



2024

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30TH SEPTEMBER 2024



**REA VIPINGO
PLANTATIONS**

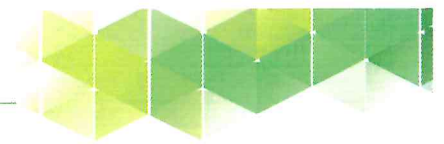


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Company information

The directors of the company are as follows:

Oliver Fowler

Neil Cuthbert

Richard Robinow

Stephen Waruhiu

Brown Ondego

Company Secretary

Grace Kambuni
Certified Public Secretary (Kenya)
Advocate of the High Court of Kenya
P.O. Box 17648 - 00500, Nairobi

Registered office

1st Floor, Block D
Wilson Business Park
P.O. Box 17648 – 00500, Nairobi

Registrars and transfer office

Custody and Registrars Services Limited
IKM Place, Tower B, 1st Floor
5th Ngong Avenue
P.O. Box 8484 – 00100, Nairobi

Independent auditors

Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Deloitte Place, Waiyaki Way, Muthangari
P.O. Box 40092 – 00100, Nairobi

Advocates

Kaplan & Stratton
Williamson House
4th Ngong Avenue
P.O. Box 40111 – 00100, Nairobi

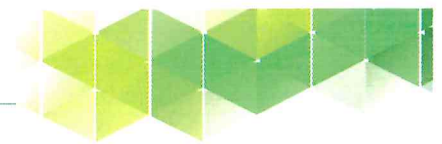
Principal Bankers

NCBA Bank Kenya Plc
Upper Hill
P.O. Box 30437 – 00100, Nairobi

I & M Bank Limited
Eldama Park
P.O. Box 30238 – 00100, Nairobi

Kenya Commercial Bank Limited
P.O. Box 30238 – 00100, Nairobi

National Bank of Commerce Limited
P.O. Box 1863, Dar es Salaam
Tanzania



Notice of the Annual General Meeting

Notice is hereby given that the Thirtieth Annual General Meeting of the Shareholders of REA Vipingo Plantations Limited will be held via electronic means on Friday, 28th March 2025 at 10.00 a.m. for the following purposes:

Ordinary Business

1. Constitution of the Meeting and confirmation of a Quorum.
2. To receive and consider, and if thought fit, adopt the company's annual report and financial statements for the year ended 30 September 2024 together with the Auditor's Report thereon.
3. To confirm the payment of an interim dividend amounting to Shs 2.70 per share (54%) and to confirm the recommendation of the directors that no final dividend be paid in respect of the year ended 30th September 2024.
4. To elect directors in accordance with the company's Articles of Association.

Director retiring by rotation

Mr. Richard Robinow retires by rotation and, being eligible, offers himself for re-election in accordance with Article 82 (c) of the Articles of Association.

5. To approve the directors' remuneration for the year ending 30 September 2025.
6. To note that Deloitte & Touche LLP will continue in office as auditors of the group in accordance with the provisions of section 721 (2) of the Kenyan Companies Act, 2015 and to authorize the directors to fix the auditor's remuneration for the ensuing financial year in accordance with section 724 (1) of the Kenyan Companies Act, 2015.

Special Resolution

7. To approve the amendment of the Memorandum & Articles of Association of the Company in line with the provisions of the Companies Act, 2015 and the enabling regulations.

BY ORDER OF THE BOARD

Grace Kambuni
Company Secretary,
P.O. Box 17648 - 00500,
Nairobi.
4 February 2025

Notes

1. The Annual General Meeting will be held by electronic means in accordance with the provisions of the Companies Act, 2015 as amended by the Business Laws (Amendment) (No.2) Act, 2021.
2. Shareholders wishing to participate in the meeting should register for the AGM online at <https://candrgroup.africa/> or via a link to the AGM Platform that will be sent to them via SMS and/or email. In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their Share Account Number at hand. For assistance shareholders should dial the following helpline number: +254 20 8690360 from 8:00 a.m. to 4:00 p.m. from Monday to Friday or email digital@candrgroup.co.ke during the registration open period.
3. Registration for the AGM opens on 20th March 2025 at 08:00 a.m. and closes on 27th March 2025 at 12:00 Noon. Shareholders will not be able to register after 27th March 2025 at 12:00 Noon.
4. In accordance with Section 283(2)(c) of the Companies Act, 2015, the following documents may be viewed on the Company's website at <https://reavipingo.com>
 - (i) a copy of this Notice and the proxy form;
 - (ii) the Company's Annual Report and Audited Financial Statements for the year 2024.
5. Shareholders can access the Virtual AGM via a link to the AGM Platform or using their log in credentials via <https://candrgroup.africa/> to view the livestream and vote and ask questions.
6. Shareholders wishing to raise any questions for the AGM may do prior to the AGM (during the registration open period) or during the AGM by:

Prior to the AGM

- (i) Accessing Virtual AGM via a link to the AGM Platform or via <https://candrgroup.africa/>; Select *Attend Event*; Select "REA VIPINGO AGM" in the profile account; Select *Q&A* option tab on the live stream display section and submit questions in text box provided; or

During the AGM

- (ii) Follow the process as above; or
- (iii) Sending their written questions by email to digital@candrgroup.co.ke; or
- (iv) Physically delivering their written questions with a return physical address or email address to the registered office of the Company at 1st Floor Block D, Wilson Business Park, Wilson Airport, Nairobi; or

- (v) Sending their written questions with a return physical address or email address by registered post to the Company's address at P. O. Box 17648-00500 Nairobi.

• Shareholders sending questions by email or delivering to the Company must provide their full details (full names, Shares Account Number) when submitting their questions and clarifications. Also attach a copy of your ID/Passport.

• All written questions and clarification must reach the Company on or before 27th March 2025 at 12:00 Noon.

• Following receipt of the questions and clarifications, the directors of the Company shall provide written responses to the questions received to the return physical address or email address provided by the Shareholder no later than 24 hours before the start of the general meeting.

• A full list of all questions received and the answers thereto will be published on the Company's website not later than 3 days after the end of the general meeting.

7. Shareholders wishing to vote may do so prior to the AGM (during the registration open period) or during the AGM by:

Prior to AGM

- (i) Shareholders accessing Virtual AGM via a link to the AGM Platform or via <https://candrgroup.africa/> platform; Select *Attend Event*; Select "REA VIPINGO AGM" in the profile account; Select *Voting Matters* option tab on the live stream display section and vote on each resolution using the drop down menu; or

During AGM

- (ii) Follow the process as above

8. In accordance with section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company but if not the Chairman of the AGM, the appointed proxy will need access to a wi-fi enabled device.

A proxy form is attached to this Notice and is available on the Company's website via this link: <https://reavipingo.com>. Physical copies of the proxy form are also available at the following address: Custody & Registrars, 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, Nairobi.

A proxy form must be signed by the appointor or his attorney duly authorized in writing. If the appointor is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate. A completed form of proxy should be emailed to proxy@candrgroup.co.ke or delivered to Custody & Registrars offices at 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, Nairobi, so as to be received not later than 26th March 2025 at 12:00 Noon. Any shareholder appointing a proxy must provide the phone number and e-mail address of the proxy on the proxy form. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Thursday 27th March 2025 at 12:00 Noon to allow time to address any issues prior to the AGM.

9. All proxies will be contacted and guided on how to access the AGM Platform. For further assistance, Proxies may call the following helpline number: (+254) 20 8690360 from 8:00 a.m. to 4:00 p.m. from Monday to Friday during the registration open period.
10. The AGM will be streamed live via the C&R Digital Services platform. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers or email two hours ahead of the AGM reminding them that the AGM will begin in two hours time.
11. Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform. Duly registered shareholders and proxies may vote (when prompted by the Chairman) for resolutions on the Voting Matters tab on the live stream display screen.
12. Results of the AGM shall be published 24 hours following the conclusion of the AGM.
13. The preferred method of paying dividends which are below Kshs 140,000.00 is through M-PESA. Shareholders who wish to receive their dividend through M-PESA and who have not registered for this mode of payment can opt to receive future dividends via M-PESA by dialing *483*038# or contacting the Share Registrar, Custody & Registrars Services Limited.
14. All present and former shareholders of the Company are hereby notified that pursuant to the provisions of the Unclaimed Financial Assets Act No 40 of 2011 Parts II and III, dividends and shares which have not been claimed for a period of three (3) years or more will require to be delivered to the Unclaimed Financial Assets Authority ("the Authority") as abandoned assets on the appointed date. Therefore, all shareholders with previous unpaid dividends are requested to urgently contact the Share Registrar, Custody & Registrars Services Limited at IKM Place, Tower B, 1st Floor 5th Ngong Avenue, Nairobi; Tel: Mobile 020 7608216 Email: info@candrgroup.co.ke to claim any unpaid dividends to avert the risk of the dividends being forwarded to the Authority.



Chairman's statement

All estates experienced a satisfactory rainfall distribution during the year and operationally the group has had a good year with sisal fibre production, which had increased by 2.3% during the previous year, increasing by a further 5.5% to 18,131 tonnes.

We were, however, faced with a very difficult market environment during the first half of the year when sales volumes into certain key markets deteriorated quite materially. This led to us holding more stock than normal and severe pressure on pricing. Fortunately, demand increased during the second half of the year and, whilst we were not able to increase prices, we ended the year with virtually no stock and a healthier order book.

The Kenya group did benefit during the early part of the year from a very weak Kenya shilling but this did reverse dramatically during the year and the rate to the United States dollar, the currency we trade in, settled at year end at about Ksh 129, some 20% stronger than it had been prior to the reversal.

The improved sales during the latter part of the year, increased volumes of production, and weak Kenya shilling in the early part of the year, enabled us to turn a marginal trading situation into a healthy profit before tax for the year of Ksh 352 million. This is Ksh 410 million less than the excellent results achieved during the previous year but, given the dire market situation experienced in the early part of the year, can be considered to be a very good result. Turnover increased by 1.8% to Ksh 4.51 billion.

The Tanga spinning mill had a better year with improved sales into both the international and regional markets. This resulted in a small profit being generated but overall, the mill remains a challenging business.

The Dwa horticulture section had another good year with the seed business producing a worthwhile return and general horticulture continuing to produce a contribution.

Towards the end of the financial period, we were able to commission the biomass energy generating plant at Dwa estate and, just after the year end, finally sign a Power Purchase Agreement (PPA) with the Kenya Power

and Lighting Company. The plant, which is unique and the first of its kind in our industry, has faced a number of operational challenges and will not be connected to the national grid for some months but it is expected to be operating consistently during the course of the current year.

Vipingo estate continues, following the sale and lease back of land some years ago, to operate normally and in fact produced a larger volume of fibre during the year than anticipated. Inevitably, however, as the owners of the land, Centum Investment Company Limited, develop and sell land, the planted areas available to the group will diminish and fibre production will, as expected, reduce.

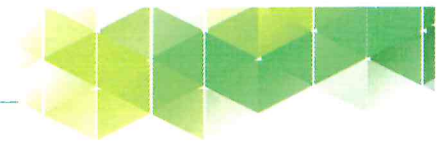
As already mentioned, sisal fibre prices have not recovered following the challenges experienced during the latter part of 2023 and early 2024, which reflects a continued level of market uncertainty. It remains to be seen if changes in the geopolitical balance following the recent election in the United States will have an impact upon our sales into certain markets.

Operating costs, particularly with respect to employment costs in Kenya, have increased over the past year, as have shipping and export costs, but assuming there are no further unexpected cost increases, we experience a reasonably normal weather pattern, and pricing and sales remain at least at current levels, we do expect the group to continue to trade positively.

Finally, on behalf of the board, I would like to express my appreciation to all the group's staff for their excellent efforts and continued support throughout the year.

Oliver Fowler
Chairman

4 February 2025



Report of the directors

The directors present their report together with the audited financial statements of the company and its subsidiaries for the year ended 30 September 2024, in accordance with Section 653 (i) of the Kenyan Companies Act, 2015, which disclose the state of affairs of the group and the company.

Incorporation and registered office

The company is incorporated in Kenya under the Kenyan Companies Act, 2015 as a limited liability public company and is domiciled in Kenya. The address of the registered office is shown on page 2.

Principal activities

The company is engaged in the cultivation of sisal and the production of sisal fibre and also acts as a holding company. The principal businesses of the subsidiary companies comprise the cultivation and production of sisal and horticultural produce, manufacture of sisal yarns and twines, sisal export and provision of sisal warehousing and export services.

Environmental, Social and Governance (ESG) Practices

Our commitment to Environmental, Social, and Governance (ESG) standards is embedded in our operational and management processes. These practices reflect our dedication to sustainability and responsible growth.

Governance and Oversight

We adhere to frameworks such as the Sisal Growers and Employers Association Code of Practice in Kenya and in Tanzania we are governed by the Sisal Industry Act, which is overseen by the Tanzania Sisal Board (TSB). Management is in the process of formalising oversight documentation for environmental and social policies to ensure that the group remains compliant.

Sustainability Compliance

Our management team actively enforces compliance with internal and external sustainability guidelines, encompassing areas such as health and safety, environmental preservation, employment standards and policies. Our workforce strategy prioritizes employing local staff and contractors, support of local businesses and self-help groups fostering community development and economic growth.

