of Capital. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed to reduce any differences between estimates and actual experience. The significant assumptions are set out in Note 20 to the financial statements.

Critical judgements are made by the Directors in determining the fair values of biological assets. The key assumptions are set out in Note 20.

(ii) *Property, plant and equipment*

Directors make estimates in determining the depreciation rates for property, plant and equipment. The rates used are set out in the accounting policy for property, plant and equipment. These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the prevailing circumstances. The Group and Company measures its property, plant and equipment at revalued amounts with changes in revaluation values being recognised in other comprehensive income. The Group and Company engages independent valuers to determine fair values of property, plant and equipment. The details of property, plant and equipment and the assumptions applied are disclosed in Note 3(g) and Note 18.

(iii) *Income taxes and deferred tax*

Significant judgement is required in determining the Group's and Company's provision for deferred and current income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the year in which such determination is made.

(iv) *Post-employment benefit obligation*

The cost of the unfunded service gratuity is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on scheme assets and future salary increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Details of post-employment benefits and the assumptions applied are disclosed in Note 3(n) and Note 31.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (continued)

(v) *Allowance for impairment of financial assets*

The Group and Company uses an Expected Credit Loss (ECL) model to assess any need for impairment of financial assets. Under the ECL model, the Group and Company calculates the allowance for credit losses using a provisioning matrix by considering on a discounted basis, the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring.

The allowance is the sum of these probability weighted outcomes. For other assets other than financial assets, if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group and Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Details of the allowance for impairment are disclosed in Note 5(b) and Note 24.

(a) Critical accounting judgements

In the process of applying the Group's and Company's accounting policies, Directors make certain judgements that are continuously assessed based on prior experience and other determinants including expectations of future events that, under the circumstances are deemed to be reasonable as described below:

Biological assets

Critical judgements are made by the Directors in determining the fair values of biological assets. The key assumptions are set out in Note 20.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and Company's principal financial instruments comprise cash and cash equivalents, short-term deposits, receivables, bank loans, payables and debt instruments at FVOCI. These instruments arise directly from its operations. The Group does not speculate or trade in derivative financial instruments.

The Group's and Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk. The Directors review and agree policies for managing these risks.

The board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's and Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies, evaluates and manages financial risks in close co-operation with various departmental heads. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposure within acceptable levels, while optimising on the return on the risk.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk (continued)

(i) Interest rate risk

Interest rate risk is the risk that the future profitability and/or cash flows of financial instruments will fluctuate because of changes in the market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the group's long- and short-term obligations with floating interest rates.

The Group and the Company does not have exposure to floating rate instruments. As such, there is no significant exposure to interest risk as all of the financial instruments are fixed term instruments.

(ii) Currency risk

The Group and Company are exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of Group entities. The currencies in which these transactions primarily are denominated are US Dollar (USD), Euro and Sterling Pound (GBP).

The Group's and Company's policy is to record transactions in foreign currencies at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the reporting date. All gains or losses on changes in currency exchange rates are accounted for in profit or loss.

The following are the exchange rates that existed at the financial year end for the following significant currencies:

	Average rates		Closing rates	
	2024	2023	2024	2023
	KShs	KShs	KShs	KShs
US Dollar (USD)	140.27	132.56	129.20	148.10
Sterling Pound (GBP)	177.79	162.97	173.03	180.56
Euro	152.08	141.75	144.24	156.00

The Group and Company operate in Kenya and its assets and liabilities are carried in the local currency. The Group and Company reviews the prevailing economic situations in consultation with the major players including banks and regulatory authorities to assess the currency fluctuations in the market and take appropriate measures. Where appropriate, the Group and Company enters into forward contracts. The Group's and Company's exposure to foreign currency risk was as follows:

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk (continued)

(ii) Currency risk – continued

All figures are in thousands of Kenya shillings (KShs'000)

Group:

2024:	USD	GBP	EURO	Total
Assets				
Trade and other receivables	697,713	11,633	79,156	788,502
Cash and cash equivalents	105,222	8,769	7,486	121,477
At 30 September	802,935	20,402	86,642	909,979
Liabilities				
Trade and other payables	(8,116)	-	-	(8,116)
At 30 September				
Net balance sheet position	794,819	20,402	86,642	901,863
2023:	USD	GBP	EURO	Total
Assets				
Trade and other receivables	766,936	3,966	12,351	783,253
Cash and cash equivalents	179,723	79	240	180,042
At 30 September	946,659	4,045	12,591	963,295
Liabilities				
Trade and other payables	(12,383)	-	-	(12,383)
At 30 September				
Net balance sheet position	934,276	4,045	12,591	950,912

Company:

All figures are in thousands of Kenya shillings (KShs'000)

Assets	2024 USD	2023 USD
Trade and other receivables	2.194	146.093
Cash and cash equivalents	29,421	28,306
At 30 September	31,615	174,399
Liabilities		
Trade and other payables	(5,539)	(2,795)
Net balance sheet position	26,076	171,604

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk (continued)

(ii) Currency risk – continued

The following table demonstrates the effect on the Group and Company's statement of profit or loss and other comprehensive income of applying a sensitivity for a reasonable possible change in the exchange rate of the main transaction currencies, with all other variables held constant. The Group and Company lost conversion advantage in the current year.

	Change in currency rate	Group		Company	
		Effect on profit before tax KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on equity KShs' 000
USD					
2024	10%	79,482	55,637	2,608	1,825
	(10%)	(79,482)	(55,637)	(2,608)	(1,825)
2023	10%	93,428	65,399	17,160	12,012
	(10%)	(93,428)	(65,399)	(17,160)	(12,012)
GBP					
2024	10%	2,040	1,428	-	-
	(10%)	(2,040)	(1,428)	-	-
2023	10%	405	283	-	-
	(10%)	(405)	(283)	-	-
EUR					
2024	10%	8,664	6,065	-	-
	(10%)	(8,664)	(6,065)	-	-
2023	10%	1,259	881	-	-
	(10%)	(1,259)	(881)	-	-

(iii) Price risk

Price risk arises from the fluctuation in the prices of the commodities that the Group deals in. Sale and purchase prices are determined by the market forces and other factors that are not within the control of the Group. The Group does not anticipate that tea and coffee prices will decline significantly in the foreseeable future and therefore has not entered into derivative or other contracts to manage the risk of a decline in the prices. The Group reviews its outlook for tea and coffee prices regularly in considering the need for active financial risk management.

The Group and Company has analysed price risk with respect to tea and coffee due to materiality of these two products. The other products do not have a significant price risk impact.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk (continued)

(iii) Price risk – continued

The following are the annual average prices (per kg) for coffee and tea that existed at the financial year end:

	2024 KShs	2023 KShs
Coffee	653	581
Tea	<u>222</u>	<u>264</u>

The following table demonstrates the effect on the Group and Company's statement of profit or loss and other comprehensive income on applying the sensitivity for a reasonable possible change in the coffee and tea prices at the reporting date, with all other variables held constant.

		↔ Group ↔		↔ Company ↔	
		Effect on profit before tax KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on Equity KShs' 000
	Change in price				
Coffee					
2024	10%	323,540	226,478	33,156	23,209
	(10%)	(323,540)	(226,478)	(33,156)	(23,209)
2023	10%	152,919	107,043	151,316	105,921
	(10%)	(152,919)	(107,043)	(151,316)	(105,921)
Tea					
2024	10%	281,764	197,235	-	-
	(10%)	(281,764)	(197,235)	-	-
2023	10%	337,567	236,297	-	-
	(10%)	(337,567)	(236,297)	-	-

(b) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The largest concentrations of credit exposure within the Group arises from deposits held with various service providers, term deposits and cash and cash equivalents held with banks. The Group only places significant amounts of funds with recognised financial institutions with strong credit ratings and does not consider the credit risk exposure to be significant.

A significant proportion of the Group's trading is through established auctions for coffee and tea and a small proportion via direct export contracts with known parties. The receivables are collected within a period of less than one month.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (continued)

The Group's exposure to credit risk is summarised in the table below:

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Trade receivables – net	715,117	765,288	8,260	135,614
Other receivables	99,795	74,398	64,192	29,241
Amounts due from related companies	-	-	340,977	91,113
Other investments	158,786	247,806	-	-
Bank balances and short-term deposits	<u>927,434</u>	<u>871,513</u>	<u>138,518</u>	<u>98,954</u>
	<u>1,901,132</u>	<u>1,959,005</u>	<u>551,947</u>	<u>354,922</u>

Details of the past due status analysis and impairment of trade receivables is disclosed as below:

Past due status of trade receivables:	Group				Company			
	Loss rate	2024 KShs'000	Loss rate	2023 KShs'000	Loss rate	2024 KShs'000	Loss rate	2023 KShs'000
Current- not overdue	2%	19,131	2.9%	289,932	-	406	11%	102,123
Past due 1- 30 days	2.3%	173,350	3.42%	232,236	-	7,854	18.9%	17,276
Past due 31 - 60 days	8.1%	166,873	8.6%	228,420	-	-	20.6%	764
Past due 60 - 90 days	8.2%	355,763	8.6%	14,700	-	-	29.3%	15,451
Past due over 90 days	<u>12%</u>	<u>53,469</u>	<u>13.7%</u>	<u>43,172</u>	<u>100%</u>	<u>25,800</u>	<u>47.9%</u>	<u>36,780</u>
Gross trade receivables		<u>768,586</u>		<u>808,460</u>		<u>34,060</u>		<u>172,394</u>
Allowances for impairment		(53,469)		(43,172)		(25,800)		(36,780)
Net trade receivables		<u>715,117</u>		<u>765,288</u>		<u>8,260</u>		<u>135,614</u>

As at 30 September 2024, the exposure to credit risk for credit sales by Geographic region included 70% to Europe and 25% to the United States and 5% in Asia. The impairment losses/reversals arising from the trade and other receivables are recognised in the profit and loss as disclosed in Note 24.

(i) Intercompany receivables

For the Company, the calculated ECL which represents the loss rate of 0.22% (2023 – 4.80%) considers historical experience over the last 12 months, current conditions, exchange rates and country risk. This was applied to the gross outstanding amount and resulted in a loss allowance of KShs 745 thousand for the year ended 30 September 2024. The impairment losses arising from the intercompany receivables are not material to the financial statements thus included in the administration expenses.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (continued)

(i) *Intercompany receivables – continued*

The exposure to credit risk for intercompany receivables is as below:

	Loss rate	2024 KShs'000	Company Loss rate	2023 KShs'000
Age analysis of intercompany receivables:				
Current -not over due	0.22%	341,722	4.80%	95,706
1 - 60 days		-		-
60 - 120 days		-		-
		<u>341,722</u>		<u>95,706</u>
Allowance for impairment		(745)		(4,593)
Net intercompany receivables		<u>340,977</u>		<u>91,113</u>

(ii) *Cash and cash equivalents*

The Group and Company held cash and bank balances of KShs 880 million and KShs 102 million respectively (2023 – Group – KShs 871 million and KShs 99 million). The cash and bank balances are held with banks and financial institution counterparties, which are rated between A1 to Ba1, based on GCR, S&P and Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have insignificant credit risk due to the short term nature of the balances. As at 30 September 2024 the expected credit loss arising from the exposure was immaterial to the financial statements.

(iii) *Short-term deposit*

The Group and Company held short-term deposit of KShs Nil million and KShs Nil million respectively (2023 – Group – KShs 2.3 million and Company Nil). The short term deposits are held with banks and financial institution counterparties, which are rated between A1 to Ba1, based on GCR, S&P and Moody's ratings.

Impairment on short term equivalents has been measured on a 12-months expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its short-term deposits have insignificant credit risk based on the short maturity period. As at 30 September 2024 and the prior period the expected credit loss arising from the exposure was immaterial to the financial statements.

(iv) *Other investments*

The Group held Government infrastructure bonds of KShs 158 million (2023 – KShs 247 million). The investments are issued by the government of Kenya, which is rated B-, based on Fitch ratings. Impairment on investments equivalents has been measured using the general approach since the financial asset is measured through fair value through other comprehensive income. There are no significant increase in credit risk from initial recognition. Only the ECLs within 12 months of a reporting date have been calculated. Interest income is calculated on the gross carrying amount of the financial asset. As at 30 September 2024 the expected credit loss arising from the exposure was immaterial to the financial statements.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulties in meeting its obligations from its financial liabilities. The Group's and Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, demand deposits and other investments, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group's management maintains flexibility in funding by maintaining availability under committed credit lines.

The maturity analysis of the Group's financial liabilities is as follows:

Group:	0-1 Month	2-3 Months	4-12 Months	Over 1 year	Total
2024:	KShs'000	KShs'000	KShs '000	KShs '000	KShs'000
Trade and other payables	389,026	6,702	26,288	-	422,016
Lease liability	<u>3,381</u>	<u>-</u>	<u>10,226</u>	<u>45,752</u>	<u>59,359</u>
	<u>392,407</u>	<u>6,702</u>	<u>36,514</u>	<u>45,752</u>	<u>481,375</u>
2023:					
Trade and other payables	291,393	13,032	64,565	-	368,990
Bank loan	28,882	-	-	-	28,882
Lease liability	<u>3,145</u>	<u>-</u>	<u>9,513</u>	<u>59,359</u>	<u>72,017</u>
	<u>323,420</u>	<u>13,032</u>	<u>74,078</u>	<u>59,359</u>	<u>469,889</u>
Company:	0-1 Month	2-3 Months	4-12 Months	Over 1 year	Total
2024:	KShs'000	KShs'000	KShs '000	KShs '000	KShs'000
Trade and other payables	91,474	9,491	65,108	-	166,073
Due to related party	22,518	-	-	-	22,518
Lease liability	<u>3,381</u>	<u>-</u>	<u>10,226</u>	<u>45,752</u>	<u>59,359</u>
	<u>117,373</u>	<u>9,491</u>	<u>75,334</u>	<u>45,752</u>	<u>247,950</u>
2023:					
Trade and other payables	34,767	9,412	55,746	-	99,925
Due to related party	21,877	-	-	-	21,877
Bank loan	28,882	-	-	-	28,882
Lease liability	<u>3,145</u>	<u>-</u>	<u>9,513</u>	<u>59,359</u>	<u>72,017</u>
	<u>88,671</u>	<u>9,412</u>	<u>65,259</u>	<u>59,359</u>	<u>222,701</u>

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group and Company processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group and Company operations.

The Group objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group and Company reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Operational risk (continued)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of overall Group and Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirement for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

(e) Climate-related risk

Agricultural risk is the risk of direct or indirect loss arising from adverse agricultural conditions such as disease outbreaks, floods, droughts and other adverse weather events caused by climatic changes.

The Group's and Company's risk management process with respect to climate-related risks focuses on anticipating, avoiding and/or reacting to shocks attributable to adverse agricultural conditions. The Group's and Company's objective is to achieve an efficient risk management system for agriculture that preserves the value of agricultural outputs, strengthens the viability of farm businesses, and ensures an environment which supports and sustains continued investment in the farming sector.

(f) Capital management

The primary objectives of the Group's and Company's capital management are to ensure that the Group complies with capital requirements and maintains healthy capital ratios in order to support its business and to maximise shareholders' value.

The Capital Management policy as approved by the Board of Directors (the Board) is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group and Company defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends to ordinary shareholders.

The Group and Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares as circumstances would dictate. There were no changes in the Group's approach to capital management as regards the objectives, policies or processes during the year.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

6. DETERMINATION OF FAIR VALUES

A number of the Group's and Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

Below follows required disclosure of fair value measurements, using a three-level fair value hierarchy that reflects the significance of the inputs used in determining the measurements. It should be noted that these disclosures only cover items measured at fair value.

Level 1

Included in level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The other investments are classified and measured at fair value through other comprehensive income as the Group holds them with an objective of both collecting contractual cash flows and selling financial assets.

Asset	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair valuation measurements
Other investments	Measured in whole or in part by reference to published quotes in an active market	Not applicable	Not applicable

Level 2

Included in level 2 category are assets and liabilities measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For example, instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are categorised as level 2.

Biological assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services.

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Non-financial assets				
Biological assets – livestock	<u>1,071</u>	<u>1,113</u>	<u>472</u>	<u>439</u>

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

6. DETERMINATION OF FAIR VALUES (Continued)

Level 3

Assets and liabilities measured using inputs that are not based on observable market data are categorised as level 3. Nonmarket observable inputs mean that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations for which there is little, if any, market activity for the asset or liability at the measurement date. Therefore, unobservable inputs reflect the Group's and Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's own data.

The fair value of financial instruments approximates to the carrying amount because of their short-term nature.

The following table shows an analysis of non-financial assets held at fair value as at 30 September 2024 and 2023:

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Non-financial assets				
Property, plant and equipment*	20,449,644	11,008,111	14,474,604	7,295,689
Biological assets-Trees, tea and coffee	<u>1,186,702</u>	<u>1,439,423</u>	<u>345,660</u>	<u>446,370</u>
Total assets	<u>21,636,346</u>	<u>12,447,534</u>	<u>14,820,264</u>	<u>7,742,059</u>

*The carrying amount relates only to classes of property, plant and equipment carried at revalued amounts.

On 30 September 2024, Knight Frank Valuers Limited, professionally valued the Group's machinery, equipment, furniture building and freehold land. The valuation was on an open market value basis, except for land, where the Direct Capital Comparison method was used. For the direct capital comparison method, the assumption was that the value of the appraised property is equal to the value of a known comparable property, with due allowance being given for differences factors between the appraised property and the compared property such as the condition, location, level and amount of services provided, accessibility, plot size, planning and zoning regulations, transacting parties, motive of sale and tenure and the unexpired term. Fully developed properties; for example depots have been valued on the basis of sales of similar developed properties in the particular locations with due regard to their rental income potential.

Buildings or any other fixture or improvement on land whose revenue contribution cannot be assessed easily or where the structures are dilapidated, have been valued on depreciated replacement cost basis. Discounted cash-flow testing was performed to assess whether there is a reduction in the values assessed based on depreciated replacement cost basis. Based on discounted cash-flows testing performed as at 30 September 2024 no reduction in values under depreciation replacement cost were assessed to be necessary in arriving to fair values. The Group and Company performs valuation of its property, plant and equipment on a regular basis to ensure there is no material difference between the fair value and carrying amounts of property, plant and equipment. At the end of each annual reporting period the Group and the Company engage independent appraiser to perform assessment whether there is a material change in fair value as compared to the carrying amounts of property, plant and equipment.

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ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

6. DETERMINATION OF FAIR VALUES (Continued)

Level 3 (continued)

As a result of such assessment performed as at 30 September 2024 it was concluded that there is no material difference between the fair value of property, plant and equipment and their carrying amounts that would require full scope valuation.

Valuation techniques and significant unobservable inputs

Valuation technique and significant unobservable inputs	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The valuer has used the Discounted Cash Flow (DCF) method which is predicated on the principal of anticipation which holds that the present value is indicated by the expectations of future benefits except for land and plant and machinery where the Comparative method and Depreciated Replacement Cost was used respectively. The choice of return is made by comparison with such other investments as bear the nearest relationship in such matters as the physical characteristics, use and degree of risk and life of the investment. The book values of the assets were adjusted to the revalued amounts and the resultant surplus net of deferred tax was credited to the revaluation reserve in shareholder's equity and the loss without prior revaluation surplus is debited to the statement of profit or loss. The value of land was based on a hypothetical apportionment based on recent land transactions in the open market in the area. The balance was allocated to buildings/additions. The current use of the assets and the ability to generate cash flows was considered in determining the fair value of the assets.	– The location of the property – The current user of the property – Demand for similar properties in the neighbourhood – The brand of the Company establishment built on the property. – The condition of the property – The industry trends – Discount rate 14% to 18% (2019: 13%) – Rental growth rate of 5% (2019: 5%)	The estimated fair values would increase/(decrease); – If land and building prices near the location of the property were higher/(lower). – With improvements/(deterioration) in infrastructure development. – With improvements/(deterioration) in market conditions affecting the current user of the property's financial performance. – If the actual operational condition of the furniture fittings and equipment is better – If the plant and machinery have an efficient functional and working condition. – With improvements in the plant and machinery

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ANNUAL REPORT AND FINANCIAL STATEMENTS **NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)**

6. DETERMINATION OF FAIR VALUES (Continued)

Following the revaluation, the movement in property plant and equipment has been disclosed in Note 18.

The fair value of the biological asset is determined based on the present value of expected net cash flows derived from sale of agricultural produce, discounted at the pre-tax discount rate. The details of the valuation inputs of the biological assets have been disclosed in note 20.

The fair value measurement of revalued items of property plant and equipment and the biological assets have been categorized as a level 2 (livestock) and 3 (property, plant and equipment, tea, coffee berries, standing timber and unharvested avocado fruits) fair value based on the inputs to the valuation techniques.

7. SEGMENT INFORMATION

The Group is currently organised in five divisions; Tea, Coffee, Macadamia, Avocado and Others. These divisions are the basis on which the Group reports its segment information. All the Group's segments operate within the same geographical area (Kenya). The principal activities of these divisions are as follows:

- Tea – Growing and processing of tea
- Coffee – Growing and processing of coffee
- Macadamia – Growing and processing of Kernels
- Avocado – Growing and processing of Avocado
- Others – Forestry, Dairy operations, marketing of coffee, value additions of related products, renting of growing land and the leasing of plant and machinery.

Segment profit before tax and interest is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments.

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ANNUAL REPORT AND FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

7. SEGMENT INFORMATION (Continued)

30 September 2024:

Revenue	Tea KShs'000	Coffee KShs'000	Macadamia KShs'000	Avocado KShs '000	Other KShs'000	Consolidated KShs'000
Total sales	2,817,640	3,371,716	318,335	380,041	18,094	6,905,826
Intergroup sales	-	-	-	-	(12,000)	(12,000)
Net sales to external customers	2,817,640	3,371,716	318,335	380,041	6,094	6,893,826
Other income	26,569	21,291	115	3,567	12,561	64,103
Results	2,844,209	3,393,007	318,450	383,608	18,655	6,957,929
Operating results on operating income	(101,650)	(425,203)	(112,332)	(65,518)	(9,958)	(714,661)
Operating results on biological assets	(156,655)	190,641	-	-	-	33,986
Operating results before interest and tax	(258,305)	(234,562)	(112,332)	(65,518)	(9,958)	(680,675)
Assets and liabilities						
segment assets	4,332,464	19,881,585	483,330	211,203	275,958	25,184,539
Segment liabilities	869,074	2,897,475	88,870	18,114	63,025	3,936,558
Other segment information						
Capital expenditure – non- current asset	160,976	66,561	78	8,532	-	236,147
Depreciation and amortisation	151,025	29,938	28,790	10,776	62,180	282,709
Income tax credit	-	-	-	-	111,509	111,509
Interest income	-	-	-	-	65,679	65,679
Interest expense	-	-	-	-	(48,639)	(48,639)
Average number of employees	1,212	988	48	10	-	2,258

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

7. SEGMENT INFORMATION (Continued)

Segment information is as presented below:

30 September 2023:

Revenue	Tea KShs'000	Coffee KShs'000	Macadamia KShs'000	Avocado KShs '000	Other KShs'000	Consolidated KShs'000
Total sales	3,424,120	1,743,269	151,367	395,270	16,411	5,730,437
Inter-group sales	-	-	-	-	(12,000)	(12,000)
Net sales to external customers	3,424,120	1,743,269	151,367	395,270	4,411	5,718,437
Other income	2,998	97,463	39	2,364	12,563	115,427
Results	3,427,118	1,840,732	151,406	397,634	16,974	5,833,864
Operating results on operating income	750,505	(185,350)	(135,612)	22,388	(14,134)	437,797
Operating results on biological assets	(37,922)	261,463	-	-	-	223,541
Operating results before interest and tax	712,583	76,113	(135,612)	22,388	(14,134)	661,338
Assets and liabilities						
Segment assets	4,639,199	10,688,826	550,082	119,537	301,164	16,298,808
Segment liabilities	918,509	1,414,534	89,529	25,946	40,716	2,489,234
Other segment information	212,553	84,139	11,238	25,597	-	333,527
Capital expenditure - tangible fixed asset						
Depreciation and amortisation	137,858	40,370	28,192	8,017	69,098	283,535
Income tax expense	-	-	-	-	330,442	330,442
Interest income	-	-	-	-	105,869	105,869
Interest expense	-	-	-	-	23,776	23,776
Average number of employees	1,227	1,029	33	11	-	2,300

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

7. SEGMENT INFORMATION (Continued)

Segment information

Segment results include revenue and expenses directly attributable to a segment.

Segment revenue is the revenue that is directly attributable to a segment plus the relevant portion of the Group's revenue that can be allocated to the segment on a reasonable basis. Segment revenue excludes finance income.

Segment expenses are expenses resulting from the operating activities of a segment plus the relevant portion of an expense that can be allocated to the segment on a reasonable basis. Segment expenses exclude finance costs and income taxes.

Segment assets comprise intangible assets, property, plant and equipment, capital work-in - progress, right of use assets, biological assets, inventories, trade and other receivables as well as cash and bank balances. Segment assets exclude income taxes.

Segment liabilities comprise lease liabilities, trade and other payables as well as post-employment benefits. Segment liabilities exclude income taxes.

Capital expenditure represents the total cost incurred during the year to acquire segment assets (property, plant and equipment and biological assets) that are expected to be used during more than one year.