Environmental Stewardship

The group is compliant with the various environmental regulations in both Kenya and Tanzania in respect of environmental management and waste disposal. The group undergoes regular audits from the relevant authorities to ensure compliance. The group is committed to the protection of the environment and plants a number of trees every year in most locations. Solid sisal waste from our decorticating processes is composted and used as natural fertilizer in all estates and the wastewater from the sisal decortication process is recycled and used for irrigation of our horticulture crops.

The recent commissioning of our biomass energy generating plant at Dwa Estate, which utilises dead sisal plants to produce electricity, underscores our sustainability and environmental conservation commitment.

Corporate Social Investment

The group devotes considerable resources towards the social welfare of its employees and their dependants. Housing is provided to most employees on all group estates and all houses are regularly maintained and provided with easy access to potable water, shops, clinics and schools.

All estates within the group have medical facilities for employees and their immediate dependants and on the larger estates these facilities include ward beds and laboratories. All medical facilities are manned by suitably qualified professionals and are stocked with a wide range of drugs.

The group operates nursery schools for employees' children on its estates which are fully funded by the group. Infrastructural and other support is provided to government primary schools situated on group estates and the group has in place a scholarship scheme where selected talented children of employees are provided with assistance with secondary school fees.

In both Kenya and Tanzania, the group also assists community schools outside the estates but within the vicinity in which the group operates, usually by way of assistance with building materials and infrastructure. Some of the group companies also support bright and needy students in the local schools through bursaries.

The group acknowledges its responsibilities to the general community and participates in a variety of other social projects within the areas in which it operates and also donates to charities.



Report of the directors (continued)

Results

The results of the group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 12-13.

Business Review

Overall the group had a satisfactory year with profit before tax of shs 352 million. Total sisal fibre production was 5.5% higher than 2023 at 18,131 tonnes.

The sisal fibre market was very difficult during the first half of the year and prices came under severe pressure. Fortunately, demand increased during the second half of the year but pricing remained subdued.

Information relating to the individual operating units is given below. Areas are given as at 30 September 2024 and crops are stated for the whole year ended on that date and referred to as the 2024 crop year.

Dwa

The Dwa Estate is situated at Kibwezi, some 200 kilometres from Nairobi, just north of the Nairobi/Mombasa highway. The estate covers an area of 8,957 hectares made up as follows:

	Hectares
Mature sisal	3,840
Older sisal	369
Immature sisal	1,628
Nurseries	98
Other areas	2,842
Horticulture	180
	8,957

Overall rainfall at Dwa during the year was above average with a good distribution and sisal fibre production was similar to the previous year at 6,828 tonnes (2023: 6,635 tonnes).

The majority of the annual replant at Dwa is carried out prior to the November rains, which are historically the more reliable in the area and, during 2024, some 550 hectares of new sisal was planted.

The rains during November and December 2024 have been satisfactory and, provided that the estate receives some reasonable rainfall in April, it should meet its production targets during the current year.

Horticulture

The Dwa horticulture activities are based around two centres, a pivot and drip irrigation system on the main estate close to the sisal factory and around 300 acres of leased land on the Athi River, near to the estate.

In recent years the horticulture section has established a seed production business which had another good season and remains the key activity of the section. Baby corn production for sale to large export – based horticulture producers continues to make a contribution.

Biomass Energy Generation

The biomass energy generation plant was commissioned during the final months of the financial period and is now operating. A Power Purchase Agreement (PPA), which was under discussion during the year, was signed early in new financial period.

Vipingo

The Vipingo estate is situated on the Kenyan coast, some 30 kilometres north of Mombasa.

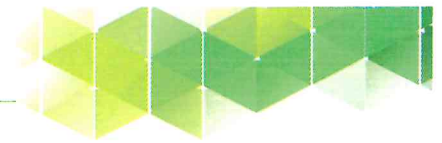
The original land holding was 4,279 hectares. In accordance with the agreement entered into with Centum Investment Company Limited in 2015, 349 hectares has subsequently been surrendered. The remaining 3,930 hectares of land, which is leased from Centum Investment Company Limited, is utilised as follows:

	Hectares
Mature sisal	1,974
Older sisal	793
Immature sisal	335
Nurseries	39
Other areas	789
	3,930

Overall rainfall at Vipingo was satisfactory during the year although a particularly wet November led to some disruptions to operations. Total fibre production for the year was unusually high at 4,172 tonnes (2023: 3,631 tonnes), a level that will not be achieved going forward.

A total of 44 hectares of new sisal was planted during the year.

Rainfall since the start of the new financial year has been below average for the period.



Report of the directors (continued)

Business Review (continued)

Amboni Plantations Limited

The Amboni estates comprise three separate properties, namely the Mwera, Sakura and Kigombe estates, situated south of Tanga on the Tanzanian coast.

The Mwera and Sakura estates are adjacent to each other just to the south of the Pangani river some 60 kms south of Tanga. The Mwera estate is the operational centre for the Tanzanian business and has extensive workshop and other support facilities.

The Kigombe estate is conveniently situated just to the north of the Pangani river and approximately mid way between Mwera estate and the port of Tanga from where the group's fibre is exported.

The Tanzanian estates cover an area of 15,330 hectares made up as follows:

	Hectares
Mature sisal	3,534
Older sisal	1,001
Immature sisal	1,744
Nurseries	154
Other areas	8,897
	15,330

Like Vipingo, the Tanzanian estates are located on the coastal strip and also benefitted from a reasonable distribution of rainfall. A total of 7,131 tonnes of fibre was produced (2023: 6,848 tonnes).

Replanting in Tanzania is largely carried out prior to the April rains and in 2024 a total area of 580 hectares were planted.

Rainfall since the start of the new financial period has been slightly below average and production has been slightly less than expectations.

Amboni Spinning Mill Limited

The Tanga spinning mill, situated on the outskirts of Tanga town, produces sisal yarns, twine and ropes which are sold both regionally and internationally.

Production increased to 1,390 tonnes from 1,037 tonnes in the previous year. Sales also improved from 1,230 tonnes in the previous year to 1,293 tonnes with higher volumes going into certain key international markets.

Sales into all markets are constantly under severe price pressure and, during the current year, this has been more of a problem than during the previous period resulting in a very thin order book.

Marketing

Exported sisal fibre and products from the group's estates and the Tanga spinning mill have, since the formation of the group, been sold to a related company, Wigglesworth & Company Limited, and this arrangement continued through the year to 30 September 2024. Wigglesworth & Company Limited, which is a leading international sisal merchant, continued to develop the existing traditional markets for the group products and to exploit further the developing niche markets for the quality fibre and yarns that the group is able to produce.

Dividends

During the year an interim dividend of Shs 2.70 per share amounting to Shs 162,000,000 was declared and paid (2023: Shs 120,000,000).

The directors do not recommend the payment of a final dividend in respect of the year ended 30th September 2024 (2023: Shs Nil).

Directors

The directors who held office during the year and to the date of this report were:

O M Fowler	Kenyan	(Chairman)
N R Cuthbert	Kenyan	(Managing)
R M Robinow	British	
S N Waruhiu	Kenyan	
B M M Ondego	Kenyan	



Report of the directors (continued)

Director's statement as to the information given to the auditors


The directors confirm that with respect to each director at the time of approval of this report.

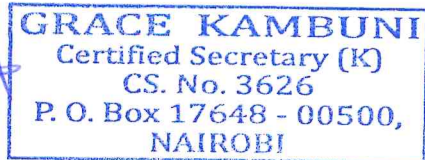
- a) There was, as far as each director is aware, no relevant audit information of which the group's and company's auditor are unaware; and
- b) Each director had taken all steps that ought to have been taken as a director so as to be aware of any relevant audit information and to establish that the group's and company's auditor are aware of that information.

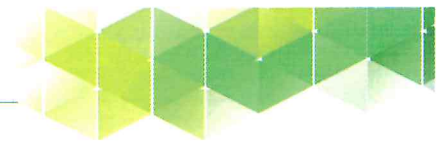
Auditors

Deloitte & Touche LLP, having confirmed their willingness, continue in office in accordance with section 721 (2) of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees.

By order of the Board


G. Kambuni
Secretary
4 February 2025





Statement of directors' responsibilities

The Kenyan Companies Act, 2015 requires the Directors to prepare financial statements for each financial year that 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 their profit or loss for that year. It also requires the Directors to ensure that the parent Company and its subsidiaries maintain proper accounting records that are sufficient to show and explain the transactions of the Company and its subsidiaries and disclose, with reasonable accuracy, the financial position of the Group and Company. The Directors are also responsible for safeguarding the assets of the Group, and for taking reasonable steps for the prevention and detection of fraud and error.

The Directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- (i) Designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (ii) Selecting suitable accounting policies and applying them consistently; and
- (iii) Making accounting estimates and judgements that are reasonable in the circumstances.

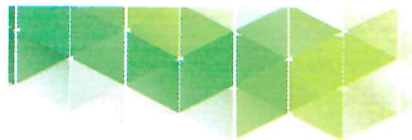
Having made an assessment of the Company and its subsidiaries ability to continue as going concerns, the Directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company and its subsidiaries ability to continue as going concerns.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 4 February 2025 and signed on its behalf by:

N.R. Cuthbert
Director

O.M. Fowler
Director



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REA VIPINGO PLANTATIONS LIMITED

Report on the Audit of the Consolidated and Company financial statements

Opinion

We have audited the accompanying financial statements of REA Vipingo Plantations Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 12 to 84, 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 and consolidated and company statements of cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the financial statements present fairly in all material respects, the financial position of the Group and of the Company at 30 September 2024 and of their financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of 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 Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Report of the directors and the Statement of directors'

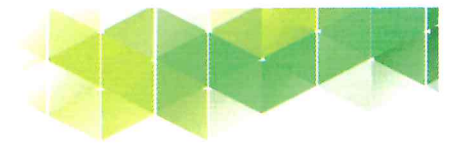
responsibilities which were obtained prior to the date of our report. The other information does not include the consolidated and company financial statements and our auditor's report thereon.

Our opinion on the consolidated and company financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated and company 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 company financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and company financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015 and for such internal controls as the Directors determine are necessary to enable the preparation of the consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company 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 Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's and its subsidiaries financial reporting process.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REA VIPINGO PLANTATIONS LIMITED (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 Company's internal controls.
- 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 Company and its subsidiaries ability to continue as going concerns. 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 financial statements or, if such

disclosures are inadequate, to modify our opinion. 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 Company and its subsidiaries to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 entity 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 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.

Report on other matters prescribed by the Kenyan Companies Act, 2015

In our opinion the information given in the report of the directors on pages 5 to 8 is consistent with the consolidated and company financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Fredrick Okwiri, practicing certificate No. 1699.**

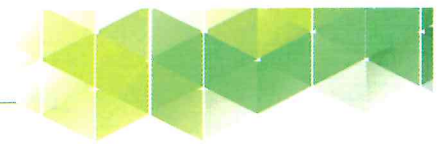
**For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi**

28 February 2025



Consolidated statement of profit or loss and other comprehensive income

	Notes	2024 Shs'000	2023 Shs'000
Revenue	5	4,505,444	4,425,415
Net loss arising from changes in fair value of biological assets	13 (a)	(59,322)	(28,526)
Cost of production		(2,514,829)	(2,251,456)
Gross profit		1,931,293	2,145,433
Finance income	8 (a)	21,082	144,912
Other operating income		49,863	44,741
Distribution costs		(150,317)	(146,688)
Administrative expenses		(1,408,385)	(1,391,426)
Other operating expenses		(50,181)	(22,680)
Finance costs	8 (b)	(40,960)	(12,147)
Profit before tax	6	352,395	762,145
Tax expense	9 (a)	(128,487)	(257,154)
Profit for the year		223,908	504,991



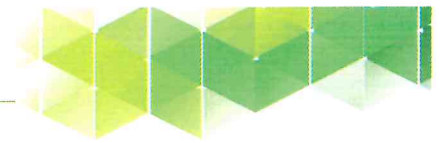
Consolidated statement of profit or loss and other comprehensive income (continued)

	Notes	2024 Shs'000	2023 Shs'000
Profit for the year		223,908	504,991
Other comprehensive (loss)/income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of net defined benefit asset	24 (b)	31,102	(27,466)
Deferred tax (expense)/credit attributable to remeasurement of defined benefit	9 (b)	(9,330)	8,240
Remeasurement of defined benefit asset net of tax		21,772	(19,226)
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign exchange adjustment on translation of foreign subsidiaries		(406,384)	247,382
Other comprehensive (loss)/income for the year		(384,612)	228,156
Total comprehensive (loss)/income for the year		(160,704)	733,147
Earnings per share from operations– basic and diluted	10	Shs3.73	Shs 8.42