The principal activity of the Company is growing and selling coffee beans. Therefore, the Company has one operating segment. The main product is sold in the auction. The customers' necessary details including geographical areas at the auction are not available as majority of them are selling agents.

8. REVENUE

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Tea	2,817,640	3,375,674	-	-
Coffee	3,235,401	1,529,188	331,556	1,513,157
Livestock & dairy produce	1,498	3,772	185	296
Retail- blended coffee	110,437	92,814	110,437	92,814
Milling and handling income	8,994	58,196	10,137	58,513
Marketing commission	-	46,677	-	46,677
Avocado	380,041	395,270	-	-
Macadamia	318,335	151,367	-	-
Trees and nursery sales	15,386	61,069	14,493	11,154
Miscellaneous income	6,094	4,410	-	-
	<u>6,893,826</u>	<u>5,718,437</u>	<u>466,808</u>	<u>1,722,611</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

8. REVENUE (Continued)

Performance obligations and revenue recognition policies

Revenue from sale of goods is recognised as and when control is transferred to the customer; through delivery, collection depending on the agreement as outlined herein below. The proceeds from sale are collected within 14 days for auction sales and as per contract terms for direct sales (usually between 10 to 45 days). Geographically 70% of the export sales is done in Europe, 25% in USA and 5% to Asia.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Tea	The customer obtains control of the made tea on the fall of the hammer during the auction process for teas sold at the auction. For international private sales, the customer obtains control in line with the various shipping incoterms (FOB, CIF etc) Invoices are generated at that point in time. The credit period varies between 20 to 45 days depending on the agreement between the Group and the customer.	Revenue is recognised when the customer obtains control of the made tea inventory. Upon delivery and or confirmation that the goods have been transferred to the customer, the Group is satisfied that the performance obligation has been met and revenue is recognised at this point on the basis of a bill of lading (for international private sales) and the accounting sales report shared by the auction broker (for auction sales).
Coffee	The customer obtains control of the made coffee on the fall of the hammer during the auction process for coffee sold at the auction. For international private treaty sales, the customer obtains control in line with the various shipping incoterms (FOB) Invoices are generated at that point in time. The credit period varies from 15 to 25 days depending on the agreement between the Group and Company and the customer.	Revenue is recognised when the customer obtains control of the coffee inventory. Upon the confirmation that the goods have been transferred to the customer, the Group and Company is satisfied that the performance obligation has been met and revenue is recognised at this point on the basis of a bill of lading (for international private sales) and the accounting sales report shared by the auction broker (for auction sales).
Avocado	The customer obtains control in line with the various shipping terms (FOB). Invoices are generated at that point in time. The credit period varies from 10 to 45 days depending on the agreement between the Group and the customer. Customers are allowed to raise concerns around quality of the fruits over an item and a credit note is issued in respect of the same under specified conditions.	Revenue is recognised when the customer obtains control of the avocado inventory. Upon the confirmation that the goods have been transferred to the customer, the Group is satisfied that the performance obligation has been met and revenue is recognised at this point on the basis of a bill of lading for export sales and delivery notes for local sales.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

8. REVENUE (Continued)

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Macadamia nuts	The customer obtains control in line with the various shipping terms (FOB, CIF etc) Invoices are generated at that point in time. The credit period varies from 20 to 45 days depending on the agreement between the subsidiary and the customer.	Revenue is recognised when the customer obtains control of the kernels and shells inventory as well as the transport. Upon delivery and or (collection by the shipping Company), the Group and Company is satisfied that the performance obligation has been met and revenue is recognised at this point on the basis of a bill of lading for export sales and delivery notes for local sales.
Trees and nursery sales	The customer obtains control on collection of the trees and seedlings. These are cash sales.	Revenue is recognised when the customer obtains control of the trees and nurseries. Upon payment and collection by the customer, the Group is satisfied that the performance obligation has been met and revenue is recognised at this point.

The Group and Company sales are composed of KShs 6,306,006,000 (2023 – KShs 4,704,598,000) and KShs 466,808 (2023 – KShs 1,550,786,000 for direct sales to customers and KShs 587,820 (2023 – KShs 1,013,839,000) and KShs Nil (2023 – KShs 171,825,000) as auction sales respectively. Three customers under auction and direct sales constitute 10% of the revenue recognised during the year.

9. COST OF SALES	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
General charges	436,128	466,165	160,061	139,196
Farm maintenance	449,596	426,388	137,138	130,538
Production expenses	770,041	635,127	52,779	48,279
Green leaf purchases	1,067,462	890,816	-	-
Coffee purchases and other charges	2,547,800	913,611	18,464	939,069
Livestock expenses	1,906	2,398	494	437
Retail trading expenses	60,324	65,618	77,082	65,618
Coffee mill expenses	7,124	39,665	7,124	39,665
Transport and insurance	73,223	56,614	-	-
Depreciation of property, plant and Equipment	230,315	236,308	55,078	64,052
Biological harvest	286,750	326,928	191,456	176,363
Avocado purchases	128,103	148,966	-	-
Macadamia purchases	246,069	136,765	-	-
	<u>6,304,841</u>	<u>4,345,369</u>	<u>699,676</u>	<u>1,603,217</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

10. OTHER INCOME

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Net gain on disposal of property, plant and equipment	2,898	10,378	2,466	363
Management fees	-	-	214,440	134,191
Rent income	1,619	1,977	19,516	9,394
Dividend income	-	-	180,000	-
Gain on redemption of bonds	21,473	-	-	-
Sundry income	<u>38,113</u>	<u>103,072</u>	<u>44,332</u>	<u>97,638</u>
	<u>64,103</u>	<u>115,427</u>	<u>460,754</u>	<u>241,586</u>

11. ADMINISTRATION AND ESTABLISHMENT EXPENSES

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
(a) Administration and establishment expenses				
Staff costs (Note 11(b))	417,455	359,935	128,583	170,839
Insurance and medical costs	33,004	32,731	7,330	8,073
Depreciation of property, plant and equipment	37,778	31,414	11,321	11,383
Amortisation of right of use assets				
Leases	9,862	9,940	9,839	9,838
Amortisation of intangible assets	4,755	5,873	2,531	3,599
Auditors' remuneration	20,645	18,424	4,740	9,280
Directors' emoluments	61,076	57,371	61,076	57,371
Legal and professional fees	18,630	32,426	13,116	18,878
Secretarial costs	2,100	2,100	2,100	2,100
Travelling and accommodation	15,263	18,905	7,631	8,859
Office expenses	261,502	247,350	111,982	79,910
Other administration costs	58,594	64,762	36,645	84,295
Bank charges	25,435	28,869	4,270	4,177
Loss on revaluation of assets	157,379	-	40,406	-
Maintenance expenses	<u>37,045</u>	<u>64,703</u>	<u>8,772</u>	<u>8,392</u>
	<u>1,160,523</u>	<u>974,803</u>	<u>450,342</u>	<u>476,994</u>
(b) Staff costs				
Salaries and wages	375,971	321,599	105,940	149,294
Pension costs	<u>41,484</u>	<u>38,336</u>	<u>22,643</u>	<u>21,545</u>
	<u>417,455</u>	<u>359,935</u>	<u>128,583</u>	<u>170,839</u>

12. SELLING AND DISTRIBUTION EXPENSES

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Warehousing and storage charges	<u>196,929</u>	<u>89,184</u>	<u>-</u>	<u>-</u>

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

13. NET FINANCE INCOME/(COST)

(a) Finance income

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Interest income	65,679	105,869	2,138	17,389
Realised foreign exchange gain	196,203	137,159	1,005	6,680
Unrealised foreign exchange gain	—	24,285	—	1,804
	<u>261,882</u>	<u>267,313</u>	<u>3,143</u>	<u>25,873</u>

(b) Finance cost

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Interest expense	(48,639)	(23,776)	(6,021)	(23,776)
Realised foreign exchange loss	(190,578)	(31,877)	(32,392)	(31,877)
Unrealised foreign exchange loss	(16,368)	—	(4,169)	—
	<u>(255,585)</u>	<u>(55,653)</u>	<u>(42,582)</u>	<u>(55,653)</u>
Net finance income (cost)	<u>6,297</u>	<u>211,660</u>	<u>(39,439)</u>	<u>(29,780)</u>

14. PROFIT BEFORE TAXATION

The profit before taxation is arrived at after charging/(crediting):

Depreciation of property, plant and equipment	268,093	267,722	66,399	75,435
Amortisation of intangible assets	4,755	5,873	2,531	3,599
Amortisation of right of use assets	9,862	9,940	9,839	9,838
Loss on revaluation of assets	157,379	—	40,406	—
Directors' emoluments:				
- Fees	10,721	11,485	10,721	11,485
- Other remuneration	50,355	45,886	50,355	45,886
Pension costs	41,484	38,336	22,643	21,545
Auditor's remuneration	20,645	18,424	4,740	9,280
Interest expense	48,639	23,776	6,021	23,776
Unrealised exchange losses	16,368	—	4,169	—
Realised foreign exchange losses	190,578	31,877	32,392	31,877
Interest income	(65,679)	(105,869)	(2,138)	(17,389)
Unrealised foreign exchange gain	—	(24,285)	—	(1,804)
Realised foreign exchange gain	(196,203)	(137,159)	1,005	(6,680)
Net gain on disposal of assets	<u>(2,898)</u>	<u>(10,378)</u>	<u>(2,466)</u>	<u>(363)</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

15. TAX EXPENSE

(a) Statement of comprehensive income	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Current tax expense/(credit)				
Income tax on the taxable profit for the year at 30% (2023 – 30%)	113,348	320,202	10,083	25,409
Capital gains tax	-	1,307	-	-
Prior year over provision	513	(28)	(107)	(1,047)
Total current tax	<u>113,861</u>	<u>321,481</u>	<u>9,976</u>	<u>24,362</u>
Deferred tax expense/(credit)				
Deferred tax (credit)/expense				
arising from operating activities	(144,154)	42,744	(70,087)	(3,045)
Deferred tax charge/(credit) on biological assets fair value	(80,440)	(30,908)	(29,913)	16,199
Effect of change in tax rate				
Prior year under/(over) provision	(776)	(2,875)	(57)	(308)
Total deferred tax charge	<u>(225,370)</u>	<u>8,961</u>	<u>(100,057)</u>	<u>12,846</u>
Taxation expense for the year	<u>(111,509)</u>	<u>330,442</u>	<u>(90,081)</u>	<u>37,208</u>
Reconciliation of tax expense:				
Accounting profit before taxation	(674,378)	872,998	(160,136)	91,336
Tax applicable rate at 30% (2023 – 30%)	(202,313)	261,899	(48,041)	27,401
Tax effects of items not allowed for tax or tax exempt	91,067	71,932	(41,876)	11,162
Movement in unrecognized deferred	-	(486)	-	-
Prior year over provision of deferred tax	(776)	(2,875)	(57)	(1,047)
current tax	513	(28)	(107)	(308)
	<u>(111,509)</u>	<u>330,442</u>	<u>(90,081)</u>	<u>37,208</u>

(b) Statement of financial position

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Balance brought forward	(33,978)	230,734	(24,072)	49,288
Charge for the year	113,861	321,481	9,976	24,362
Paid during the year	(33,595)	(586,193)	(7,816)	(97,722)
Balance carried forward	<u>46,288</u>	<u>(33,978)</u>	<u>(21,912)</u>	<u>(24,072)</u>
Presented as:				
Tax recoverable	(33,871)	(33,978)	(21,912)	(24,072)
Tax payable	80,159	-	-	-
	<u>46,288</u>	<u>(33,978)</u>	<u>(21,912)</u>	<u>(24,072)</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

16. EARNINGS PER SHARE

Earnings per share on normal operations is calculated by dividing loss for the year of KShs 552,322,000 (2023 – profit of KShs 549,628,000) attributable to ordinary equity holders of the parent by parent the KShs 228,055,500 (2023 – KShs 228,055,500).

	Group		Company	
	2024	2023	2024	2023
	KShs	KShs	KShs	KShs
Net earnings per share (KShs)	<u>(2.42)</u>	<u>2.41</u>	<u>(0.31)</u>	<u>0.24</u>

17. DIVIDEND PER SHARE

A final dividend for the year 2023 of 50% (KShs 0.50 per share) was declared and paid on 22 March 2024.

Payment of dividends is subject to withholding tax at the rate of 5% for residents, 10% for non-resident shareholders or 0% depending with the percentage shareholding.