Company statement of profit or loss and other comprehensive income

	Notes	2024 Shs'000	2023 Shs'000
Revenue	5	925,193	894,937
Net loss arising from changes in fair value of biological assets	13 (b)	(44,195)	(518)
Cost of production		(532,818)	(498,263)
Gross profit		348,180	396,156
Finance income	8 (a)	22,284	82,926
Other income		130,977	98,161
Distribution costs		(46,773)	(43,604)
Administrative expenses		(403,270)	(415,918)
Other operating expenses		(6,164)	(4,876)
Finance costs	8 (b)	(78,432)	(2,968)
(Loss)/profit before tax	6	(33,198)	109,877
Tax income/(expense)	9 (a)	4,446	(40,229)
(Loss)/profit for the year		(28,752)	69,648
Other comprehensive income/(loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of net defined benefit asset	24 (b)	20,221	(15,896)
Deferred tax (expense)/credit attributable to remeasurement of defined benefit asset	9 (b)	(6,066)	4,769
Other comprehensive income/(loss) for the year		14,155	(11,127)
Total comprehensive (loss)/income for the year		(14,597)	58,521





Consolidated statement of financial position

As at 30 September 2024

	Notes	2024 Shs'000	2023 Shs'000
ASSETS			
Non-current assets			
Property, plant and equipment	12 (a)	2,959,710	3,037,745
Investment properties	14	11,920	12,071
Right of use asset	15	18,142	23,975
Investment in unquoted shares	18	10,028	10,028
Deferred tax assets	23	11,698	19,621
Post employment benefit asset	24 (b)	107,728	62,385
		<u>3,119,226</u>	<u>3,165,825</u>
Current assets			
Biological assets	13 (a)	833,708	974,956
Inventories	19	741,299	1,000,260
Receivables and prepayments	20	1,060,270	957,739
Tax recoverable	9 (c)	109,930	52,875
Cash and cash equivalents	21	220,890	393,106
		<u>2,966,097</u>	<u>3,378,936</u>
Total assets		<u>6,085,323</u>	<u>6,544,761</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	22	300,000	300,000
Share premium	22	84,496	84,496
Translation (deficit)/reserve		(243,239)	163,145
Retained earnings		4,464,277	4,380,597
Shareholders' funds		<u>4,605,534</u>	<u>4,928,238</u>
Non-current liabilities			
Deferred tax liabilities	23	662,665	753,847
Post employment benefit obligations	24 (a)	379,268	378,619
Borrowings	25	29,286	9,973
Lease liability	27	12,361	23,103
		<u>1,083,580</u>	<u>1,165,542</u>
Current liabilities			
Payables and accrued expenses	26	366,014	234,804
Tax payable	9 (c)	6,297	103,505
Borrowings	25	15,413	102,246
Lease liability	27	8,485	10,426
		<u>396,209</u>	<u>450,981</u>
Total equity and liabilities		<u>6,085,323</u>	<u>6,544,761</u>

The financial statements on pages 12 to 84 were approved for issue by the board of directors on 4 February 2025 and were signed on its behalf by:


N.R. Cuthbert *Director*


O.M. Fowler *Director*



Company statement of financial position

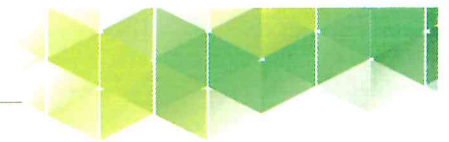
As at 30 September 2024

	Notes	2024 Shs'000	2023 Shs'000
ASSETS			
Non-current assets			
Property, plant and equipment	12 (b)	379,854	383,980
Investment properties	14	11,920	12,071
Right of use asset	15	12,290	13,500
Investments in subsidiaries	17	193,395	208,174
Investment in unquoted shares	18	10,028	10,028
Post employment benefit asset	24 (b)	63,905	35,237
Loan to subsidiary	31 (v)	193,035	-
		<u>864,427</u>	<u>662,990</u>
Current assets			
Biological assets	13 (b)	121,631	165,826
Inventories	19	144,428	160,054
Receivables and prepayments	20	216,850	406,446
Loan to subsidiary	31 (v)	41,135	-
Tax recoverable	9 (c)	39,390	30,154
Cash and cash equivalents	21	154,842	338,338
		<u>718,276</u>	<u>1,100,818</u>
Total assets		<u><u>1,582,703</u></u>	<u><u>1,763,808</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	22	300,000	300,000
Share premium	22	84,496	84,496
Retained earnings		900,032	1,076,631
		<u>1,284,528</u>	<u>1,461,127</u>
Shareholders' funds			
Non-current liabilities			
Post employment benefit obligations	24 (a)	144,870	132,028
Deferred tax liabilities	23	82,096	92,079
Borrowings	25	-	9,973
Lease liabilities	27	8,348	15,011
		<u>235,314</u>	<u>249,091</u>
Current liabilities			
Payables and accrued expenses	26	58,362	43,681
Borrowings	25	-	5,115
Lease liability	27	4,499	4,794
		<u>62,861</u>	<u>53,590</u>
Total equity and liabilities		<u><u>1,582,703</u></u>	<u><u>1,763,808</u></u>

The financial statements on pages 12 to 84 were approved for issue by the board of directors on 4 February 2025 and were signed on its behalf by:

16 N.R. Cuthbert Director

O.M. Fowler Director



Consolidated statement of changes in equity

	Share capital	Share premium	Translation reserve/(deficit)	Retained earnings			Total
				Employee benefit reserve	Other	Total	
Year ended 30 September 2023	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	300,000	84,496	(84,237)	(45,992)	4,060,824	4,014,832	4,315,091
Profit for the year	-	-	-	-	504,991	504,991	504,991
Other comprehensive income/(loss) for the year	-	-	247,382	(19,226)	-	(19,226)	228,156
Total comprehensive income/(loss) for the year	-	-	247,382	(19,226)	504,991	485,765	733,147
Interim dividends paid	-	-	-	-	(120,000)	(120,000)	(120,000)
At end of year	300,000	84,496	163,145	(65,218)	4,445,815	4,380,597	4,928,238
Year ended 30 September 2024							
At start of year	300,000	84,496	163,145	(65,218)	4,445,815	4,380,597	4,928,238
Profit for the year	-	-	-	-	223,908	223,908	223,908
Other comprehensive (loss)/income for the year	-	-	(406,384)	21,772	-	21,772	(384,612)
Total comprehensive (loss)/income for the year	-	-	(406,384)	21,772	223,908	245,680	(160,704)
Interim dividends paid	-	-	-	-	(162,000)	(162,000)	(162,000)
At end of year	300,000	84,496	(243,239)	(43,446)	4,507,723	4,464,277	4,605,534

The translation reserve/(deficit) represents the cumulative position of translation gains and losses arising from the conversion of the net assets of the foreign subsidiary companies, and also the long term loan to a subsidiary company, to the reporting currency.

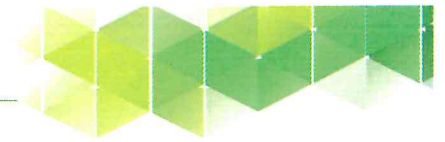
The employee benefit reserve which is part of the retained earnings, represents the cumulative position, after tax, of movements in the defined benefit retirement scheme asset which have been recognised in the statement of other comprehensive income.



Company statement of changes in equity

	Share capital	Share premium	Retained earnings			Total
			Employee benefit reserve	Other	Total	
Year ended 30 September 2023	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	300,000	84,496	(33,194)	1,171,304	1,138,110	1,522,606
Profit for the year	-	-	-	69,648	69,648	69,648
Other comprehensive loss for the year	-	-	(11,127)	-	(11,127)	(11,127)
Total comprehensive (loss)/ income for the year	-	-	(11,127)	69,648	58,521	58,521
Interim dividends paid	-	-	-	(120,000)	(120,000)	(120,000)
At end of year	300,000	84,496	(44,321)	1,120,952	1,076,631	1,461,127
Year ended 30 September 2024						
At start of year	300,000	84,496	(44,321)	1,120,952	1,076,631	1,461,127
Loss for the year	-	-	-	(28,752)	(28,752)	(28,752)
Other comprehensive income for the year	-	-	14,153	-	14,153	14,153
Total comprehensive income/(loss) for the year	-	-	14,153	(28,752)	(14,599)	(14,599)
Interim dividends paid	-	-	-	(162,000)	(162,000)	(162,000)
At end of year	300,000	84,496	(30,168)	930,200	900,032	1,284,528

The employee benefit reserve which is part of retained earnings, represents the cumulative position, after tax, of movements in the defined benefit retirement scheme asset which have been recognised in the statement of other comprehensive income.



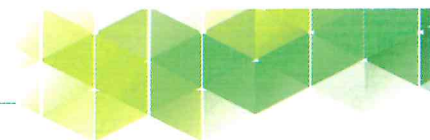
Consolidated statement of cash flows

	Notes	2024 Shs'000	2023 Shs'000
Cash flows from operating activities			
Net cash generated from operations	30 (a)(i)	926,492	1,190,418
Interest received		21,082	10,166
Interest paid on bank loans	30 (a)(ii)	(1,527)	(1,809)
Interest paid on bank overdrafts	8	(13,211)	(5,415)
Interest paid on lease liability	30 (a)(iii)	(2,324)	(3,397)
Tax paid	9 (c)	(300,535)	(205,842)
		<hr/>	<hr/>
Net cash generated from operating activities		629,977	984,121
Cash flows from investing activities			
Purchase of property, plant and equipment	12 (a)	(584,645)	(457,607)
Proceeds from disposal of property, plant and equipment		9,077	6,153
		<hr/>	<hr/>
Net cash used in investing activities		(575,568)	(451,454)
Cash flows from financing activities			
Proceeds from bank loans	30 (a)(ii)	52,395	-
Interim dividends paid		(162,000)	(120,000)
Payment of bank loans	30 (a)(ii)	(84,040)	(73,054)
Payment of lease liabilities	30 (a)(iii)	(10,325)	(7,813)
		<hr/>	<hr/>
Net cash used in financing activities		(203,970)	(200,867)
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(149,561)	331,800
Cash and cash equivalents at start of year		364,199	38,952
Foreign exchange adjustment		6,252	(6,553)
		<hr/>	<hr/>
Cash and cash equivalents at end of year	21	220,890	364,199



Company statement of cash flows

	Notes	2024 Shs'000	2023 Shs'000
Cash flows from operating activities			
Net cash generated from operations	30 (b)(i)	270,165	431,082
Interest received		20,674	9,282
Interest on lease liability	30 (b)(ii)	(1,108)	(1,542)
Tax paid	9 (c)	(20,839)	(91,002)
		<hr/>	<hr/>
Net cash generated from operating activities		268,892	347,820
Cash flows from investing activities			
Purchase of property, plant and equipment	12 (b)	(59,514)	(47,433)
Proceeds from disposals of property, plant and equipment		6,943	-
Loan advanced to subsidiary	31 (v)	(232,560)	-
		<hr/>	<hr/>
Net cash used in investing activities		(285,131)	(47,433)
Cash flows from financing activities			
Dividends paid		(162,000)	(120,000)
Payment of lease liabilities	30 (b)(ii)	(4,947)	(3,154)
Repayment of other borrowings	25	(15,088)	-
		<hr/>	<hr/>
Net cash used in financing activities		(182,035)	(123,154)
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(198,274)	117,233
Cash and cash equivalents at start of year		338,338	170,336
Foreign exchange adjustment		14,778	(9,231)
		<hr/>	<hr/>
Cash and cash equivalents at end of year	21	154,842	338,338
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Notes to the consolidated financial statements

1. General information

REA Vipingo Plantations Limited (the company) is incorporated in Kenya under the Kenyan Companies Act as a limited liability public company and is domiciled in Kenya. The address of the registered office is:

1st Floor, Block D
Wilson Business Park
P.O. Box 17648-00500
Nairobi
Kenya

The company is engaged in the cultivation of sisal and the production of sisal fibre and horticultural produce and also acts as a holding company. The principal activities of the subsidiary companies (the group) are described in note 17.

2. Accounting policies

Below are the material accounting policies applied by the company.

Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015. For Kenyan Companies Act reporting requirements, in these financial statements the balance sheet is equivalent to the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

Basis of preparation

The financial statements have been prepared under the historical cost convention except where otherwise stated in the accounting policies below. The principal accounting policies adopted in the preparation of these financial statements remain unchanged from the previous year and are set out below.

The financial statements are presented in the functional currency, Kenya Shillings, rounded to the nearest thousand (Shs'000).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires directors to exercise their judgement in the process of applying the accounting policies adopted by the group. Although such estimates and assumptions are based on the information available to the directors, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period and any revisions to such estimates are recognised in the year

in which the revision is made. The areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Adoption of new and revised International Financial Reporting Standards (IFRSs) and Interpretations

(i) *Relevant new standards and amendments to published standards effective for the year ended 30 September 2024*

The following new and revised IFRSs became effective during the current year but had no effect in these financial statements or in presentation.

IFRS 17 Insurance Contracts

This Standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendments to IAS 1 and IFRS Practice Statements 2 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy and provides examples of when an accounting policy is likely to be material.

Amendments to IAS 8 Definition of accounting estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new development is not the correction of an error.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a single transaction

The amendments requires recognition of deferred tax upon transactions, including the recognition of right of use assets and lease liabilities that, upon initial recognition, give rise to equal amounts of taxable and deductible temporary differences.