	Group		Company	
	2024	2023	2024	2023
	KShs	KShs	KShs	KShs
Dividends per share distributed to shareholders (KShs)	<u>0.00</u>	<u>1.00</u>	<u>0.00</u>	<u>1.00</u>
Dividends per share declared (KShs)	<u>0.00</u>	<u>0.50</u>	<u>0.00</u>	<u>0.50</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

18. PROPERTY, PLANT AND EQUIPMENT

(a) Group

2024	Freehold land KShs '000	Bearer plants KShs '000	Buildings and improvements KShs '000	Plant and machinery KShs '000	Rolling stock and implements KShs '000	Furniture, fittings and equipment KShs '000	Total KShs '000
Cost or valuation							
At 1 October 2023	8,797,961	756,726	1,276,315	1,242,666	441,671	179,571	12,694,910
Additions	-	-	-	427	67,921	19,475	87,823
Adjustment	-	-	4,831	(2,927)	-	(1,992)	(88)
Revaluation	9,055,039	-	(101,930)	(399,369)	(80,287)	(79,428)	8,394,025
Transfer from WIP – Note 18(c)	-	68,617	58,195	30,412	-	-	157,224
Disposals	-	-	-	(1,971)	(27,030)	(2,229)	(31,230)
Impaired assets	-	-	(66)	(2,221)	(112)	(1,878)	(4,277)
At 30 September 2024	<u>17,853,000</u>	<u>825,343</u>	<u>1,237,345</u>	<u>867,017</u>	<u>402,163</u>	<u>113,519</u>	<u>21,298,387</u>
Depreciation							
At 1 October 2023	-	613,408	246,195	387,705	220,047	76,126	1,543,481
Adjustment	-	-	-	(892)	(254)	(2,011)	(3,157)
Charge for the year	-	6,451	66,547	103,888	66,760	24,447	268,093
Impaired assets	-	-	-	(24)	-	(1,075)	(1,099)
Revaluation	-	-	(310,951)	(477,381)	(252,137)	(96,293)	(1,136,762)
Disposals	-	-	-	(916)	(24,174)	(2,207)	(27,297)
Carrying amount as at 30 September 2024	<u>17,853,000</u>	<u>205,484</u>	<u>1,235,554</u>	<u>854,637</u>	<u>391,921</u>	<u>114,532</u>	<u>20,655,128</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Group (continued)

2023	Freehold land KShs '000	Bearer plants KShs '000	Buildings and improvements KShs '000	Plant and machinery KShs '000	Rolling stock and implements KShs '000	Furniture, fittings and equipment KShs '000	Total KShs '000
Cost or valuation							
At 1 October 2022	8,825,000	756,726	1,183,867	1,197,441	341,723	112,367	12,417,124
Additions	-	-	6,986	7,585	109,802	67,204	191,577
Transfer from WIP – Note 18(c)	-	-	85,462	37,850	-	-	123,312
Disposals	(27,039)	-	-	(210)	(9,854)	-	(37,103)
At 30 September 2023	<u>8,797,961</u>	<u>756,726</u>	<u>1,276,315</u>	<u>1,242,666</u>	<u>441,671</u>	<u>179,571</u>	<u>12,694,910</u>
Depreciation							
At 1 October 2022	-	606,957	183,911	282,516	152,788	58,542	1,284,714
Charge for the year	-	6,451	62,284	105,231	76,172	17,584	267,722
Disposals	-	-	-	(42)	(8,913)	-	(8,955)
Carrying amount as at	<u>-</u>	<u>613,408</u>	<u>246,195</u>	<u>387,705</u>	<u>220,047</u>	<u>76,126</u>	<u>1,543,481</u>
30 September 2023	<u>8,797,961</u>	<u>143,318</u>	<u>1,030,120</u>	<u>854,961</u>	<u>221,624</u>	<u>103,445</u>	<u>11,151,429</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Group (continued)

The Group's building and freehold land was revalued on 30 September 2024 by Knight Frank Valuers Limited, a firm of registered independent valuers, on the market value existing use basis as disclosed in Note 6.

There were no idle assets at 30 September 2024 and 2023. There was no property given as security as at 30 September 2024 and 2023.

Significant inputs applied by the valuer in arriving at the fair value are unobservable, consequently, the Directors have classified the fair value measurement as level 3.

Carrying amount under historical cost

The carrying amount of property, plant and equipment measured under revaluation (*which is all property, plant and equipment excluding bearer plants*) would have been as stated below if property, plant and equipment had been carried under the cost model.

2024 Group	Land and development KShs '000	Building & improvements KShs '000	Plant & machinery KShs '000	Rolling stock & implements KShs '000	Furniture, fittings & equipment KShs '000	Total KShs '000
Cost	42,466	901,008	968,883	532,605	307,803	2,752,765
Accumulated depreciation	-	(294,335)	(546,171)	(364,159)	(131,251)	(1,335,916)
Net book value	42,466	606,673	422,712	168,446	176,552	1,416,849
2023 Group	Land and development KShs '000	Building & improvements KShs '000	Plant & machinery KShs '000	Rolling stock & implements KShs '000	Furniture, fittings & equipment KShs '000	Total KShs '000
Cost	42,466	842,813	940,015	484,429	290,557	2,600,280
Accumulated depreciation	-	(224,567)	(439,590)	(305,135)	(106,856)	(1,076,148)
Net book value	42,466	618,246	500,425	179,294	183,701	1,524,132

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Company	Land and development KShs '000	Bearer plants KShs '000	Buildings and improvements KShs '000	Plant and machinery KShs '000	Rolling stock and implements KShs '000	Furniture, fittings and equipment KShs '000	Total KShs '000
2024							
Cost or valuation							
At 1 October 2023	6,819,000	121,511	340,972	212,186	127,658	45,214	7,666,541
Transfers from work in progress - Note 18(c)	-	-	60	-	-	-	60
Additions	-	-	-	209	18,686	11,914	30,809
Revaluation	7,023,000	-	(5,056)	(48,857)	(34,238)	(11,923)	6,922,926
Disposals	-	-	-	(1,971)	(5,370)	(2,229)	(9,570)
At 30 September 2024	<u>13,842,000</u>	<u>121,511</u>	<u>335,976</u>	<u>161,567</u>	<u>106,736</u>	<u>42,976</u>	<u>14,610,766</u>
Depreciation							
At 1 October 2023	-	112,427	88,309	64,818	65,970	30,244	361,768
Adjustment	-	-	-	-	(85)	-	(85)
Revaluation	-	-	(110,006)	(66,854)	(81,595)	(33,546)	(292,001)
Depreciation	-	510	21,702	13,576	23,844	6,767	66,399
Disposals	-	-	-	(916)	(5,370)	(2,207)	(8,493)
At 30 September 2024	<u>-</u>	<u>112,937</u>	<u>5</u>	<u>10,624</u>	<u>2,764</u>	<u>1,258</u>	<u>127,588</u>
Carrying amount							
at 30 September 2024	<u>13,842,000</u>	<u>8,574</u>	<u>335,971</u>	<u>150,943</u>	<u>103,972</u>	<u>41,718</u>	<u>14,483,178</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Company (continued)

2023	Land and development KShs '000	Bearer plants KShs '000	Buildings and improvements KShs '000	Plant and machinery KShs '000	Rolling stock and implements KShs '000	Furniture, fittings and equipment KShs '000	Total KShs '000
Cost or valuation							
At 1 October 2022	6,819,000	121,511	338,390	204,683	95,473	40,128	7,619,185
Transfers from work in progress - Note 18(c)	-	-	2,582	-	-	-	2,582
Additions	-	-	-	7,503	35,030	5,086	47,619
Disposals	-	-	-	-	(2,845)	-	(2,845)
At 30 September 2023	<u>6,819,000</u>	<u>121,511</u>	<u>340,972</u>	<u>212,186</u>	<u>127,658</u>	<u>45,214</u>	<u>7,666,541</u>
Depreciation							
At 1 October 2022	-	111,917	66,694	44,559	41,919	23,654	288,743
Depreciation	-	510	21,615	20,259	26,461	6,590	75,435
Disposals	-	-	-	-	(2,410)	-	(2,410)
At 30 September 2023	<u>-</u>	<u>112,427</u>	<u>88,309</u>	<u>64,818</u>	<u>65,970</u>	<u>30,244</u>	<u>361,768</u>
Carrying amount at 30 September 2023	<u>6,819,000</u>	<u>9,084</u>	<u>252,663</u>	<u>147,368</u>	<u>61,688</u>	<u>14,970</u>	<u>7,304,773</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Company (continued)

Significant inputs applied by the valuer in arriving at the fair value are unobservable, consequently, the Directors have classified the fair value measurement as level 3. See the Group disclosures above.

Carrying amount under historical cost

The carrying amount of property, plant and equipment measured under revaluation (*which is all property, plant and equipment excluding bearer plants*) would have been as stated below if property, plant and equipment had been carried under the cost model.

2024						
Company	Land and development KShs '000	Building & improvements KShs '000	Plant & machinery KShs '000	Rolling stock & implements KShs '000	Furniture, fittings & equipment KShs '000	Total KShs '000
Cost	39,582	228,572	144,004	168,489	98,549	679,196
Accumulated depreciation	-	(94,571)	(83,756)	(123,142)	(49,544)	(351,013)
Net book value	<u>39,582</u>	<u>134,001</u>	<u>60,248</u>	<u>45,347</u>	<u>49,005</u>	<u>328,183</u>
2023						
Company	Land and development KShs '000	Building & improvements KShs '000	Plant & machinery KShs '000	Rolling stock & implements KShs '000	Furniture, fittings & equipment KShs '000	Total KShs '000
Cost	39,582	228,511	145,766	155,173	88,864	657,896
Accumulated depreciation	-	(72,867)	(71,358)	(110,251)	(41,364)	(295,840)
Net book value	<u>39,582</u>	<u>155,644</u>	<u>74,408</u>	<u>44,922</u>	<u>47,500</u>	<u>362,056</u>

(c) Capital work in progress

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Balance brought forward	200,955	203,594	62,398	50,693
Additions	148,325	141,950	21,843	14,287
Impairment	-	(21,277)	-	-
Transfer to property, plant and equipment – Note 18(a) and (b)	(161,637)	(123,312)	(4,473)	(2,582)
Balance carried forward	<u>187,643</u>	<u>200,955</u>	<u>79,768</u>	<u>62,398</u>

Capital work-in-progress relates to buildings and leasehold improvements under construction and bearer plants(avocado, tea and coffee bushes) that have not gone through full biological transformation.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

19. INTANGIBLE ASSETS

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Cost				
At 1 October 2023/2022	110,410	110,168	54,381	54,381
Transfer from WIP-Note 18(c)	4,413	-	4,413	-
Additions	<u>-</u>	<u>242</u>	<u>-</u>	<u>-</u>
 At 30 September	 <u>114,823</u>	 <u>110,410</u>	 <u>58,794</u>	 <u>54,381</u>
Amortisation				
At 1 October 2023/2022	101,515	95,642	48,281	44,682
Charge for the year	<u>4,755</u>	<u>5,873</u>	<u>2,531</u>	<u>3,599</u>
 At 30 September	 <u>106,270</u>	 <u>101,515</u>	 <u>50,812</u>	 <u>48,281</u>
Carrying value				
At 30 September	<u>8,553</u>	<u>8,895</u>	<u>7,982</u>	<u>6,100</u>

Intangible assets relate to software costs.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

20. BIOLOGICAL ASSETS

(a) Group

	Current				Non-current			Total KShs'000
	Tea produce KShs'000	Avocado produce KShs'000	Coffee produce KShs'000	Sub-total KShs'000	Other trees KShs'000	Livestock KShs'000	Sub-total KShs'000	
2024								
Carrying value as at 1 October 2023	11,479	-	211,695	223,174	1,216,249	1,113	1,217,362	1,440,536
Gains/(losses) due to biological transformation at fair value	12,638	34,708	174,288	221,634	(187,605)	(43)	(187,648)	33,986
Decreases due to harvest at fair value	(11,479)	-	(211,695)	(223,174)	(63,576)	-	(63,576)	(286,750)
Carrying value as at 30 September 2024	12,638	34,708	174,288	221,634	965,068	1,070	966,138	1,187,772
Carrying value as at 1 October 2022	5,375	-	191,719	197,094	1,345,712	1,117	1,346,829	1,543,923
Gains/(losses) due to biological transformation at fair value	11,479	-	211,695	223,174	371	(4)	367	223,541
Decreases due to harvest at fair value	(5,375)	-	(191,719)	(197,094)	(129,834)	-	(129,834)	(326,928)
Carrying value as at 30 September 2023	11,479	-	211,695	223,174	1,216,249	1,113	1,217,362	1,440,536

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

(a) Group (continued)

The Group has 1,463 (2023 – 1,463) hectares of mature tea bushes and Nil (2023 – Nil) hectares of immature tea bushes. The Group harvested 22,114,619 (2023 – 21,611,982) Kgs of green tea leaves.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

20. BIOLOGICAL ASSETS (Continued)

(b) Company (continued)