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Adoption of new and revised International Financial Reporting Standards (IFRSs) and Interpretations (continued)

(ii) *Relevant new and amended standards and interpretations in issue but not yet effective and which have not been early adopted by the Group and Company.*

<i>New and Amendments to standards</i>	<i>Effective for annual periods beginning on or after</i>
IFRS S1 General requirements for disclosures of sustainability – related financial information	1 January 2024
IFRS S2 Climate – related disclosures	1 January 2024
IFRS 18 – Presentation and Disclosures in financial statements	1 January 2027 with earlier adoption permitted.
IFRS 19 – Subsidiaries without public accountability Disclosures	1 January 2027 with earlier adoption permitted.
Amendments to IFRS 16 Leases on sale and leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7 Supplier finance	1 January 2024
Amendments to IAS 1 Classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 1 Non-current liabilities with covenants	1 January 2024
Amendments to IAS 21 Lack of exchangeability	1 January 2025 with earlier application permitted
Amendment to IFRS 9 and IFRS 7 Amendments to the classification and measurement of financial instruments	1 January 2026 with earlier application permitted

(iii) *Impact of relevant new and amended standards and interpretations on the financial statements in issue but not yet effective*

IFRS S1 General requirements for disclosure of sustainability – related financial information

This includes the core framework for the disclosure of material information about sustainability related risks and opportunities across an entity's value chain.

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

IFRS S2 Climate – related disclosures

This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

IFRS 18 – Presentation and Disclosures in Financial Statements

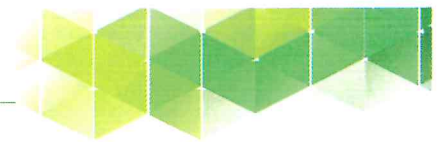
This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Adoption of new and revised International Financial Reporting Standards (IFRSs) and Interpretations (continued)

(iii) Impact of relevant new and amended standards and interpretations on the financial statements in issue but not yet effective (continued)

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (continued)

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

Amendments to IFRS 16 Leases on Sale and Leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

Amendments to IAS 7 and IFRS 7 Supplier Finance

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

Amendments to IAS 1 – Non-current liabilities with Covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

Amendments to IAS 1 Classification of liabilities as Current or Non-current

The amendments clarify that the classification of liabilities as either current or non-current depends upon the rights that exist at the end of the reporting period and is unaffected by events which occur, or are expected to occur, after the reporting date. The definition of "settlement" of a liability has also been clarified.

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

Amendments to IAS 21 – Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurements of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Adoption of new and revised International Financial Reporting Standards (IFRSs) and Interpretations (continued)

(iii) Impact of relevant new and amended standards and interpretations on the financial statements in issue but not yet effective (continued)

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurements of Financial Instruments (continued)

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the company.

Consolidation

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its policy over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Acquisitions of subsidiaries by the group are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued by the group at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are recognised at their fair values at the acquisition date. Goodwill arising on acquisition is recognised as an asset and is measured at cost, being the excess of the cost of acquisition over the net fair value of the group's interest in the identifiable assets, liabilities and contingent liabilities recognised. If the net fair value of the group's interest in the acquired identifiable assets, liabilities and contingent liabilities exceeds the cost of acquisition, the excess is recognised immediately in profit or loss.

Costs related to acquisitions are expensed as incurred.

All inter-company transactions, balances and unrealised surpluses and deficits on transactions between the group companies are eliminated on consolidation.

A list of subsidiary companies is shown in Note 17.

Functional currency and translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency"). The consolidated financial statements are presented in thousands of Kenya Shillings, which is also the functional currency of the parent company.

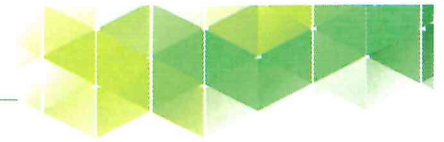
Transactions and balances

Transactions in foreign currencies during the year are translated into the functional currency at rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses on exchange are recognised in profit or loss.

Consolidation

The results and financial position of all subsidiary companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented (i.e. including comparatives) are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income or separate income statement presented (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Revenue recognition

Revenue represents the net invoiced value of goods and services rendered and is recognized upon transfer of goods to a customer. Revenue is stated net of Value Added Tax (VAT) and discounts where applicable.

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.

Revenue is recognised as follows:

i. Sisal fibre export sales

The group recognizes revenue when it satisfies a performance obligation by transferring promised goods to a customer (which is when the customer obtains control of the goods). The amount of revenue recognized is the amount allocated to the satisfied performance obligation which is when sisal fibre is dispatched on free on board (FOB) terms i.e. a point in time when sisal fibre is placed on the vessel.

ii. Local sales

For the sale of agricultural produce to the local market, revenue is recognised when control of the agricultural produce has transferred, being at the point the agricultural produce is delivered to the customer. Payment is due at the point the customer takes control of the agricultural produce.

iii. Clearing and Forwarding Services

The group recognises revenue when it satisfies a performance obligation by clearing promised goods at the port (clearing and forwarding). The amount of revenue recognised is the amount allocated to the satisfied performance obligation. A performance obligation is satisfied at a point in time, when the customer obtains control of the service.

iv. Interest income

Interest income is recognised on a time proportion basis using the effective interest method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

v. Produce grown on contract

Certain horticultural crops are grown on a contract basis. Revenue is recognised upon the harvesting of such crops.

Cost of production

The cost of production for cultivation of sisal, horticultural produce and manufacture of sisal yarns and twines is the accumulated total of all costs used to create the products which have been sold. The various costs of production fall into the general sub-categories of leaf cutting costs, field costs, factory costs, engineering costs, direct labour, direct fibre purchases, factory overheads and depreciation. The cost of production does not include selling and distribution expenses.

Inventories

Inventories of agricultural produce are stated at fair value less applicable estimated selling costs at the point of harvest.

Inventories of processed twine and yarn are valued at the lower of factory production cost and net realisable value. Cost comprises direct factory labour, other direct costs and related production overheads but excludes interest expenses. Provision is made for slow moving and obsolete inventories.

Consumable stores and unbrushed sisal fibre are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis for consumable stores and production cost for unbrushed fibre. Provision is made for slow moving and obsolete inventories.

Net realisable value for processed twine, yarn and consumable stores represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Property, plant and equipment

All property, plant and equipment, including sisal bearer plants, are originally recorded at cost.

After initial recognition, sisal bearer plants are measured at accumulated cost until maturity, which is estimated at 3 years from the planting date.

All property, plant and equipment, including sisal bearer plants after maturity, are subsequently stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to profit or loss in the period in which they are incurred.



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is calculated on the straight-line basis to write down the cost of each asset over its estimated useful life as follows:

Buildings	50 years
Plant and machinery (including vehicles and equipment)	5 – 10 years
Computer software	5 years
Bearer plants	8 years

Leasehold land is depreciated over the unexpired term of the lease on the straight-line basis.

Residual values and useful lives of all assets are reviewed and adjusted, if appropriate, at the end of each reporting period.

Assets in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profits and losses.

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured at cost, including transaction costs, less accumulated depreciation. Depreciation is calculated on a straight line basis to write off the cost of the property over the shorter of the lease period or estimated useful life. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment in unquoted shares

Unquoted investments are stated at cost less provision for impairment.

Biological assets

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sale. Gains and losses arising on the initial recognition of biological assets and from subsequent changes in fair value less estimated selling costs are recognised in profit or loss in the accounting period in which they arise. The fair value of unharvested agricultural produce at the end of each reporting period is measured at the assessed fibre content of the leaves expected to be obtained within the next harvesting cycle.

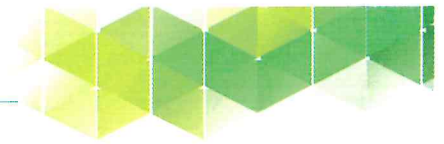
All costs of planting, upkeep and maintenance of biological assets are recognised in profit or loss in the accounting period in which they are incurred.

Impairment

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in a revaluation reserve.



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Accounting for leases

The group and company assess whether a contract is or contains a lease, at inception of the contract. The group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group and company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate if appropriate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group and company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

The group and company apply IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Offsetting

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 set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Taxation

Income tax expense is the aggregate amount charged/credited in respect of current tax and deferred tax in determining the profit or loss for the year.

Current tax is provided on the basis of the results for the year as shown in the financial statements adjusted in accordance with tax legislation and calculated by using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax rates enacted or substantively enacted at the end of the reporting period and which are expected to apply in the period in which the liability is settled or the asset realised are used to determine deferred tax

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Current and deferred tax are recognised in profit or loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Capital gains tax is provided, when there is a confirmed agreement to dispose of an item subject to capital gains tax, on the basis of the appropriate tax legislation regarding the computation of capital gains and the tax rates that have been enacted or substantively enacted at the end of the reporting period and which are expected to apply in the period in which the asset will be realised.

Post-employment benefit obligations

The company participates in a group defined benefit retirement scheme for certain employees. The scheme's assets are held in a separate trustee-administered fund which is funded by contributions from both the company and employees

The pension costs are assessed using the projected unit credit method. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as service costs (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest expense or income and remeasurement.

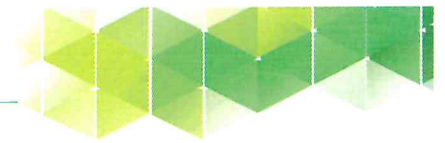
The group presents the first two components of defined benefit costs in profit or loss in the line item of pension cost-defined benefit scheme (included in staff costs). Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation and after recognition of any benefit arising from reduced employer contributions which may be available to the group as a result of the scheme being in an actuarial surplus position is limited to 50% of the total surplus in conformity with the regulations of the Retirement Benefits Authority.

The group has also established a defined contribution retirement benefit scheme for eligible non-unionisable employees. The scheme's assets are held in a separate trustee-administered fund which is funded by contributions from both the company and employees. The group has no obligation, legal or constructive to make further contributions if the scheme does not have sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In addition, the group makes contributions to the National Social Security Fund in the countries of operation, which are statutory defined contribution schemes. The group's obligations under these schemes is limited to specific contributions as legislated from time to time.

The group's contributions in respect of all defined contributions schemes are charged to profit or loss in the year to which they relate.



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Employee entitlements

Employee entitlements to retirement gratuities are recognised when they accrue to employees. A provision is made for the estimated liability for retirement gratuities as a result of services rendered by employees up to the end of the reporting period.

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

Investment in subsidiaries

Investments in subsidiary companies are shown at cost less provision for impairment losses. Where, in the opinion of the Directors, there has been an impairment of the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.

Long-term loans to subsidiaries, settlement of which has not been planned for the foreseeable future, are regarded as part of the net investment in the subsidiaries. In accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, the exchange differences arising on such loans are dealt with in the statement of changes in equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount and cumulative related exchange differences dealt with in the translation reserve are charged or credited to profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instruments constituting such assets and liabilities.

Financial instruments are measured initially at fair value. Subsequently, held to maturity investments, loans and receivables and financial liabilities that are not carried at fair value through profit or loss or otherwise required to be measured in accordance with another measurement basis are measured at amortised cost, while financial assets and financial liabilities held for trading and available for sale financial assets are measured at fair value.

Trade receivables

Trade receivables are stated at their nominal value and reduced by appropriate allowances for estimated irrecoverable amounts. Objective evidence of impairment of the receivables is when there is significant financial difficulty of the counterparty or

when there is a default or delinquency in payment according to agreed terms. When a trade receivable is considered uncollectible, it is written off against the allowance account.

Impairment of financial assets

The group measures loss allowance equal to lifetime expected credit losses for trade and other receivables and amounts due from related companies held at amortised cost as these receivables do not contain a significant financing component, since such receivables are normally due for settlement within 30 days from invoice date.

Cash flows relating to short-term receivables (0-12 months) generally are not discounted, unless the effect of doing so would be material. The carrying amount of the asset should be reduced to its estimated recoverable amount through use of an allowance account. The amount of the loss should be included in net profit and loss for the period.

As trade receivables are generally due within 30 days from invoice date, existing provision matrices/methodologies incorporating both historical and forward looking information may be used to determine the lifetime expected credit losses and therefore measuring the provision for doubtful debts for trade receivables is not expected to change under IFRS 9.

(i) Significant increase in credit risk

At each reporting date, the group measures the loss allowance for a trade receivables measured at amortized cost at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

This assessment is made considering all reasonable and supportable information, including that which is forward looking. Indicators of significant increase in credit risk could include (but not limited to) any of the following:

- significant financial difficulty
- an actual breach of contract, such as a default in interest or principal payments
- a high probability of bankruptcy or other financial reorganization
- the disappearance of an active market due to financial difficulties.

If there is no significant increase in expected losses, then a loss allowance for 12 months must be recognised.



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

(ii) Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the company, in full (without taking into account any collateral held by the company).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 30 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The group writes-off debt only when there is objective evidence that the debt will not be recovered and after it has exhausted its collection avenues.

(iii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits with original maturities of three months or less.

Borrowings

Borrowings are initially recorded at fair value, net of any transaction costs incurred, and are subsequently stated at amortised cost using the effective interest rate method. Any difference between the net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months from the end of the reporting period.

Trade payables

Trade payables are stated at their nominal value

Fair value measurement

The group does not have any financial assets or financial liabilities subject to fair value estimation.

Biological assets are stated at fair value less cost to sell at each reporting date.

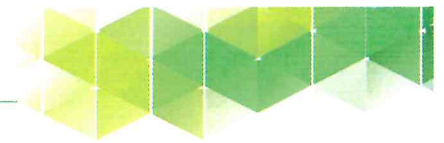
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to or by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non –financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

Financial instruments (continued)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Borrowings costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowings costs are recognised in the profit or loss in the period in which they are incurred.

Share capital

Ordinary shares are classified as share capital in equity. Any amounts received in excess of the par value of the shares issued are classified as share premium in equity.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event and it is probable that the group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Dividends

Dividends payable on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are accrued for after ratification at an annual general meeting.

Comparatives

Where necessary, comparative figures have been restated to conform with current year presentation.

3. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the group's accounting policies, management is required to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

The key areas of judgement in applying the group's accounting policies and sources of estimation uncertainty are dealt with below:

(a) Critical judgements in applying accounting principles

There are no critical judgements, apart from those involving estimation (see (b) below), that the directors have made in the process of applying the group's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Impairment losses

The carrying amounts of tangible and intangible assets are reviewed at the end of each reporting period to determine whether there is any indication that assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

No impairment losses were identified at the end of the reporting period.



Notes to the consolidated financial statements (continued)

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(b) Key sources of estimation uncertainty (continued)

Useful lives of property, plant, equipment and intangible assets

Critical estimates are made by the directors in determining depreciation rates for property, plant, equipment, bearer plants and intangible assets and whether assets are impaired.

No changes to the useful lives were identified at the end of the reporting period.

Biological assets

(a) Horticultural crops

In determining the fair value of horticultural crops, the group uses the present value of expected cash flows from the asset discounted at a current market determined pre tax rate. The objective of a calculation of the present value of expected net cash flows is to determine the fair value of a biological asset in its present location and condition. The group considers this in determining an appropriate discount rate to be used and in estimating net cash flows. Management uses estimates based on historical data relating to yields and market prices. 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.

(b) Agricultural produce at the point of harvest

Critical estimates are made by the directors in determining the fibre content of sisal leaves to be obtained within the next harvesting cycle as well as estimating the fair value of the fibre.

Further details of the significant assumptions relating to the measurement and valuation of biological assets are set out in note 13.

Defined benefit retirement scheme

Critical assumptions are made by the actuary in determining the present value of the defined benefit retirement scheme obligations. The carrying amount of the post employment benefit asset and the key assumptions made in estimating the post employment benefit asset are set out in Note 24 (b).

The group has certain legal commitments relating to the defined benefit retirement scheme. The following factors could all serve to increase or decrease the retirement benefit scheme asset.

Future investment returns on scheme assets that are either above or below expectations. Changes in actuarial assumptions including mortality of participating members. Higher or lower rates of inflation and/or rising or falling bond returns rates used to discount the defined benefit obligation.

Changes in future funding contributions to the retirement benefit scheme may affect future net assets and results of operations of the participating companies.

Deferred tax asset

At the end of each reporting period the directors make a judgement in determining whether it is appropriate to recognise any deferred tax asset.

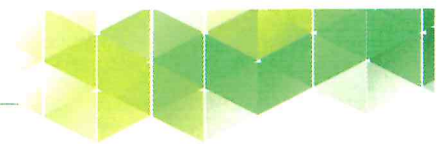
Income taxes

The group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the group's liability to income tax. Certain transactions may arise for which the ultimate tax determination is uncertain during the ordinary course of business. The group 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 income tax and deferred tax provisions in the period in which such determination is made.

Lease liability

In order to make a judgement to determine the term of the lease and the corresponding lease liability, the directors consider any options regarding extension or termination of the lease contract which may be available and whether it is probable that such options will be exercised.

Unless there is an implicit interest rate contained in the lease contract, the discount rate used to calculate the net present value of the lease liability is the group's incremental borrowing rate. This rate is estimated by the directors to be the rate which would be paid by the group to purchase a similar asset.



Notes to the consolidated financial statements (continued)

4. Financial risk management

The group's and company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and market prices, foreign currency exchange rates and interest rates. 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 within the options available in East Africa to hedge against such risks.

The group's and company's risk management policies are approved by the board of directors who also give guidance to management on the operation of these policies.

Categories of financial instruments	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Financial assets				
Receivables including cash and cash equivalents	723,318	719,365	574,488	709,558
Financial liabilities				
Payables	271,164	189,225	47,363	32,347
Borrowings	44,699	112,219	-	15,088
Lease liabilities	20,846	33,529	12,847	19,805
	336,709	334,973	60,210	67,240

Market risk

The activities of the group and company expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. There has been no change during the year to the group's and company's exposure to market risks or the manner in which it manages and measures the risk.

Foreign exchange risk

Sales of sisal fibre, yarn and twine are undertaken primarily in United States Dollars on agreed terms. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Operating expenses of the group are primarily payable in local currencies. Foreign currency receipts are converted into local currencies on an ongoing basis. The group and company do not normally enter into forward foreign exchange contracts for the conversion of foreign currency into local currency.

At the end of the year, the carrying amounts of foreign currency denominated assets and monetary liabilities were as follows:



Notes to the consolidated financial statements (continued)

4. Financial risk management (continued)

Foreign exchange risk (continued)

	Assets		Liabilities	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Group				
US Dollars	516,026	617,609	85,157	42,807
Sterling Pound	253	286	7,797	8,136
Euro	1,632	1,724	-	58,933
	<u>517,911</u>	<u>619,619</u>	<u>92,954</u>	<u>109,876</u>
Company				
US Dollars	<u>448,611</u>	<u>402,952</u>	<u>2,655</u>	<u>2,055</u>

Foreign currency sensitivity analysis

The principal foreign currency exposure relates to the fluctuation of the functional currencies of the group and company against foreign currencies, primarily the United States Dollar.

The following table details the group's and company's sensitivity to a 5% increase or decrease of the Kenya Shilling against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans.

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Impact on profit or loss:				
US Dollar	21,543(i)	28,740(i)	22,298(i)	20,045(i)
Euro	82(ii)	2,860(ii)	-	-
Sterling Pound	377(iii)	393(iii)	-	-

(i) Indicates the increase in profit before tax of a weakening of the Kenya Shilling against the US Dollar by 5%. A strengthening of the Kenya Shilling against these currencies by 5% would result in a reduction in profit of the same amount

(ii) Indicates the reduction in profit before tax of a weakening of the Kenya Shilling against the Euro by 5%. A strengthening of the Kenya Shilling against the Euro by 5% would result in an increase of the same amount

(iii) Indicates the reduction in profit before tax of a weakening of the Kenya Shilling against the Sterling Pound by 5%. A strengthening of the Kenya Shilling against the Sterling Pound by 5% would result in an increase of the same amount

The sensitivity analysis relates to outstanding foreign currency denominated monetary items at the year end only and is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year



Notes to the consolidated financial statements (continued)

4. Financial risk management (continued)

Price risk

The group and company do not hold any financial instruments subject to price risk.

Interest rate risk

The group and company are exposed to interest rate risk as it has borrowings at variable interest rates.

Interest rate sensitivity

The sensitivity analysis has been prepared on the assumption that the outstanding balance of borrowings at variable interest rates at the end of the reporting period remained constant for the whole year.

If interest rates had been 1% higher/lower and all other variables remained constant, the group's and company's profit before tax for the year ended 30 September 2024 would have been decreased/increased as below:

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Impact of profit before tax	447	1,122	-	151



Notes to the consolidated financial statements (continued)

4. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss in the event that a customer or counter-party to a financial instrument fails to meet its contractual obligations. The Group and Company have adopted a policy of only dealing with creditworthy counterparties and obtaining collateral where appropriate.

The group's and company's current credit risk grading framework comprises the following categories;

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12 month ECL
Doubtful	Amount is > 75 days due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit – impaired
In default	Amount is > 120 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit impaired.
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written off.

The tables below detail the credit quality of the Group's and Company's financial assets as well as the Group's and Company's maximum exposure to credit risk by credit risk rating grade.

Group 2024	Internal/ external rating	12 months or lifetime ECL	Gross carrying amount Shs'000	Loss allowance Shs'000	Net amount Shs'000
Trade receivables	Performing	Lifetime ECL (simplified approach)	27,558	-	27,558
Due from related companies	Performing	Lifetime ECL (simplified approach)	331,986	-	331,986
Other receivables	Performing	Lifetime ECL (simplified approach)	142,884	-	142,884
Bank balances	Investment grade	12 months ECL	217,095	-	217,095
			719,523	-	719,523



Notes to the consolidated financial statements (continued)

4. Financial risk management (continued)

Credit risk (continued)

The tables below detail the credit quality of the Group's and Company's financial assets as well as the Group's and Company's maximum exposure to credit risk by credit risk rating grade.

Group

2023	Internal/external rating	12 months or lifetime ECL	Gross carrying amount Shs'000	Loss allowance Shs'000	Net amount Shs'000
Trade receivables	Performing	Lifetime ECL (simplified approach)	22,419	-	22,419
Due from related companies	Performing	Lifetime ECL (simplified approach)	234,584	-	234,584
Other receivables	Performing	Lifetime ECL (simplified approach)	69,256	-	69,256
Bank balances	Investment grade	12 months ECL	387,999	-	387,999
			<u>714,258</u>	<u>-</u>	<u>714,258</u>

Company

2024	Internal/external rating	12 months or lifetime ECL	Gross carrying amount Shs'000	Loss allowance Shs'000	Net amount Shs'000
Trade receivables	Performing	Lifetime ECL (simplified approach)	112	-	112
Due from related companies	Performing	Lifetime ECL (simplified approach)	185,248	-	185,248
Loan due from subsidiary	Performing	Lifetime ECL (simplified approach)	234,170	-	234,170
Other receivables	Performing	Lifetime ECL (simplified approach)	116	-	116
Bank balances	Investment grade	12 months ECL	153,707	-	153,707
			<u>573,353</u>	<u>-</u>	<u>573,353</u>



Notes to the consolidated financial statements (continued)

4. Financial risk management (continued)

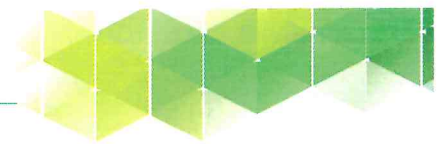
Credit risk (continued)

Company 2023	Internal/external rating	12 months or lifetime ECL	Gross carrying amount Shs'000	Loss allowance Shs'000	Net amount Shs'000
Trade receivables	Performing	Lifetime ECL (simplified approach)	22	-	22
Due from related companies	Performing	Lifetime ECL (simplified approach)	370,941	-	370,941
Other receivables	Performing	Lifetime ECL (simplified approach)	257	-	257
Bank balances	Investment grade	12 months ECL	337,275	-	337,275
			<u>708,495</u>	<u>-</u>	<u>708,495</u>

For trade and other receivables and amounts due from related companies, the Group and Company have applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL (which in the case of the Group and Company is the same as the 12-month ECL). The loss allowance is determined individually on specific customer balances.

The simplified approach is used for trade and other receivables and amounts due from related companies given that they are without a financing component. Because the simplified approach is used, an assessment as to whether there has been a significant increase in credit risk for those assets has not been performed.

The cash and cash equivalents are carried at amortized cost. The loss allowance on cash and cash equivalents, if recognized, would pass through the Profit or Loss account. The current liquid assets have been recognized as the principal amount receivable from the Banks excluding any interest. Bank balances are not restricted and include deposits held with banks that have high credit ratings. Bank balances are thus considered investment grade.



Notes to the consolidated financial statements (continued)

4. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group and Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the financial liabilities that will be settled on a net basis into the relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows of financial liabilities and includes both interest and principal cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Group

	Less than 1 year Shs'000	Between 1 and 2 years Shs'000	Between 2 and 5 years Shs'000	Over 5 years Shs'000
2024				
Payables, accrued expenses and other liabilities	271,164	-	-	-
Borrowings	15,413	16,996	12,290	-
Future interest charges on borrowings	3,706	2,123	457	-
Lease liability	8,485	4,664	6,453	1,244
Future interest charges on lease liability	1,534	969	973	75
	<u>300,849</u>	<u>24,872</u>	<u>20,174</u>	<u>1,318</u>
2023				
Payables, accrued expenses and other liabilities	189,225	-	-	-
Borrowings	102,247	3,156	6,816	-
Future interest charges on borrowings	4,205	2,864	2,214	-
Lease liability	10,426	9,235	11,774	2,094
Future interest charges on lease liability	6,036	5,763	1,811	257
	<u>312,139</u>	<u>21,018</u>	<u>22,615</u>	<u>2,351</u>



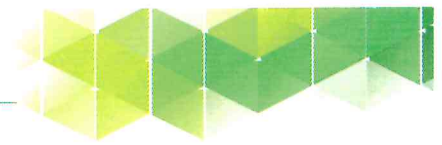
Notes to the consolidated financial statements (continued)

4. Financial risk management (continued)

Liquidity risk (continued)

Company

	Less than 1 year Shs'000	Between 1 and 2 years Shs'000	Between 2 and 5 years Shs'000	Over 5 years Shs'000
2024				
Trade and other payables	47,363	-	-	-
Lease liabilities	4,499	4,118	4,230	-
Future interest charges on lease liabilities	927	542	158	-
Total financial liabilities	52,789	4,660	4,388	-
2023				
Trade and other payables	32,347	-	-	-
Borrowings	5,115	3,156	6,817	-
Future interest charges on borrowings	1,742	2,864	2,214	-
Lease liabilities	4,794	5,155	9,856	-
Future interest charges on lease liabilities	1,555	1,048	751	-
Total financial liabilities	45,553	12,223	19,638	-



Notes to the consolidated financial statements (continued)

4. Financial risk management (continued)

Banking facilities

Bank loans and overdrafts payable at call and reviewed annually

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Amounts utilised	44,699	97,131	-	-
Amounts unutilised	356,315	705,118	-	-
Total available facilities	401,014	802,249	-	-

Banking facilities are secured by first legal charges and debentures over certain of the group's immovable properties and other assets. The carrying values at the end of the year of the assets subject to such charges were:

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Carrying value of assets subject to charge	4,539,602	5,002,967	-	-



Notes to the consolidated financial statements (continued)

4. Financial risk management (continued)

Capital risk management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

A key element of capital management is to ensure that adequate funds are available for capital development.