	Current		Non-current		
	Coffee produce KShs '000	Sub total KShs '000	Forestry KShs '000	Livestock KShs '000	Sub total KShs '000
2023:					Total KShs '000
Carrying value as at 1 October 2022	167,411	167,411	225,084	517	225,601
Gains/(losses) due to biological transformation at fair value	191,306	191,306	38,932	(78)	38,854
Decreases due to harvest at fair value	(167,411)	(167,411)	(8,952)	-	(8,952)
Carrying value as at 30 September 2023	191,306	191,306	255,064	439	255,503
					446,809

Where meaningful market-determined prices do not exist to assess the fair value of biological assets, the fair value is determined based on the net present value of the expected future cash flows from those assets, discounted at appropriate pre-tax rates.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

20. BIOLOGICAL ASSETS (Continued)

(c) Fair value determination: Group and Company

In determining the fair value of biological assets where the discounting of expected cash flows has been used, the Directors have made certain assumptions and techniques below:

Type	Valuation technique	Key assumptions and significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Tea produce (Level III)	Market approach: The valuation model considers the fair value of the un-harvested green leaf as at 30 September 2024. Green leaf volumes were determined by assuming a 7 - day plucking cycle for harvested leaf using budgeted production as at 30 September 2024 data. This was then valued using the 2024 similar competitors' out-grower average price.	- Estimated green leaf price per kilogram of KShs 27 (2023: KShs 28.25); - Expected yields of the tea bearer plants will reasonably compare to the budgeted amounts of 468,091 Kilograms per harvest cycle; - Climatic conditions will remain the same.	The estimated fair value would increase (decrease) if: - The out-grower green leaf prices per kilogram were higher/(lower); - The estimated unharvested volumes were higher/(lower) - The estimated harvest cycle was longer/(shorter)
Coffee produce (Level III)	Market Approach: The valuation model considers the fair value of the un-harvested coffee berries as at 30 September 2024. Coffee berry volumes were determined based on the budgeted production for the next six months from the year end representing the harvest cycle for coffee. This was then valued using the projected auction price per kilogram, adjusted for costs to sell.	- The market price for coffee in US\$ per kilogram will be US\$ 5.15 (2023: US\$ 4.01); - Expected yields of the coffee bearer plants will reasonably compare to the budgeted amounts; - The exchange rate will be KShs 132.36 to the US\$; - Climatic conditions will remain the same.	The estimated fair value would increase (decrease) if: - The realisation price per kilogram were higher/(lower); - The estimated unharvested volumes were higher/(lower) - The estimated exchange rates (USD/KShs) were higher (lower).

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

20. BIOLOGICAL ASSETS (Continued)

(b) Fair value determination: Group and Company (continued)

Type	Valuation technique	Key assumptions and significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Livestock (Level II) This comprises cattle and sheep	Market Approach: The fair values are based on the market price of livestock of similar age, weight and market values.	Not applicable	Not applicable
Forestry (Level III)	Market approach: Discounted cash flows:- The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for periods between 10 and 20 years. The expected net cash flows are discounted using a risk adjusted cashflows to reflect the expected inflation on price and attrition.	- Useful life and date of harvest of the trees - Estimated future trees realisation price per tree of KShs 3,000 to KShs 7,000 (2023 – KShs 3,000 to KShs 7,000); and - Discount rate of 19.73 %. (2023 - 18%). - Risk adjusted cashflows to reflect the weighted average cost of capital. attrition due to climatic changes.	The estimated fair value would increase (decrease) if: - The estimated tree prices were higher (lower); and - The discount rates were lower (higher).
Avocado (Level III)	Market Approach:- The valuation model considers the fair value of the un-harvested avocado fruits as at 30 September 2024. Avocado fruits volumes were determined based on the budgeted production for the next six months from the year end representing the harvest cycle for fruits. This was then valued using the projected auction price per kilogram, adjusted for costs to sell.	- The market price for avocado in US\$ per carton will be US\$ 4.66 (2023: US\$ Nil); - Expected yields of the fruits will reasonably compare to the budgeted amounts; - The exchange rate will be KShs 132.36 to the US\$; - Climatic conditions will remain the same.	The estimated fair value would increase (decrease) if: - The realisation price per kilogram were higher/(lower); - The estimated unharvested volumes were higher/(lower)

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

20. BIOLOGICAL ASSETS (Continued)

(b) Fair value determination: Group and Company (continued)

Agricultural risk

Agricultural activity is often exposed to climatic, disease and other natural risks. During the year no event occurred that gave rise to a material item of income or expense (2022 – Nil). The Group has mitigated the risk of droughts by having dams that are used for irrigation during the dry season. In addition, new forestry plants, are planted with significant spacing to allow for the plantation to hold on water for longer periods.

The business has an agronomist risk management tool to mitigate the crop production risk including the following;

- (i) Smart climate change agriculture; planting of shade trees, mulching and irrigation rounds to combat adverse weather conditions. Sasini Plc has a Rain Forest Alliance due to its forest cover area.
- (ii) Relational agency model; ensuring there are onsite agricultural extension services for tea, coffee and trees. This guarantees the best market pricing of the coffee beans, green leaf and the CBM for the trees through treaty sales and auction sales to mitigate the market and price risk.
- (iii) Insurance policy to cater for workers welfare (WIBA), fidelity guarantees insurance policy, burglary and fire on the coffee stocks, tea stocks and firewood
- (iv) Governance; management through an independent board who have wealth of experience in coffee, tea and forestry sub-sectors. Compliance to regulatory bodies (NEMA, KRA, CMA, AFFA-Coffee Directorate etc.)
- (v) Integrated coffee varieties farming; Sasini Plc has also adopted improved coffee varieties, Ruiru II which are resistant to coffee berry diseases and early maturing crop varieties

21. LEASES

The Group has a prepaid lease on land and the Company has a lease for its office premises. The lease on the office premise typically runs for a period of 6 years, without an option to renew the lease after that date.

The Group and Company as a lessee

(a) Right-of-use assets

Right-of-use assets relate to leased head office

	Group		Company	
	2024	2023	2024	2023
	KShs '000	KShs '000	KShs '000	KShs '000
At October 2023/2022	71,314	71,314	59,029	59,029
Recognition on initial application	-	-	-	-
Opening depreciation charge	(12,121)	(2,181)	(9,838)	-
Depreciation charge for the year	(9,862)	(9,940)	(9,839)	(9,838)
At 30 September	<u>49,331</u>	<u>59,193</u>	<u>39,352</u>	<u>49,191</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

21. LEASES (Continued)

The Group and Company as a lessee (continued)

(a) Right-of-use assets – continued

As at 30 September 2024, the future minimum lease payments under non-cancellable operating leases for Group and Company were payable as follows:

Maturity analysis – Contractual undiscounted cash flows	2024	2023
	KShs '000	KShs '000
Tenancy		
Less than one year	13,607	12,658
Between one and five years	<u>45,752</u>	<u>59,359</u>
Total undiscounted lease liability at 30 September	<u>59,359</u>	<u>72,017</u>

(b) Lease liability

	2024	2023
	KShs '000	KShs '000
At October 2024/2023	54,000	59,029
Initial recognition	-	-
Interest expense	6,021	6,746
Payment in the year	<u>(12,658)</u>	<u>(11,775)</u>
At 30 September	<u>47,363</u>	<u>54,000</u>
Amounts due for settlement within one year	8,526	6,637
Amounts due for settlement after one year	<u>38,837</u>	<u>47,363</u>
At 30 September	<u>47,363</u>	<u>54,000</u>

The weighted average incremental borrowing rate applied to lease liabilities recognized in the statement of financial position at the date of initial recognition is 12.41% (new lease), 12.43% (previous lease).

(c) Amount recognised in profit or loss

	2024	2023
	KShs '000	KShs '000
Finance cost on lease liability	<u>6,021</u>	<u>6,746</u>

(d) Amount recognised in the statement of cash flows

Total cash outflow for leases	<u>12,658</u>	<u>11,775</u>
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The Group's leasehold land was revalued on 30 September 2024 by Knight Frank Valuers Limited, a firm of independent valuers, on the market value existing basis. The fair value of the land is estimated at KShs 4.9 billion (2023 – KShs 4.2 billion). The revaluation has not been adopted in the financial statements.

The Group and Company as a lessor

The Group and Company leases out various properties. The leases are classified as operating leases from a lessor perspective.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

21. LEASES (Continued)

(d) Amount recognised in the statement of cash flows (continued)

The Group and Company as a lessor – continued

(i) Operating lease

The Group and Company have leased out various properties to related entities. The Group and Company have classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets

Rental income recognised by the Group and Company during the year to 30 September 2024 was KShs 1,619,000 and KShs 19,516,000 respectively (2023 – KShs 1,977,000 and 9,394,000).

22. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	KShs'000	KShs'000
As at 1 October 2023 and 2022	637,727	637,727
Increase in shares	<u>500</u>	<u>-</u>
As at 30 September	<u>638,227</u>	<u>637,727</u>

The details of subsidiary companies which are all incorporated in Kenya are as follows:

Name of subsidiary	2024		2023	
	Percentage	Cost	Percentage	Cost
	of equity		of equity	
	held	KShs'000	held	KShs'000
	%		%	
Kipkebe Limited	100	13,177	100	13,177
Keritor Limited				
(100% held by Kipkebe Limited)	100	-	100	-
Mweiga Estate Limited	85	101,450	85	101,450
Aristocrats Coffee & Tea Exporters Limited	100	1,000	100	1,000
Sasini Avocado Limited	100	10,000	100	10,000
Sasini Avocado EPZ Limited	100	48,100	100	48,100
Sasini Fruits and Nuts EPZ Kenya Limited	100	234,000	100	234,000
Sasini (K) Limited	100	500	-	-
Sasini EPZ Park Limited	100	<u>230,000</u>	100	<u>230,000</u>
		<u>638,227</u>		<u>637,727</u>

Consolidated financial statements have been prepared incorporating the financial statements of the Company and its subsidiaries as at 30 September 2024 and 2023.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

23. INVENTORIES

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Made tea	310,405	313,867	-	-
Tea and tree nurseries	5,568	6,602	-	-
Coffee	201,552	432,938	132,584	406,888
Consumables	319,451	334,869	56,900	62,695
Macadamia nuts	<u>8,992</u>	<u>128,406</u>	<u>-</u>	<u>-</u>
	<u>845,968</u>	<u>1,216,682</u>	<u>189,484</u>	<u>469,583</u>

The amount of inventories recognised as an expense is KShs 1,101,235,247 (2023 – KShs 1,160,567,151 Group and KShs 225,365,114 (2023 – KShs 192,382,275 Company) which was recognised in cost of sales. There were no inventory write-offs or write backs during the year (2023 - Nil).

24. TRADE AND OTHER RECEIVABLES

	Group		Company		
	2024	2023	2024	2023	
	KShs'000	KShs'000	KShs'00	KShs'000	
Trade receivables	768,586	808,460	34,060	172,394	
Allowances for impairment	(53,469)	(43,172)	(25,800)	(36,780)	
Net trade receivables	<u>715,117</u>	<u>765,288</u>	<u>8,260</u>	<u>135,614</u>	
Prepaid expenses	116,991	130,288	74,618	33,713	
Other receivables	99,795	74,398	64,192	29,241	
Value Added Tax (VAT)	<u>196,122</u>	<u>95,924</u>	<u>7,600</u>	<u>46,665</u>	
	<u>1,128,025</u>	<u>1,065,898</u>	<u>154,670</u>	<u>245,233</u>	
Allowances for impairment:					
At 1 October 2024/2023	43,172	56,461	36,780	43,750	
Impairment (reversal)/loss for the year	<u>10,297</u>	(13,289)	(10,980)	(6,970)	
At 30 September	<u>53,469</u>	<u>43,172</u>	<u>25,800</u>	<u>36,780</u>	
Age analysis of trade receivables:	Loss rate				
Current -not past due	2%	19,131	289,932	406	102,123
Past due 1 – 30 days	2.3%	173,350	232,236	7,854	17,276
Past due 31 – 60 days	8.1%	166,873	228,420	-	764
Past due 61-90 days	8.2%	355,763	14,700	-	15,451
More than 90 days past due	12%	<u>53,469</u>	<u>43,172</u>	<u>25,800</u>	<u>36,780</u>
		<u>768,586</u>	<u>808,460</u>	<u>34,060</u>	<u>172,394</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

25. SUBSIDIARY BALANCES

(a) Amount due from related companies

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
<i>Subsidiaries:</i>				
Aristocrats Tea & Coffee Exporters Limited	-	-	5,013	43,628
Mweiga Estates Limited	-	-	53,238	8,561
Kipkebe Limited	-	-	-	9,649
Sasini Fruits and Nuts EPZ Kenya L	-	-	-	-
Sasini EPZ Park Limited	-	-	2,398	1,169
Sasini Avocado Limited	-	-	-	-
Sasini Avocado EPZ Limited	-	-	158,413	32,699
Sasini (K) Limited	-	-	122,660	-
Provision for related party	-	-	(745)	(4,593)
	<u>-</u>	<u>-</u>	<u>340,977</u>	<u>91,113</u>

(b) Amount due from related companies

		2024		2023
	Loss rate	KShs'000	Loss rate	KShs'000
<i>Aged analysis:</i>				
Current – not over due	0.22%	341,722	4.80%	95,706
1 – 60 days		-		-
60 – 120 days		-		-
		341,722		95,706
Allowance for impairment		(745)		(4,593)
Net intercompany receivables		<u>340,977</u>		<u>91,113</u>

(c) Amounts due to related companies:

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Sasini Avocado Limited	-	-	-	970
Sasini Fruits and Nuts EPZ Kenya Ltd	-	-	2,338	20,907
Mweiga Estates Limited	-	-	-	-
Kipkebe Limited	-	-	20,180	-
	<u>-</u>	<u>-</u>	<u>22,518</u>	<u>21,877</u>

The amounts outstanding are unsecured and will be settled in cash. Interest is charged to Sasini Fruits and Nuts EPZ Kenya Limited at 9%. The other balances are interest free. Kipkebe Limited balance relates to mop up of excess cash for group treasury management.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

26. SHORT TERM DEPOSITS AND CASH AND BANK BALANCES

(a) Short term deposits	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Current investments				
Short term deposits	<u>—</u>	<u>2,317</u>	<u>—</u>	<u>—</u>

Short-term deposits relate to deposits with banks with original maturities between four (4) to 12 months from the date of acquisition with interest rates ranging from 7% to 10% per annum.