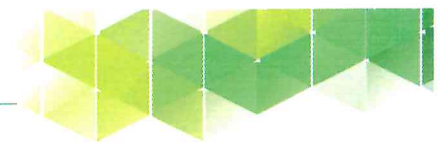
There were no changes in the group's approach to capital management during the year.

The capital structure of the group consists of borrowings, lease liabilities bank balances and cash and equity attributable to equity holders of the parent company; comprising issued capital, share premium, translation deficit and retained earnings.

	Group	
	2024	2023
	Shs' 000	Shs'000
Total borrowings	44,699	112,219
Bank balances and cash	(220,890)	(393,106)
	<hr/>	<hr/>
Net borrowings	(176,191)	(280,887)
	<hr/>	<hr/>
Total equity	4,605,534	4,928,238
	<hr/>	<hr/>
Net borrowings to equity ratio	N/A	N/A
	<hr/> <hr/>	<hr/> <hr/>

5. Revenue

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Sisal fibre	3,828,272	3,709,598	925,193	894,937
Yarn and twines	325,485	305,404	-	-
Horticulture	281,940	339,182	-	-
Forwarding services	69,747	71,231	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,505,444	4,425,415	925,193	894,937
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



Notes to the consolidated financial statements (continued)

6. Profit before tax

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
The profit/(loss) before tax is arrived at after charging /(crediting):				
Depreciation on properties, plant and equipment (Note 12)	381,731	377,795	62,660	64,510
Depreciation on investment properties (Note 14)	151	151	151	151
Depreciation on right of use asset (Note 15)	9,404	7,608	4,980	3,240
Operating lease payments	1,836	1,792	1,836	1,792
Staff costs (Note 7)	1,813,803	1,753,886	525,204	511,750
Auditors' remuneration	17,914	17,504	5,775	5,500
Directors' emoluments - fees	9,365	9,437	7,080	6,720
- for management services	168,125	190,737	96,345	125,584
	<u>177,487</u>	<u>200,174</u>	<u>103,425</u>	<u>132,304</u>
Gain on disposal of property, plant and equipment	<u>(8,097)</u>	<u>(1,109)</u>	<u>(5,963)</u>	<u>-</u>

7. Staff costs

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Salaries and wages	1,582,456	1,529,681	460,205	463,552
National Social Security Fund	95,605	80,693	14,520	8,474
Housing Levy	11,214	-	5,692	-
Pension contributions – defined benefit retirement scheme credit (Note 24(b))	(9,356)	(8,168)	(5,550)	(4,614)
Pension contributions – defined contribution scheme	8,529	7,390	2,906	1,923
Gratuity and other terminal benefits	63,266	79,271	27,409	18,513
Medical	62,089	65,019	20,022	23,902
	<u>1,813,803</u>	<u>1,753,886</u>	<u>525,204</u>	<u>511,750</u>
Summary of number of permanent employees				
Management	50	57	15	19
Supervisory	227	232	45	48
Unionisable	4,626	4,400	800	791
Others	6	6	-	-
	<u>4,909</u>	<u>4,695</u>	<u>860</u>	<u>858</u>



Notes to the consolidated financial statements (continued)

8. (a) Finance income

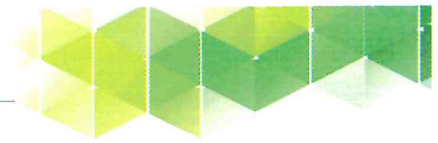
	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Interest income	21,082	10,166	22,284	9,282
Net foreign exchange gains	-	134,746	-	73,644
	<u>21,082</u>	<u>144,912</u>	<u>22,284</u>	<u>82,926</u>

(b) Finance costs

Interest on borrowings	1,527	3,235	-	1,426
Interest on overdrafts	13,211	5,415	-	-
Interest on lease liability	2,324	3,497	1,108	1,542
Net foreign exchange loss	23,898	-	77,324	-
	<u>40,960</u>	<u>12,147</u>	<u>78,432</u>	<u>2,968</u>

9. Taxation

	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
(a) Tax expense/(income) recognised in profit or loss				
Current tax	142,775	241,920	11,603	41,027
Prior year tax assessment	1,414	3,948	-	-
Deferred tax (credit)/ expense (Note 23)	(15,702)	11,286	(16,049)	(798)
	<u>128,487</u>	<u>257,154</u>	<u>(4,446)</u>	<u>40,229</u>



Notes to the consolidated financial statements (continued)

9. Taxation (continued)

(a) Tax expense/(income) recognised in profit or loss (continued)

The tax on the group and company's profit/(loss) before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Profit/(loss) before tax	352,395	762,145	(33,198)	109,877
Tax calculated at respective current tax rates	105,719	228,643	(9,959)	32,963
Tax effect of:				
Income not subject to tax	(4,434)	2,768	-	-
Expenses not deductible for tax purposes	23,924	21,075	5,513	7,266
Prior year adjustment on deferred tax	-	(1,050)	-	-
Prior year tax assessment	1,414	3,948	-	-
5% tax on turnover	1,864	1,770	-	-
Tax expense/(income)	128,487	257,154	(4,446)	40,229

The 5% tax on turnover is a tax charged on the subsidiary Amboni Spinning Mill Limited for having been in a loss position for three consecutive years as at the end of the prior year.

(b) Tax credit recognised in other comprehensive loss/(income)

Deferred tax credit attributable to remeasurement of net defined benefit asset	9,330	(8,240)	6,066	(4,769)
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The current tax rate for all the group subsidiaries was 30% (2023:30%).

At 30 September 2024, the group had tax losses amounting to Shs 73,803,000, Shs 3,779,000 and Shs 11,342,000 in respect of the subsidiary companies Dwa Estate Limited (Biomass energy project), Wigglesworth Exporters Limited (general trading business) and Amboni Spinning Mill Limited (general trading business) respectively (2023: Shs 44,830,000, Shs Nil and Shs 32,519,000) available to carry forward and set -off against future taxable income.



Notes to the consolidated financial statements (continued)

9. Taxation (continued)

(c) Tax movement

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
At beginning of year	50,630	11,619	(30,154)	19,821
Current year expense	142,775	241,920	11,603	41,027
Prior year tax assessment	1,414	3,948	-	-
Tax paid	(300,535)	(205,842)	(20,839)	(91,002)
Translation adjustment	2,083	(1,015)	-	-
At end of year	(103,633)	50,630	(39,390)	(30,154)
Balances at year end				
Tax recoverable	(109,930)	(52,875)	(39,390)	(30,154)
Tax payable	6,297	103,505	-	-
	(103,633)	50,630	(39,390)	(30,154)

10. Earnings per share

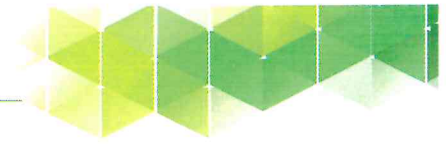
Basic earnings per share is calculated by dividing the profit for the year from continuing and discontinued operations attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	Group	
	2024	2023
	Shs'000	Shs'000
Profit for the year (Shs '000)	223,908	504,991
Average number of ordinary shares (thousands)	60,000	60,000
Basic and diluted earnings per share (Shs)	3.73	8.42

There were no potentially dilutive ordinary shares outstanding at 30 September 2024 and at 30 September 2023. Diluted earnings per share are therefore the same as basic earnings per share.

11. Dividends

During the year interim dividends of Shs 2.70 per share (2023: Shs 2.00 per share) amounting to a total of Shs 162,000,000 (2023: Shs 120,000,000) were paid.



Notes to the consolidated financial statements (continued)

12. Property, plant and equipment

(a) Group

Cost

	Leasehold land Shs'000	Buildings Shs'000	Plant and machinery Shs'000	Software Shs'000	Bearer plants Shs'000	Work in progress Shs'000	Total Shs'000
At 1 October 2022	179,023	594,249	1,860,217	9,765	2,261,789	373,909	5,278,952
Additions	-	-	57,523	376	356,471	43,237	457,607
Transfers	-	3,366	25,696	-	-	(29,062)	-
Disposals	-	-	(13,714)	-	-	-	(13,714)
Assets written off	-	-	(16,288)	(267)	(196,583)	-	(213,138)
Translation adjustment	12,349	34,191	130,295	319	160,018	86	337,258
At 30 September 2023	191,372	631,806	2,043,729	10,193	2,581,695	388,170	5,846,965
At 1 October 2023	191,372	631,806	2,043,729	10,193	2,581,695	388,170	5,846,965
Additions	-	136	92,278	-	327,364	164,867	584,645
Transfers	-	23,691	62,918	-	-	(86,609)	-
Disposals	-	-	(25,402)	-	-	-	(25,402)
Assets written off	-	-	(29,479)	(1,881)	(191,932)	-	(223,292)
Translation adjustment	(19,772)	(56,633)	(219,299)	(510)	(282,848)	(3,214)	(582,276)
At 30 September 2024	171,600	599,000	1,924,745	7,802	2,434,279	463,214	5,600,640



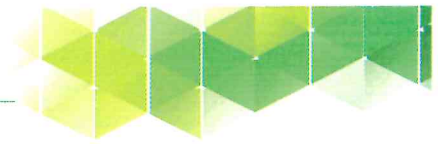
Notes to the consolidated financial statements (continued)

12. Property, plant and equipment (continued)

(a) Group

Depreciation

	Leasehold land Shs'000	Buildings Shs'000	Plant and machinery Shs'000	Software Shs'000	Bearer plants Shs'000	Work in progress Shs'000	Total Shs'000
At 1 October 2022	37,847	102,051	1,401,051	8,914	927,357	-	2,477,220
Charge for the year	6,913	12,177	136,512	344	221,849	-	377,795
Eliminated on disposals	-	-	(8,670)	-	-	-	(8,670)
Eliminated on write offs	-	-	(16,288)	(267)	(196,583)	-	(213,138)
Translation adjustment	4,015	4,767	105,920	319	60,992	-	176,013
At 30 September 2023	48,775	118,995	1,618,525	9,310	1,013,615	-	2,809,220
At 1 October 2023	48,775	118,995	1,618,525	9,310	1,013,615	-	2,809,220
Charge for the year	6,736	12,278	127,078	281	235,358	-	381,731
Eliminated on disposals	-	-	(24,422)	-	-	-	(24,422)
Eliminated on write offs	-	-	(29,479)	(1,881)	(191,932)	-	(223,292)
Translation adjustment	(7,777)	(8,806)	(181,075)	(510)	(104,139)	-	(302,307)
At 30 September 2024	47,734	122,467	1,510,627	7,200	952,902	-	2,640,930
Net book amount							
At 30 September 2024	123,866	476,533	414,118	602	1,481,377	463,214	2,959,710
At 30 September 2023	142,597	512,811	425,204	883	1,568,080	388,170	3,037,745



Notes to the consolidated financial statements (continued)

12. Property, plant and equipment (continued)

(a) Group

Included in property, plant and equipment are assets with an original cost of Shs 1,001,003,000 (2023: Shs 1,016,601,000) which are fully depreciated and whose normal depreciation charge for the year would have been Shs 184,140,000 (2023: Shs 165,167,000).

The capital work in progress relates to a Biomass Power Project and various construction projects being undertaken by the group.

Interest expense directly attributable to the acquisition and construction of qualifying assets capitalised during the year amounted to Shs 3,888,000 (2023: Shs 5,053,000).

During the year, management carried out a review of the working condition of the group's plant and machinery. This review led to the write-off of assets whose total cost was Shs 32,861,000 (2023: Shs 16,555,000) and had a carrying value of Shs (2023: Shs nil). Bearer plants with a total cost of Shs 191,932,000 (2023: Shs 196,583,000) and a carrying value of Shs (2023: Shs nil) were cut out, having reached the end of their productive life.

Based on an impairment review performed by the directors at 30 September 2024, no further indications of impairment of property, plant and equipment were identified. (2023: none).

The group's land titles in Kenya, which were originally either freehold or leases in excess of 900 years, were converted to 99 year leases with effect from 27th August 2010. The group has yet to receive the new title deeds.

The remaining periods for the land titles in Tanzania range from 7 years to 39 years.