(b) Cash and bank balances	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Cash on hand	2,028	1,923	1,166	708
Bank balances	375,314	248,740	96,546	52,227
Demand deposits	<u>552,120</u>	<u>620,456</u>	<u>41,972</u>	<u>46,727</u>
	<u>929,462</u>	<u>871,119</u>	<u>139,684</u>	<u>99,662</u>

Demand deposits relate to deposits with banks with original maturities within (3) months from the date of acquisition.

27. OTHER INVESTMENTS

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Non-current investments				
Government infrastructure bonds	<u>158,786</u>	<u>247,806</u>	<u>—</u>	<u>—</u>

The Group designated the investments shown below as debt instrument at FVOCI because these securities represent investment that the Group intends to hold them to collect and sell. The investments mature within 15 to 21 year at interest rates of between 12.3% to 12.7% per annum.

The movement for the investment was as follows:

	Group	
	2024	2023
	KShs'000	KShs'000
As at 1 October 2023 and 2022	247,806	277,691
Purchase of Government bonds	-	-
Redemption of Government bonds	(107,996)	(29,408)
Gain on redemption of other investments	21,473	-
Revaluation gain	-	17,440
Fair value loss through OCI	(2,497)	(17,917)
As at 30 September	<u>158,786</u>	<u>247,806</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

28. SHARE CAPITAL

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Authorised:				
At 1 October 2024/2023 and 30 September: 300,000,000 ordinary shares of KShs 1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Issued and fully paid:				
At 1 October 2024/2023 and 30 September: 228,055,500 ordinary shares of KShs 1 each	<u>228,055</u>	<u>228,055</u>	<u>228,055</u>	<u>228,055</u>

All shares rank equally with regard to the company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the company.

29. RESERVES

Reserves is made up of retained earnings and the non- controlling interests. The reserves is made up of non-distributable and distributable reserves as indicated below:

(a) Non-distributable reserves

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Revaluation reserve	16,854,253	8,979,442	12,582,531	6,450,406
Defined benefit reserve	113,964	131,755	15,412	13,229
Bonds fair value reserve	(9,773)	(28,749)	-	-
Biological assets fair value reserve	<u>831,440</u>	<u>1,008,375</u>	<u>312,766</u>	<u>242,292</u>
	<u>18,671,663</u>	<u>10,090,823</u>	<u>13,804,836</u>	<u>6,705,927</u>

(b) Distributable reserves

Retained earnings	2,710,272	3,107,132	954,060	1,094,589
Proposed dividends	<u>-</u>	<u>114,028</u>	<u>-</u>	<u>114,028</u>
	<u>2,710,272</u>	<u>3,221,160</u>	<u>954,060</u>	<u>1,208,617</u>

Total reserves	<u>20,500,156</u>	<u>13,311,983</u>	<u>13,864,769</u>	<u>7,914,544</u>
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These reserves were formulated and approved by the shareholders of the Group and Company.

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
(c) Non-controlling interest	<u>519,770</u>	<u>269,536</u>	<u>-</u>	<u>-</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

29. RESERVES (Continued)

(c) Non-controlling interest (continued)

The following table summarises the information relating to Mweiga Estates Limited which has a material Non- controlling interest before inter – group eliminations;

30 September 2024	
In KShs'000 NCI percentage	Mweiga Estate Limited 15%
Non-current assets	4,048,767
Current assets	109,621
Non-current liabilities	(622,321)
Current liabilities	(70,594)
Net assets underlying NCI	3,465,136
Underlying NCI	519,770
Revenue	59,562
Profit	(70,313)
OCI	1,738,538
Total comprehensive income	1,668,225
Profit allocated to NCI	(10,547)
OCI allocated to NCI	260,781
Cash flows from operating activities	(100,294)
Cash flows from investing activities	-
Cash flows from financing activities	-
Net increase in cash and cash equivalents	(100,294)

Proposed dividends

Proposed dividends are dividends recommended by the Directors but not yet paid by end of the reporting period. The proposed dividends are utilised through payment of the dividends.

Bond fair value reserve

The bonds fair value relates to increases/decreases in the fair value of other investments. The fair value movements are recognized in other comprehensive income.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

29. RESERVES (Continued)

(c) Non-controlling interest (continued)

30 September 2023	
In KShs'000 NCI percentage	Mweiga Estate Limited 15%
Non-current assets	2,016,671
Current assets	101,443
Non-current liabilities	(299,935)
Current liabilities	(21,269)
Net assets underlying NCI	1,796,910
Underlying NCI	269,536
Revenue	20,975
Profit	(47,149)
OCI	(156,045)
Total comprehensive income	(203,536)
Profit allocated to NCI	(7,072)
OCI allocated to NCI	(234,407)
Cash flows from operating activities	(107,175)
Cash flows from investing activities	-
Cash flows from financing activities	-
Net increase in cash and cash equivalents	(107,175)

Revaluation reserve

The revaluation reserve relates to changes in the fair value of property, plant and equipment recognised in equity net of related deferred tax.

Defined benefit reserve

Defined benefit reserve relates to remeasurement of post-employment benefits at the reporting date net of related deferred tax. The remeasurements comprise actuarial gains and losses on valuation of the gratuity scheme.

Biological assets fair value reserve

The biological assets fair value reserve relates to increases/decreases in the fair value of biological assets net of related deferred tax. The fair value movements are recognized in profit and loss but for purposes of monitoring distributions to shareholders, these reserves are transferred from retained earnings to a separate equity reserve account because the amounts are unrealized hence not available for distribution.

Fair value reserve

The fair value comprises the cumulative net change in fair value of other investments at FVOCI.

Capital reserve

These capital reserve relates to historical equity redemption reserves that are non-distributable. The reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares out of distributable profits.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

30. DEFERRED TAX (ASSET)/LIABILITY

Recognised deferred tax (assets)/liabilities:

Deferred tax liabilities and assets during the year arose from the following:

Group	Balance at 1 October KShs '000	Prior year under/(over) through P&L KShs '000	through P&L KShs '000	through OCI KShs '000	Balance at 30 September KShs '000
2024					
Property, plant and equipment	1,534,264	(776)	(38,145)	1,552,595	3,047,938
Other temporary differences	(61,043)	-	(49,863)	(7,614)	(118,520)
Biological assets	432,245	-	(80,440)	-	351,805
Tax losses	-	-	(56,147)	-	(56,147)
	1,905,466	(776)	(224,595)	1,544,981	3,225,076
2023					
Property, plant and equipment	816,908	(2,875)	(9,463)	-	1,534,264
Other temporary differences	(113,849)	-	52,207	599	(61,043)
Biological assets	463,153	-	(30,908)	-	432,245
	1,166,212	(2,875)	729,694	599	1,905,466

The comparatives have been restated. See Note 38.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

30. DEFERRED TAX (ASSET)/LIABILITY (Continued)

Company						
2024	Balance at 1 October KShs '000	Movement through P&L KShs '000	Movement through OCI KShs '000	Balance at September KShs '000		
Property, plant and equipment	958,742	(14,943)	1,123,151	2,066,950		
Other temporary differences	(25,720)	1,004	935	(23,781)		
Biological assets	134,128	(29,913)	-	104,215		
Tax losses	-	(56,147)	-	(56,147)		
	1,067,150	(99,999)	1,124,086	2,091,237		

2023	Balance at 1 October KShs '000	Prior year over provision through KShs '000	Effects of changes in tax rate through OCI KShs '000	Movement through P&L KShs '000	Movement through OCI KShs '000	Balance at September KShs '000
Property, plant and equipment	368,313	(308)	596,065	(5,328)	-	958,742
Other temporary	(29,022)	-		2,283	1,019	(25,720)
Biological assets	117,929	-		16,199	-	134,128
	457,220	(308)	596,065	13,154	1,019	1,067,150

Presented in the statement of financial position as below:

	Group	Company		
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Entities with net deferred tax liability	<u>3,225,076</u>	<u>1,905,466</u>	<u>2,091,237</u>	<u>1,067,150</u>
	<u>3,225,076</u>	<u>1,905,466</u>	<u>2,091,237</u>	<u>1,067,150</u>

Unrecognised deferred tax asset arising from tax losses:

Deferred tax assets of KShs 126,859,344 (2023 – KShs 99,502,615) have not been recognised in respect of tax losses relating to subsidiaries Mweiga Estates Limited – KShs 386,969,834 (2023 – KShs 298,647,730), and Sasini Avocado Limited – KShs 35,894,647 (2023 – KShs 33,027,654) because it is not probable that future taxable profit will be available against which the subsidiaries can use the benefits.

31. POST EMPLOYMENT BENEFITS

	Group	Company		
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Balance brought forward	131,896	141,023	22,228	23,008
Paid during the year	(25,857)	(29,579)	(3,088)	(1,745)
Charge for the year	30,524	22,448	5,329	4,361
Remeasurements	<u>25,381</u>	<u>(1,996)</u>	<u>(3,118)</u>	<u>(3,396)</u>
Balance carried forward	<u>161,944</u>	<u>131,896</u>	<u>21,351</u>	<u>22,228</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

31. POST EMPLOYMENT BENEFITS (Continued)

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Non-current portion	144,395	117,025	19,505	21,364
Current portion	<u>17,549</u>	<u>14,871</u>	<u>1,846</u>	<u>864</u>
	<u>161,944</u>	<u>131,896</u>	<u>21,351</u>	<u>22,228</u>
Charged to profit or loss				
Current service costs	9,242	5,526	1,788	1,286
Interest costs	<u>21,282</u>	<u>16,922</u>	<u>3,541</u>	<u>3,075</u>
	<u>30,524</u>	<u>22,448</u>	<u>5,329</u>	<u>4,361</u>
Credited to other comprehensive income (OCI)				
Actuarial loss/(gain) on obligation	25,381	(1,996)	(3,118)	(3,396)
Related tax	<u>(7,614)</u>	<u>599</u>	<u>935</u>	<u>1,019</u>
Net amount charged/(credited) to OCI	<u>17,767</u>	<u>(1,397)</u>	<u>(2,183)</u>	<u>(2,377)</u>

The post-employment benefit relates to provision for staff gratuity. The Company has entered into collective bargaining agreements with trade unions representing its employees that provide for gratuity payments. The gratuity arrangements are unfunded.

An actuarial valuation was carried out by The Actuarial Services Company Limited, registered actuaries, as at 30 September 2024 and 2023.

The principal assumptions used were as follows:

	2024	2023
Discount rate	17.25%	17.50%
Future salary increases	9.00%	9.00%

Sensitivity analysis

The results of the actuarial valuation are more sensitive to changes in financial assumptions than to changes in demographic assumptions. A 1% change in the discount rate or salary at the reporting date holding other factors constant would have changed the liability to amounts shown below.