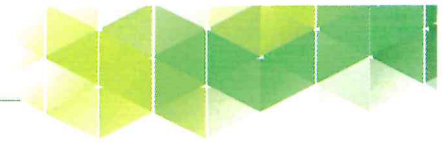
Notes to the consolidated financial statements (continued)

12. Property, plant and equipment (continued)

Company

Cost

	Leasehold land Shs'000	Buildings Shs'000	Plant and machinery Shs'000	Software Shs'000	Bearer plants Shs'000	Work in progress Shs'000	Total Shs'000
At 1 October 2022	2,699	131,764	300,548	2,566	425,152	-	862,729
Additions	-	-	8,069	-	39,364	-	47,433
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Assets written off	-	-	(4,877)	(267)	(54,894)	-	(60,038)
At 30 September 2023	2,699	131,764	303,740	2,299	409,622	-	850,124
At October 2023	2,699	131,764	303,740	2,299	409,622	-	850,124
Additions	-	-	26,745	-	32,769	-	59,514
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(19,693)	-	-	-	(19,693)
Assets written off	-	-	(1,349)	-	(46,589)	-	(47,938)
At 30 September 2024	2,699	131,764	309,443	2,299	395,802	-	842,007



Notes to the consolidated financial statements (continued)

12. Property, plant and equipment (continued)

(b) Company

Depreciation

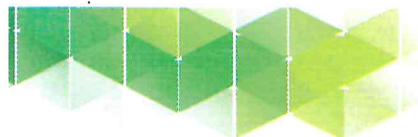
	Leasehold land Shs'000	Buildings Shs'000	Plant and machinery Shs'000	Software Shs'000	Bearer plants Shs'000	Work in progress Shs'000	Total Shs'000
At 1 October 2022	237	30,800	218,812	2,305	209,518	-	461,672
Charge for the year	33	2,551	21,119	100	40,707	-	64,510
Eliminated on disposals	-	-	-	-	-	-	-
Eliminated on write offs	-	-	(4,877)	(267)	(54,894)	-	(60,038)
At 30 September 2023	270	33,351	235,054	2,138	195,331	-	466,144
At 1 October 2023	270	33,351	235,054	2,138	195,331	-	466,144
Charge for the year	33	2,551	20,254	89	39,733	-	62,660
Eliminated on disposals	-	-	(18,713)	-	-	-	(18,713)
Eliminated on write offs	-	-	(1,349)	-	(46,589)	-	(47,938)
At 30 September 2024	303	35,902	235,246	2,227	188,475	-	462,153
Net book amount							
At 30 September 2024	2,396	95,862	74,197	72	207,327	-	379,854
At 30 September 2023	2,429	98,413	68,686	161	214,291	-	383,980

Included in property, plant and equipment are assets with an original cost of Shs 161,595,000 (2023:Shs 157,646,000) which are fully depreciated and whose normal depreciation charge for the year would have been Shs 30,091,000 (2023:Shs 29,508,000).

During the year management carried out a review of the working condition of the company's plant and machinery. This review led to the write-off of assets whose total cost was Shs 1,349,000 (2023: Shs 5,144,000) and had a carrying value of Shs nil (2023: Shs nil). Bearer plants with a total cost of Shs 46,589,000 (2023: Shs 54,894,000) were also cut out having reached the end of their productive life.

Based on an impairment review performed by the directors as at 30 September 2024, no indications of further impairment of property, plant and equipment were identified. (2023: none).

The company's land titles consist of beach plots in a residential development managed by an unrelated company, Vipingo Beach Limited.

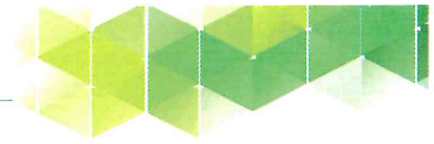


Notes to the consolidated financial statements (continued)

13. Biological assets

(a) Group

	Horticultural crops Shs'000	Sisal agricultural produce Shs'000	Total Shs'000
Year ended 30 September 2023			
Carrying amount at start of the year	72,344	878,982	951,326
Gain arising from changes in fair value attributable to physical changes	(8,625)	(38,841)	(47,466)
Gain arising from changes in fair value attributable to price changes	-	18,940	18,940
Net fair value loss	(8,625)	(19,901)	(28,526)
Translation adjustment	-	52,156	52,156
Carrying amount at end of the year	63,719	911,237	974,956
Year ended 30 September 2024			
Carrying amount at start of the year	63,719	911,237	974,956
Loss arising from changes in fair value attributable to physical changes	(1,734)	(78,040)	(79,774)
Gain arising from changes in fair value attributable to price changes	-	20,452	20,452
Net fair value loss	(1,734)	(57,588)	(59,322)
Translation adjustment	-	(81,926)	(81,926)
Carrying amount at end of year	61,985	771,723	833,708

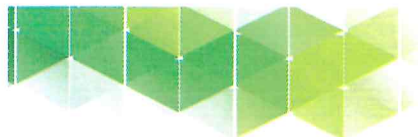


Notes to the consolidated financial statements (continued)

13. Biological assets (continued)

(b) Company

Sisal agricultural produce	2024	2023
	Shs'000	Shs'000
Carrying amount at start of year	165,826	166,344
Loss arising from changes in fair value attributable to physical changes	(3,577)	(331)
Loss arising from changes in fair value attributable to price changes	(40,618)	(187)
Net fair value loss	(44,195)	(518)
Carrying amount at end of year	121,631	165,826



Notes to the consolidated financial statements (continued)

13. Biological assets (continued)

(b) Company (continued)

Biological assets comprise growing produce for both sisal and horticultural crops and is stated at fair value less cost to sell in accordance with the principles of IAS 41.

Growing produce in relation to sisal is represented by the fair value of the estimated fibre content, at the accounting date, of the leaves which may be expected to be cut during the next harvesting cycle less anticipated harvesting, fibre extraction and point of sale costs.

Significant assumptions made in determining the fair value of the sisal agricultural produce are:

- Sisal plants are cut, on average at six monthly intervals throughout the plants' productive life.
- Leaves grow at a uniform rate between cuts.
- Fibre weight increases at a uniform rate between cuts.
- The average monthly production will be one twelfth of the budgeted annual production for the forthcoming year.
- The harvesting, processing and selling costs and the average unit selling price are based upon the budget for the forthcoming year following the accounting date.

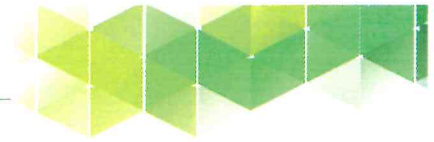
Horticultural crops at the year end comprised of baby corn and water melon seeds.

The approximate periods to commencement of harvest for the various crops are:

	Weeks
Baby corn	12
Water melon seeds	13

Significant assumptions made in determining the fair value of horticultural biological assets are:

- Baby corn - anticipated future cash flows based on current market prices and budgeted costs of production as approved by the directors.
-
- Water melon seeds – the anticipated future cash flows based on current market prices, budgeted costs of production and costs to sale.



Notes to the consolidated financial statements (continued)

14. Investment properties

The group holds 7 plots in a residential development managed by an unrelated Company, Vipingo Beach Limited. Two plots are utilised by the company and are included in property, plant and equipment. The information given below relates to the remaining 5 plots which are held as investment property. The properties are held under leasehold interests. The directors consider that the titles to leasehold land held by the group and company constitute finance leases.

Investment properties

	Group and Company	
	2024 Shs'000	2023 Shs'000
Cost		
At start and end of year	13,541	13,541
Depreciation		
At start of year	1,470	1,319
Charge for the year	151	151
At year end	1,621	1,470
Carrying value at end of year	11,920	12,071
Fair value	47,500	47,500

The fair values of investment properties are based on valuations made by Lloyd Masika Limited, Registered Valuers at the end of the year.



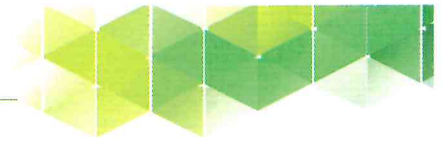
Notes to the consolidated financial statements (continued)

15. Right of use asset

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Cost				
At start of year	48,665	46,565	19,966	17,866
Additions	-	2,100	-	2,100
Modification of scope of lease	5,444	-	5,669	-
At end of year	54,109	48,665	25,635	19,966
Depreciation				
At start of year	24,690	17,082	6,466	3,226
Charge for the year	9,404	7,608	4,980	3,240
Modification of scope of lease	1,873	-	1,899	-
At end of year	35,967	24,690	13,345	6,466
Net book amount	18,142	23,975	12,290	13,500

The right of use asset relates to agricultural land held under licence to occupy and warehousing, staff house and office facilities held under lease.

IFRS 16 requires that right of use assets be tested for impairment in accordance with IAS 36. An impairment review performed by the directors at 30 September 2024 did not identify any impairment in the carrying value of the right of use asset (2023: None).



Notes to the consolidated financial statements (continued)

16. Fair value hierarchy

The table below shows an analysis of all assets and liabilities measured at fair value in the financial statements or for which fair values are disclosed in the financial statements by level of the fair value hierarchy. These are grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (derived from prices); and,
- Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The principal unobservable inputs for biological assets are yield, market prices and the exchange rate between the Kenya Shilling and US Dollar. Any variation from the assumptions used in the fair value measurement would result in a corresponding variation in the valuation of the biological asset.

Group

	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000
30 September 2024			
Biological assets	-	61,985	771,723
Investment properties	-	47,500	-
30 September 2023			
Biological assets	-	63,719	911,237
Investment properties	-	47,500	-

Company

	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000
30 September 2024			
Biological assets	-	-	121,631
Investment properties	-	47,500	-
30 September 2023			
Biological assets	-	-	165,826
Investment properties	-	47,500	-



Notes to the consolidated financial statements (continued)

16. Fair value hierarchy (continued)

Fair value of biological assets is assessed as follows:

The fair value of the sisal agricultural produce is estimated as the value of the assessed fibre content of the leaves which may be expected to be cut during the next harvesting cycle, less anticipated harvesting, fibre extraction and point of sale costs.

Horticultural crops:

Baby corn – anticipated future cash flows based on current market prices and budgeted costs of production as approved by the directors.

Watermelons – the anticipated future cash flows based on current market prices, budgeted costs of production and costs to sale.

Sensitivity analysis of Level 3 Biological assets

Group

An increase/(reduction) in the production per hectare of 5% would result in an increase/(decrease) in the fair value of agricultural produce at the point of harvest of Shs 38,586,000 (2023: Shs 45,562,000).

An increase/(decrease) in the selling price per tonne of 5% would result in an increase/(decrease) in the fair value of agricultural produce at the point of harvest of Shs 51,037,000 (2023: Shs 57,629,000).

Sisal fibre is traded in foreign currency, specifically the US Dollar. An (decrease)/increase of the Kenya Shilling/Tanzania Shilling against the US Dollar would therefore result in the same increase/(decrease) in the fair value of agricultural produce at the point of harvest and a similar variation of the selling price.

Company

An increase/(reduction) in the production per hectare of 5% would result in an increase/(decrease) in the fair value of agricultural produce at the point of harvest of Shs 6,082,000 (2023: Shs 8,291,000).

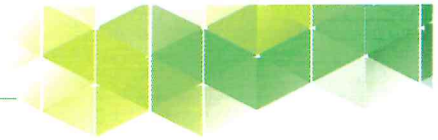
An increase/(decrease) in the selling price per tonne of 5% would result in an increase/(decrease) in the fair value of agricultural produce at the point of harvest of Shs 9,468,000 (2023: Shs 11,448,000).

Sisal fibre is traded in foreign currency, specifically the US Dollar. A decrease/(increase) of the Kenya Shilling against the US Dollar would therefore result in the same increase/(decrease) in the fair value of agricultural produce at the point of harvest and a similar variation of the selling price.

The fair values of investment properties at 30 September 2024 are based on valuations made by Lloyd Masika Limited, Registered Valuers at the end of the year.

17. Investment in subsidiaries

	Company	
	2024	2023
	Shs'000	Shs'000
Shares in subsidiaries at cost	134,175	134,175
Long term receivable from subsidiary	59,220	73,999
	193,395	208,174



Notes to the consolidated financial statements (continued)

17. Investment in subsidiaries (continued)

The subsidiary companies, which are all wholly owned and unquoted, are:

Company	Share capital Shs'000	Country of incorporation	Principal activity
Amboni Plantations Limited	Tshs 250,000	Tanzania	Cultivation of sisal and sale of sisal fibre
Amboni Spinning Mill Limited	Tshs 250,000	Tanzania	Manufacture and sale of sisal twine and yarn
Dwa Estate Limited	Kshs 2,000	Kenya	Cultivation of sisal and sale of sisal fibre.
Wigglesworth Exporters Limited	Kshs 1,000	Kenya	Export of sisal fibre

The long term receivable is in respect of a loan due from Amboni Spinning Mill Limited. As settlement of this loan is not anticipated in the near future, it has been accounted for as an addition to the investment in the subsidiary company in accordance with the provision of IAS 21.



Notes to the consolidated financial statements (continued)

18. Investment in unquoted shares

	Group and Company	
	2024	2023
	Shs'000	Shs'000
700 shares in Vipingo Beach Limited	10,028	10,028

The group and company hold 7 plots in a residential development, Vipingo Beach Limited. It is a requirement that owners of such plots should be holders of 100 shares in Vipingo Beach Limited for each plot held (Note 14).