	Group		Company	
	Increase	Decrease	Increase	Decrease
A 1% increase in discount rate:				
Liability at 30 September 2024				
KShs '000)	<u>154,326</u>	<u>169,665</u>	<u>20,133</u>	<u>22,102</u>
Liability at 30 September 2023				
KShs '000)	<u>126,383</u>	<u>137,878</u>	<u>21,066</u>	<u>23,523</u>
A 1% increase in salaries:				
Liability at 30 September 2024				
(KShs '000)	<u>170,104</u>	<u>154,364</u>	<u>22,248</u>	<u>20,525</u>
Liability at 30 September 2023				
(KShs '000)	<u>137,664</u>	<u>126,489</u>	<u>23,103</u>	<u>21,425</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

31. POST EMPLOYMENT BENEFITS (Continued)

Maturity profile

Time to maturity of membership	Group 2024 KShs '000	Group 2023 KShs '000	Company 2024 KShs '000	Company 2023 KShs '000
< 1 year	18,242	14,871	1,846	864
1 – 5 years	56,690	44,771	4,938	4,467
> 5 Years	<u>87,012</u>	<u>72,254</u>	<u>14,567</u>	<u>16,897</u>
Totals	<u>161,944</u>	<u>131,896</u>	<u>21,351</u>	<u>22,228</u>

Assumptions for staff gratuity

An actuarial valuation was carried out on the unionisable staff gratuity scheme as at 30 September 2024. The Group and Company operates an unfunded Gratuity arrangement. As the arrangement is unfunded; gratuity benefits are paid out of the Company's general revenues. Upon retirement or resignation, the arrangement provides a benefit of 22 days basic pay per year worked to members with over 10 years of service. The arrangement also pays a death in service or ill health retirement benefit of 22 days total pay per year worked to members with over 5 years of service for members. The arrangement also provides death benefits equal to 22 days basic pay per year worked.

The principle features of the actuarial valuation are as follows:

Actuarial method	-	Projected Unit Credit Method
Rate of interest	-	11.50% per annum
Rate of salary escalation	-	8% per annum
Retirement age	-	55 years
Pre-retirement mortality	-	A1949/52 Ultimate
Withdrawal	-	Based on average actual experience of the Group
Ill-health retirement	-	At rates consistent with similar arrangements
Expenses	-	No explicit allowances

32. TRADE AND OTHER PAYABLES

	Group 2024 KShs'000	Group 2023 KShs'000	Company 2024 KShs'000	Company 2023 KShs'000
Trade payables	96,131	42,641	78,187	8,479
Other payables*	<u>325,885</u>	<u>326,349</u>	<u>87,886</u>	<u>91,446</u>
	<u>422,016</u>	<u>368,990</u>	<u>166,073</u>	<u>99,925</u>

* Other payables relate to staff related accruals, professional fees, out growers provisions, ERP annual maintenance accrual, certifications and insurance provisions.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

33. CASH FLOWS GENERATED FROM OPERATIONS

Reconciliation of profit before tax to cash generated from operations:

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
(Loss)/profit before tax	(674,378)	872,998	(160,136)	91,336
Adjustments for:				
Depreciation and amortisation	282,709	283,535	78,769	88,872
Interest income	(65,679)	(105,869)	(2,138)	(17,389)
PPE adjustments	(3,072)	-	(85)	-
Interest on lease liability (Note 21(b))	6,021	6,746	6,021	6,746
Interest cost	42,618	17,030	-	17,030
Effects of exchange differences on cash	-	-	-	-
Gratuity provision (Note 31)	30,524	22,448	5,329	4,361
Gain on disposal of property and equipment (Note 10)	(2,898)	(10,378)	(2,466)	(363)
Impairment of capital WIP	-	21,277	-	-
Impairment of plant and equipment	3,178	-	-	-
Loss on revaluation	157,379	-	40,406	-
Biological asset transformation (Note 20)	(33,986)	(223,541)	(90,779)	(230,160)
Biological assets harvest (Note 20)	<u>286,750</u>	<u>326,928</u>	<u>191,456</u>	<u>176,363</u>
Operating profit before working capital changes	29,166	1,211,174	66,377	136,796
Working capital changes:				
Inventories	370,714	(477,631)	280,099	(137,994)
Trade and other receivables	(62,127)	(253,472)	90,563	(43,215)
Related party balances	-	-	(249,223)	104,348
Trade and other payables	<u>53,026</u>	<u>(141,030)</u>	<u>66,148</u>	<u>(122,852)</u>
Cash flows generated from/(used in) operating activities	<u>390,779</u>	<u>339,041</u>	<u>253,964</u>	<u>(62,917)</u>

34. RELATED PARTY TRANSACTIONS

The following transactions were entered into with the related parties enlisted herein:

(a) Purchase of goods and services

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Ryce East Africa Limited	34,312	26,722	599	16,095
Yana Oil	<u>884</u>	<u>1,321</u>	<u>192</u>	<u>925</u>
	<u>35,196</u>	<u>28,043</u>	<u>791</u>	<u>17,020</u>

The above purchases relate to entities under common directorship. The Group and Company purchased vehicles and machineries from Ryce East Africa Limited and machinery oil from Yana oil.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

34. RELATED PARTY TRANSACTIONS (Continued)

(b) Management fees charged to subsidiaries

	Company	
	2024	2023
	KShs'000	KShs'000
Kipkebe Limited	85,086	103,125
Sasini (K) Limited	96,771	-
Mweiga Estates Limited	2,467	876
Sasini EPZ Park Limited	2,738	2,744
Sasini Fruits and Nuts EPZ Limited	13,689	13,722
Sasini Avocado EPZ Limited	<u>13,689</u>	<u>13,722</u>
	214,440	134,189

Management fee is 3% of the turnover for Kipkebe Limited, Sasini (K) Limited and Mweiga Estates Limited while the EPZ entities is based on the transfer pricing policy

(c) Key management compensation (excluding directors' emoluments)

The amounts below are based on the contracts with management.

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Short term employee benefits	118,422	137,409	57,606	64,433
Post-employment benefits	<u>11,693</u>	<u>11,171</u>	<u>5,911</u>	<u>5,148</u>
	<u>130,115</u>	<u>148,580</u>	<u>63,517</u>	<u>69,581</u>

(d) Directors' emoluments

Fees and sitting allowances	10,721	11,485	10,721	11,485
Other remuneration	<u>50,355</u>	<u>45,886</u>	<u>50,355</u>	<u>45,886</u>
	<u>61,076</u>	<u>57,371</u>	<u>61,076</u>	<u>57,371</u>

Other details in relation to related party balances are disclosed in Note 25.

35. CAPITAL COMMITMENTS

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Authorised and contracted for	<u>175,856</u>	<u>1,184</u>	<u>-</u>	<u>-</u>

36. CONTINGENT LIABILITIES

Guarantees with the bankers relate to performance guarantees that were issued by Banks to the Group and Company to guarantee satisfactory completion of the performance obligations in favour of third parties. These amounted to KShs 95,720,000 as at 30 September 2024. (2023 – KShs 241,224,000).

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

37. BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	KShs '000	KShs '000	KShs '000	KShs '000
Balance as at 1 October 2024/2023	28,882	-	28,882	-
Amount borrowed during year	1,668,389	816,566	-	816,566
Repayment of loan in the year	(1,654,664)	(787,684)	(28,882)	(787,683)
Interest expense	(42,608)	-	-	-
Balance at 30 September	-	28,882	-	28,883

During the year, Sasini (K) Limited, a subsidiary of Sasini Plc obtained an unsecured banking facility from Standard Chartered Bank Kenya PLC of USD 12.74 million. The interest rate charged on the facility was 4.00% per annum above 6 months CME Term SOFR on maturity of the facility.

38. COMPARATIVES

The comparative figures in the consolidated and Company statement of financial position has been corrected to appropriately correct the impact of changes in tax rate on capital gains tax in the opening balance from 5% to 15%. The rate of 5% which came to an end on 1 January 2023 had been erroneously used in the determination of the deferred tax number as at 30 September 2023. The effect of the restatements on the financial statements is detailed below:

(a) Restatement of statement of financial position as at 30 September 2023

	2023		2023
Group:	As previously presented	Adjustment	As restated
	KShs'000	KShs'000	KShs'000
Deferred tax liability	1,175,772	729,694	1,905,466
Other non-current liabilities	164,388	-	164,388
Total non-current liabilities	1,340,160	729,694	2,069,854
Current liabilities	419,380	-	419,380
Capital and reserves			
Reserves	14,018,095	706,112	13,311,983
Non-controlling interests	293,118	23,582	269,536
Share capital	228,055	-	228,055
Total reserves and liabilities	16,298,808	-	16,298,808

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

38. COMPARATIVES (Continued)

(a) Restatement of statement of financial position as at 30 September 2023 (continued)

Company:	2023		2023
	As previously presented	Adjustment	As restated
	KShs'000	KShs'000	KShs'000
Deferred tax liability	471,085	596,065	1,067,150
Other non-current liabilities	<u>68,727</u>	<u>-</u>	<u>68,727</u>
Total non-current liabilities	<u>539,812</u>	<u>596,065</u>	<u>1,135,877</u>
Current liabilities	158,185	-	158,185
Capital and reserves			
Reserves	8,510,609	596,065	7,914,544
Share capital	<u>228,055</u>	<u>-</u>	<u>228,055</u>
Total reserves and liabilities	<u>9,436,661</u>	<u>-</u>	<u>9,436,661</u>

(b) Restatement of statement of other comprehensive income for the year ended 30 September 2023

Group:	As previously presented	Adjustment	As restated
	KShs'000	KShs'000	KShs'000
Profit for the year	542,556	-	542,556
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Net change in FV of debt investments at FVOCI	17,917	-	17,917
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of post-employment benefits, net of tax	1,397	-	1,397
Impact of changes in tax rate on revaluation	<u>-</u>	<u>729,694</u>	<u>729,694</u>
	<u>16,520</u>	<u>729,694</u>	<u>746,214</u>
Total comprehensive income	<u>526,036</u>	<u>729,694</u>	<u>203,658</u>
Total comprehensive income attributable to:			
Owners of the company	532,936	1,255,740	722,804
Non-controlling interest	<u>(6,900)</u>	<u>16,510</u>	<u>23,410</u>
	<u>526,036</u>	<u>1,272,250</u>	<u>746,214</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

38. COMPARATIVES

(b) Restatement of statement of other comprehensive income for the year ended 30 September 2023

Company:	As previously presented KShs'000	Adjustment KShs'000	As restated KShs'000
Profit for the year	54,128	-	54,128
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of post-employment benefits, net of tax	2,377	-	2,377
Impact of changes in tax rate on revaluation	<u>-</u>	<u>596,065</u>	<u>596,065</u>
	<u>2,377</u>	<u>596,065</u>	<u>593,688</u>
Total comprehensive income	<u>56,505</u>	<u>(596,065)</u>	<u>539,560</u>

38. EVENTS AFTER REPORTING DATE

No material events or circumstances have arisen between the accounting date and the date of this report.

SASINI PLC**FIVE YEAR COMPARATIVE STATEMENTS****PRODUCTION AND SALES
STATISTICS**

	2024	2023	2022	2021	2020
TEA					
Area – Hectares	1,463	1,463	1,463	1,463	1,463
Production – Tonnes	11,835	13,913	13,263	12,906	12,446
Sales – Tonnes	12,057	12,803	14,047	12,875	12,803
Sales proceeds - KShs/Kg	222	264	220	179	175
COFFEE					
Area – Hectares	708	708	708	708	775
Production – Tonnes	565	565	843	714	513
Sales – Tonnes	622	361	824	747	691
Sales proceeds - KShs'000/tonne	653	581	728	664	468
COFFEE MILLING AND					
Parchment received – Tonnes	798	5,277	6,646	5,471	5,379
Clean coffee milled – Tonnes	625	3,845	4,885	4,004	3,838
Parchment received – Tonnes	-	3,825	4,958	4,241	3,919
COFFEE TRADING					
Coffee Purchased – Tonnes	3,934	1,713	2,819	2,511	1,550
Coffee trading sales – Tonnes	4,229	1,696	2,562	2,445	1,684
Coffee trading sales – Containers	220	88	121	118	88
Coffee trading sales proceeds	3,301,596	1,330,482	2,081,312	1,641,050	952,805
MACADAMIA					
Sales – Containers	15	6	27	16	8
Sales proceeds - KShs/Kg	1,091	1,349	1,720	1,429	1,771
AVOCADO					
Sales – Containers	71	89	106	64	67
Sales – proceeds - KShs/Carton	887	794	636	671	514

SASINI PLC

FIVE YEAR COMPARATIVE STATEMENTS (CONTINUED)

Results	2024 KShs '000	2023 KShs '000	2022 KShs '000	2021 KShs '000	2020 KShs '000
Turnover	<u>6,893,826</u>	<u>5,718,437</u>	<u>7,345,305</u>	<u>5,389,963</u>	<u>4,145,408</u>
Gains/(losses) of biological assets arising from changes in fair value less costs to sell	(<u>33,986</u>)	<u>223,541</u>	<u>543,413</u>	<u>541,148</u>	(<u>47,375</u>)
Profit/(loss) before taxation and non-controlling interest	(<u>674,378</u>)	<u>872,998</u>	<u>1,552,953</u>	<u>768,096</u>	<u>41,492</u>
Taxation (charge)/credit	<u>111,509</u>	(<u>330,442</u>)	(<u>384,941</u>)	(<u>194,896</u>)	(<u>28,887</u>)
Profit/(loss) after taxation before non- controlling interests	(<u>562,869</u>)	<u>542,556</u>	<u>1,168,012</u>	<u>573,200</u>	<u>12,605</u>
Made up as shown below:					
Profit/(loss) arising from operating activities	(<u>374,909</u>)	<u>622,615</u>	<u>1,094,357</u>	<u>438,066</u>	<u>74,258</u>
(Loss)/profit arising from changes in fair value of biological assets less costs to sell after tax	(<u>177,413</u>)	(<u>72,987</u>)	<u>72,026</u>	<u>129,778</u>	(<u>57,989</u>)
Non-controlling interest	(<u>10,547</u>)	(<u>7,072</u>)	<u>1,629</u>	<u>5,356</u>	(<u>3,664</u>)
	(<u>562,869</u>)	<u>542,556</u>	<u>1,168,012</u>	<u>573,200</u>	<u>12,605</u>
Dividends	<u>-</u>	(<u>342,084</u>)	(<u>228,056</u>)	(<u>228,056</u>)	<u>-</u>

SASINI PLC

FIVE YEAR COMPARATIVE STATEMENTS

Capital employed	2024	2023	2022	2021	2020
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Property, plant and equipment	20,655,128	11,151,429	11,132,410	11,268,638	11,386,598
Intangible assets	8,553	8,895	14,526	21,845	18,944
Biological assets	966,138	1,217,362	1,346,829	1,136,449	1,012,880
Right of use assets	49,331	59,193	69,133	25,709	41,314
Capital work-in-progress	187,643	200,955	203,594	152,704	127,243
Other investments	158,786	247,806	277,691	-	-
Deferred tax asset	-	-	-	3	7,582
Net current assets	<u>2,630,711</u>	<u>2,993,788</u>	<u>2,542,596</u>	<u>2,139,698</u>	<u>1,637,480</u>
	<u>24,656,290</u>	<u>15,879,428</u>	<u>15,586,779</u>	<u>14,745,046</u>	<u>14,232,041</u>
Financed by					
Share capital	228,055	228,055	228,055	228,055	228,055
Reserves	20,386,128	13,197,955	13,713,215	12,794,617	12,520,872
Non-controlling interests	519,770	269,536	300,018	307,291	304,138
Proposed dividend	<u>114,028</u>	<u>114,028</u>	<u>-</u>	<u>114,028</u>	<u>-</u>
Equity	<u>21,247,981</u>	<u>13,809,574</u>	<u>14,241,288</u>	<u>13,443,991</u>	<u>13,053,065</u>
Non-current liabilities	<u>3,408,309</u>	<u>2,069,854</u>	<u>1,345,491</u>	<u>1,301,055</u>	<u>1,178,976</u>
	<u>24,656,290</u>	<u>15,879,428</u>	<u>15,586,779</u>	<u>14,745,046</u>	<u>14,232,041</u>
Ratios					
Earnings per share on operating activities (KShs)	(1.64)	2.73	4.80	1.91	0.33
Earnings/(loss) per share on biological assets (KShs)	(0.78)	(0.32)	0.32	0.58	(0.25)
Dividend per share (KShs)	-	1.50	1.00	1.00	-
Dividend cover (times covered)	-	1.82	4.80	3.82	-
Capital employed per share	108.12	69.63	68.35	64.66	62.48



Sasini

PROXY FORM FOR SASINI PLC ANNUAL GENERAL MEETING

THE COMPANY SECRETARY
SASINI PLC
P. O. BOX 9287 – 00100
NAIROBI

I/WE.....
of.....

Being a shareholder of SASINI PLC hereby appoint the Chairman of the Meeting or (see notes 3 and 5) (Name of proxy) in respect of my (Number of shares). Please indicate here if you are appointing more than one proxy (see note 5) as my/our proxy to attend, represent and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held electronically on Thursday, 6th March 2025 at 11.00am and at any adjournment thereof.

Signed this day of, 2025

Signature(s)

.....
.....

NOTE: Unless otherwise directed, a Proxy holder will vote as he thinks fit and in respect of the member's total holding.

I/WE direct my/our proxy to vote on the following resolutions as I/WE have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or withhold his or her vote at his or her discretion and I/WE authorize my/our proxy to vote (or withhold his or her vote) as he or she thinks fit in relation to any other matter which is properly put before the Meeting.

ELECTRONIC COMMUNICATIONS PREFERENCE FORM

Please complete in BLOCK CAPITALS

Full name of member(s):

.....
.....

Address:

.....
.....



CDSC No (if known)

(This can be found on your CDSC Statement)

Mobile Number

Date:

Signature:

Please tick **ONE** of the boxes below and return to Image Registrars at
P.O. Box 9287-00100 Nairobi, 5th floor, Absa Towers (formerly Barclays
Plaza), Loita Street:

Approval of Registration

I/WE approve to register to participate in the virtual Annual General
Meeting to be held on Thursday, 6th March 2025

☐

Consent for use of the Mobile Number provided

I/WE would give my/our consent for the use of the mobile number
provided for purposes of voting at the AGM

☐

Notes:

1. If a shareholder is unable to attend the AGM personally, this proxy form should be completed and returned to the Company Secretary via email to sasinishares@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received not later than Tuesday, 4th March 2025 at 11.00am. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than Tuesday, 4th March 2025. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Wednesday, 5th March 2025 to allow time to address any issues.
2. In case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorized attorney of such corporate body.
3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint as a proxy any other person, delete the words "the Chairman of the Meeting or" and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.

**Notes:**

4. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person. Kindly note that only one party in this case will vote i.e either the appointed proxy or the shareholder.
5. A proxy form is available on the Company's website via this link: www.sasini.co.ke/ Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street.
6. A "vote Abstain" option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.



FOMU YA UWAKILISHI

Sasini

KATIBU WA KAMPUNI
SASINI PLC
S.L.P 9287 – 00100
NAIROBI

Mimi/Sisi wa
 nikiwa/tukiwa mwanachama/wanachama wa
 Sasini PLC hapa tunamchagua Mwenyekiti wa Mkutano au (angalia tanbihi 3 na
 5)..... (jina la mwakilishi) kuhusiana na hisa zangu
 (idadi ya hisa). Tafadhali onyesha hapa ikiwa unachagua zaidi ya mwakilishi mmoja
 (angalia tanbihi 5) kama mwakilishi/wawakilishi wangu, kuhudhuria,
 kuwakilisha na kunipigia kura mimi/ kutupigia kura sisi kwa niaba yangu/yetu kwenye Mkutano Mkuu
 wa Mwaka wa Kampuni utakaofanyika kielektroniki Alhamisi, tarehe 6 Machi 2025 saa tano asubuhi na
 kwenye uahirishwaji wake wowote.

Imewekwa sahihi siku ya, 2025

Sahihi:

TANBIHI: Isipokuwa itakavyoelekezwa, mwakilishi atapiga kura anavyoona sawa na kulingana na jumla ya hisa za mwanachama.

MIMI/SISI namuelekeza/twamuelekeza mwakilishi wangu/wetu kupiga kura kwenye maazimio yafuatayo kama MIMI/ SISI nilivyoonyesha/ tulivyoonyesha kwa kuweka alama ya 'x' kwenye kisanduku kifaacho. Ikiwa hakuna kilichoonyeshwa, mwakilishi wangu/wetu atapiga au hatapiga kura yake kulingana na anavyoona na MIMI/SISI namuidhinisha/twamuidhinisha mwakilishi wangu/wetu kupiga kura (au kutopiga kura) kama anavyoona sawa kuhusiana na jambo lingine lolote linaloletwa kisawa kwenye Mkutano.

Maelezo:

1. Mwanachama mwenye haki ya kuhudhuria na kupiga kura anastahili kumchagua mwakilishi mmoja au zaidi kuhudhuria na kupiga kura kwa niaba yake na mwakilishi si lazima awe mwanachama wa Kampuni.
2. Katika hali ambapo mwanachama ni kampuni, fomu hii lazima ijazwe chini ya muhuri wa kawaida au kwa idhini ya afisa au mwanasheria aliyeidhinishwa kwa maandishi.
3. Fomu ya Uwakilishi lazima ifikishwe kwa Image Registrars Limited kabla ya saa tano asubuhi, Jumanne tarehe 5 Machi 2024.
4. Fomu za Uwakilishi zilizojazwa zipelekwe kwa njia ya posta kwa Image Registrars Limited
5. S.L.P 9287 – 00100 Nairobi au zipelekwe kwa mkono katika afisi zao Absa Towers (zamani Barclays Plaza), ghorofa ya 5, Barabara ya Loita. Au pia fomu za uwakilishi zilizojazwa kisawa zinaweza kupigwa picha na kutumwa kwa sasinishares@image.co.ke kwa umbo la PDF.



Sasini

**FOMU YA UPEENDELEO WA MAWASILIANO
YA KIELEKTRONIKI**

Tafadhali jaza kwa HERUFI KUBWA

Jina kamili la mwanachama/wanachama.....

.....

.....

Anwani.....

.....

.....

Nambari ya Akaunti ya CDSC (ikiwa inajulikana) (Hii inaweza kupatikana kwenye Taarifa ya CDSC)

Nambari ya simu ya mkono.....

Tarehe:

Sahihi:

Tafadhali weka alama kwenye kisanduku kimojawapo hapa chini na urejeshe kwa Image Registrars limited S.L.P. 9287 – 00100 Nairobi, ghorofa ya 5 Absa Towers (awali Barclays Plaza), barabara ya Loita:

Kibali cha Usajili

MIMI/SISI nakubali/twakubali kujisajili kushiriki katika Mkutano Mkuu wa Mwaka kwa mtandao utakaofanyika Alhamisi, tarehe 6 Machi, 2025

Idhini ya utumizi wa nambari ya simu ya mkono iliyotolewa

MIMI/SISI ninatoa/tunatoa idhini ya utumizi wa nambari ya simu ya mkono iliyotolewa kwa nia ya upigaji kura katika Mkutano Mkuu wa Mwaka



Maelezo:

1. Fomu iliojazwa ya uakilishi itumwe kwa barua pepe sasinishares@image.co.ke au ipelekwe kwa Image Registrars Limited, ghorofa ya 5 Absa Towers (awali Barclays Plaza), barabara ya Loita, S.L.P. 9287-00100 GPO, Nairobi, ili ipokelewe kabla na isipite Jumanne tarehe 5 Machi 2024 saa tano asubuhi. Mtu yeyote anayechaguliwa kama mwakilishi awasilishe nambari yake ya simu ya mkono kwa Kampuni kabla ya Jumanne tarehe 5 Machi 2024. Usajili wowote wa uwakilishi utakaokataliwa utajulishwa kwa mwanahisa anayehusika kabla na sio baada ya Jumanne tarehe 5 Machi 2024 kuruhusu muda kushughulikia maswala yoyote.
2. Katika hali ambapo mwanachama ni shirika, Fomu ya Uakilishi lazima ijazwe chini ya muhuri wa kawaida au kwa idhini ya afisa au mwanasheria wa shirika hilo aliyeidhinishwa kwa maandishi.
3. Kama mwanahisa una haki ya kumteua mwakilishi mmoja au zaidi kutekeleza haki zako zote au zozote za mwanahisa kuhudhuria na kuzungumza na kupiga kura kwa niaba yako katika mkutano. Uteuzi wa Mwenyekiti wa mkutano kama mwakilishi imejumuishwa kurahisisha. Kuteua mtu mwengine yeyote kama mwakilishi, futa maneno "Mwenyekiti wa Mkutano au" na uweke jina kamili la mwakilishi wako katika nafasi iliotolewa. Mwakilishi si lazima awe mwanahisa wa Kampuni.
4. Kujaza na kutuma fomu ya uakilishi hakutokuzuia kuhudhuria mkutano na mwenyewe kupiga kura kwenye mkutano; katika hali hiyo kura zozote zilizopigwa na mwakilishi wako zitaachwa.
5. Fomu ya uwakilishi inapatikana katika mtandao wa Kampuni kupitia kiungo hiki: www.sasini.co.ke.
Nakala asili za fomu ya uakilishi zinapatikana pia katika anwani inayofuata: Afisi za Image Registrars Limited, ghorofa ya 5 Absa Towers (awali Barclays Plaza), Barabara ya Loita.

Hiari ya "kuacha kupiga kura" imejumuishwa kwenye fomu ya uakilishi. Athari ya kisheria ya kuchagua hiari hii kwenye azimio lolote ni kuwa utachukuliwa kama hukupiga kura kwa azimio husika. Idadi ya kura kuhusiana na kura zipi zinazuiliwa, hata hivyo zitahesabiwa na kurekodiwa, lakini kupuuzwa katika kujumlisha idadi ya kura za kukubali au kupinga kila azimio.