19. Inventories

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Sisal fibre at fair value less estimated cost of sell	401,136	600,637	91,127	108,717
Horticultural produce at fair value less estimated cost of sale	121	-	-	-
Finished goods at lower of cost or net realisable value	35,783	20,145	-	-
Stores and raw materials at lower of cost or net realisable value less provision	359,953	453,062	53,301	51,337
	796,993	1,073,844	144,428	160,054
Provision for slow moving inventory	(55,694)	(73,584)	-	-
	741,299	1,000,260	144,428	160,054

There were no obsolete inventory written off during the year (2023: Nil).

20. Receivables and prepayments

Trade receivables	27,558	22,419	112	22
Prepayments	45,147	55,940	6,497	9,797
Amount due from related parties (Note 31 (v))	331,986	234,584	72,629	74,581
Amounts due from group companies (Note 31 (v))	-	-	112,619	296,360
VAT recoverable	512,695	575,540	24,877	25,429
Other receivables	142,884	69,256	116	257
	1,060,270	957,739	216,850	406,446

The receivable amounts are short-term and hence the impact of discounting would be insignificant, thus the carrying amounts approximate to the fair value.



Notes to the consolidated financial statements (continued)

21. Cash and cash equivalents

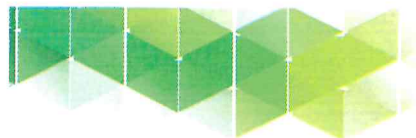
	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Cash in hand	3,795	5,107	1,135	1,063
Cash at bank				
Current accounts	80,057	60,232	16,669	9,508
Deposits				
Call deposit - USD	-	178,864	-	178,864
Term deposit - USD	137,038	148,903	137,038	148,903
Total cash at bank	217,095	387,999	153,707	337,275
Total cash and cash equivalents	220,890	393,106	154,842	338,338

The effective average interest rate on the USD bank deposits at the year end was 5% for term deposits and 6% and 5% for term and call deposits respectively at the end of the prior year.

All term deposits mature within a period not exceeding 180 days or are accessible on demand.

For the purposes of the cash flow statements the year end cash and cash equivalents comprise the following:

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Cash at bank and in hand as above	220,890	393,106	154,842	338,338
Bank overdrafts (Note 25)	-	(28,907)	-	-
	220,890	364,199	154,842	338,338



Notes to the consolidated financial statements (continued)

22. Share capital

	Number of shares (Thousands)	Share Capital Shs'000	Share Premium Shs'000
Authorised, issued and fully paid			
Balance at 1 October 2022, 1 October 2023 and 30 September 2024	60,000	300,000	84,496

23. Deferred tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2023: 30%). The movement on the deferred tax account is as follows:

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
At start of year	734,226	684,091	92,079	97,646
Tax (credit)/ expense recognised in profit or loss (Note 9 (a))	(15,702)	11,286	(16,049)	(798)
Tax expense/(credit) recognised in other comprehensive income/(loss) (Note 9(b))	9,330	(8,240)	6,066	(4,769)
Translation adjustment	(76,887)	47,089	-	-
At end of year	650,967	734,226	82,096	92,079

The following amounts, determined after appropriate offsetting, are shown in the consolidated and separate statements of financial position.

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Deferred tax assets	(11,698)	(19,621)	-	-
Deferred tax liabilities	662,665	753,847	82,096	92,079
	650,967	734,226	82,096	92,079



Notes to the consolidated financial statements (continued)

23. Deferred tax (continued)

Deferred tax (assets)/liabilities in the statement of financial position and deferred tax charge/(credit) are attributable to the following items:

Group

	1.10.2023	Charged/ (credited) to profit or loss	Credited to other comprehensive income	Translation adjustment	30.9.2024
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax liabilities					
Accelerated tax depreciation	612,316	29,222	-	(69,788)	571,750
Horticultural crops	19,115	(520)	-	-	18,595
Sisal agricultural produce at point of harvest	273,374	(17,277)	-	(24,578)	231,519
Post employment benefit asset	17,009	2,534	9,330	-	28,873
Right of use asset	7,194	(1,749)	-	-	5,445
	929,008	12,210	9,330	(94,366)	856,182
Deferred tax assets					
Provisions	(161,520)	(26,904)	-	16,138	(172,286)
Lease liability	(10,059)	3,805	-	-	(6,254)
Tax losses	(23,203)	(4,813)	-	1,341	(26,675)
	(194,782)	(27,912)	-	17,479	(205,215)
Net deferred tax liability	734,226	(15,702)	9,330	(76,887)	650,967



Notes to the consolidated financial statements (continued)

23. Deferred tax (continued)

Group

	1.10.2022	Charged/ (credited) to profit or loss	Credited to other comprehensive income	Translation adjustment	30.9.2023
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax liabilities					
Accelerated tax depreciation	535,450	37,010	-	39,856	612,316
Horticultural crops	21,703	(2,588)	-	-	19,115
Sisal agricultural produce at point of harvest	263,697	(5,970)	-	15,647	273,374
Post employment benefit asset	23,039	2,210	(8,240)	-	17,009
Right of use asset	8,845	(1,651)	-	-	7,194
	852,734	29,011	(8,240)	55,503	929,008
Deferred tax assets					
Provisions	(150,845)	(3,091)	-	(7,584)	(161,520)
Lease liability	(10,682)	623	-	-	(10,059)
Tax losses	(7,116)	(15,257)	-	(830)	(23,203)
	(168,643)	(17,725)	-	(8,414)	(194,782)
Net deferred tax liability	684,091	11,286	(8,240)	47,089	734,226



Notes to the consolidated financial statements (continued)

23. Deferred tax (continued)

Company

	1.10.2023	Charged/ (credited) to profit or loss	Credited to other comprehensive income	30.09.2024
	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax liabilities				
Accelerated tax depreciation	86,135	(1,793)	-	84,342
Agricultural produce at point of harvest	49,750	(13,259)	-	36,491
Post employment benefit asset	10,569	2,534	6,066	19,169
Right of use asset	4,050	(363)	-	3,687
	150,504	(12,881)	6,066	143,689
Deferred tax assets				
Lease liability	(5,941)	2,088	-	(3,853)
Provisions	(52,484)	(5,256)	-	(57,740)
	(58,425)	(3,168)	-	(61,593)
Net deferred tax liability	92,079	(16,049)	6,066	82,096

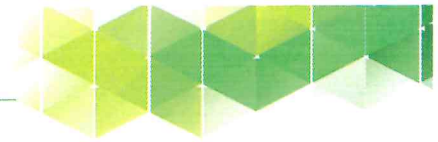


Notes to the consolidated financial statements (continued)

23. Deferred tax (continued)

Company

	1.10.2022	Charged/ (credited) to profit or loss	Credited to other comprehensive income	30.09.2023
	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax liabilities				
Accelerated tax depreciation	87,750	(1,615)	-	86,135
Agricultural produce at point of harvest	49,905	(155)	-	49,750
Post employment benefit asset	13,128	2,210	(4,769)	10,569
Right of use asset	4,392	(342)	-	4,050
	155,175	(98)	(4,769)	150,504
Deferred tax assets				
Lease liability	(5,197)	(744)	-	(5,941)
Provisions	(52,332)	(152)	-	(52,484)
	(57,529)	(896)	-	(58,425)
Net deferred tax liability	97,646	(798)	(4,769)	92,079



Notes to the consolidated financial statements (continued)

24. Post employment benefit obligations/ (asset)

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Post employment benefit obligations/ (asset) comprise:				
(a) Staff retirement gratuity	379,268	378,619	144,870	132,028
(b) Defined benefit retirement scheme	(107,728)	(62,385)	(63,905)	(35,237)

(a) Staff retirement gratuity

A retirement gratuity is awarded to unionised employees after qualifying service and is paid upon the termination of such services or retirement. The movement in the liability during the year is shown below:

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	378,619	334,480	132,028	128,086
Charged to profit or loss	62,938	79,084	27,081	18,326
Utilised during year	(38,798)	(47,675)	(14,239)	(14,384)
Translation adjustment	(23,491)	12,730	-	-
At end of year	379,268	378,619	144,870	132,028

(b) Defined benefit retirement scheme

The group operates a final salary defined benefit pension scheme for certain employees. The assets of the scheme are held in a separate trustee administered fund. The pension cost to the group is assessed in accordance with the advice of qualified actuaries who carry out a full valuation of the scheme every three years. The next full valuation is due on 1 January 2027.

The amount recognised in the statement of financial position is determined as follows:

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Present value of funded obligations	424,640	430,140	251,896	242,951
Fair value of scheme assets	(577,281)	(504,478)	(342,443)	(284,939)
Effect of asset ceiling	44,913	11,953	26,642	6,751
Net asset in statement of financial position	(107,728)	(62,385)	(63,905)	(35,237)



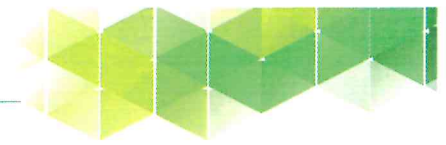
Notes to the consolidated financial statements (continued)

24. Post employment benefit obligations/ (asset) (continued)

(b) Defined benefit retirement scheme (continued)

Movements in the group post employment benefit asset in the current year:

	Group	
	2024 Shs'000	2023 Shs'000
Opening defined benefit asset	(62,385)	(76,805)
Amounts recognised in profit or loss:		
Current service cost net of employees' contributions	820	2,449
Interest on obligation	66,587	50,466
Interest on effect of asset ceiling	1,901	9,231
Interest income on plan assets	(78,664)	(70,314)
	<hr/>	<hr/>
Net credit for the year included in staff costs (Note 7)	(9,356)	(8,168)
	<hr/>	<hr/>
Employer's contributions	(4,885)	(4,878)
Amount recognised in other comprehensive (loss)/income:		
Actuarial loss – obligation	(48,556)	26,333
Return on plan assets (excluding amount in interest cost)	(13,604)	64,344
Change in effect of asset ceiling (excluding amount in interest cost)	31,058	(63,211)
	<hr/>	<hr/>
Total amount recognised in other comprehensive (loss)/income	(31,102)	27,466
	<hr/>	<hr/>
Defined benefit asset at the end of the reporting period	(107,728)	(62,385)
	<hr/>	<hr/>
Reconciliation of benefit obligation		
Opening benefit obligation	430,140	363,245
Current service cost	820	2,449
Interest cost	66,587	50,466
Employee contributions	4,077	4,241
Actuarial loss – change of assumptions	(9,655)	26,333
Actuarial loss – experience	(38,900)	-
Benefits paid	(28,429)	(16,594)
	<hr/>	<hr/>
Closing benefit obligation	424,640	430,140
	<hr/>	<hr/>
Reconciliation of assets		
Opening market value of assets	(504,478)	(505,984)
Interest income on plan assets	(78,664)	(70,314)
Employer contributions	(4,885)	(4,878)
Employee contributions	(4,077)	(4,241)
Return on plan assets	(13,604)	64,344
Benefits paid	28,429	16,595
	<hr/>	<hr/>
Closing market value of assets	(577,279)	(504,478)
	<hr/>	<hr/>



Notes to the consolidated financial statements (continued)

24. Post employment benefit obligations/ (asset) (continued)

(b) Defined benefit retirement scheme (continued)

Movements in the company post employment benefit asset in the current year:

	Company	
	2024	2023
	Shs'000	Shs'000
Opening defined benefit asset	(35,237)	(43,764)
Amounts recognised in profit or loss:		
Current service cost net of employees' contributions	486	1,383
Interest on obligation	39,499	28,504
Interest on effect of asset ceiling	1,128	5,214
Interest income on plan assets	(46,663)	(39,715)
Net credit for the year included in staff costs	(5,550)	(4,614)
Employer's contributions	(2,897)	(2,755)
Amount recognised in other comprehensive income/(loss)	(20,221)	15,896
Defined benefit asset at the end of the reporting period	(63,905)	(35,237)

The above amounts are determined by apportioning the totals for the group scheme on the basis of aggregate contributions paid.



Notes to the consolidated financial statements (continued)

24. Post employment benefit obligations/ (asset) (continued)

(b) Defined benefit retirement scheme (continued)

The following assumptions represent management's best estimate of long-term expectation.

	2024	2023
- discount rate	15.30%	15.9%
- future salary increases	10.00%	10%
- future pension increases	0%	0%

Other disclosures

Characteristics and Risks of the Scheme:

The Scheme is of a defined benefit nature (i.e. salary and service related). Therefore, one of the main risks relating to the benefits under the Scheme is the rate of salary growth. As the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid and the present value of the benefit obligation under the scheme. The Company's experience with respect to pre-retirement exit experience, actual ages of retirement and mortality will also impact the benefits payable under the Scheme, when compared with the assumption made. The Scheme is registered under irrevocable trust with the Retirement Benefits Authority. The Retirement Benefits Act, 1997 and Regulations under the Act require the Scheme to maintain a funding level of 100%. Where the funding level is below, such deficits are required to be amortised over a period not exceeding 6 years.

Asset ceiling

The Regulations require that, in the event of a winding up of the Scheme, any surplus, after recognition of the benefit arising from reduced employer contributions available to the group as a result of the scheme being in an actuarial surplus position, is to be shared on an equal basis between the members of the scheme and the sponsor. The potential effect of this is reflected in the asset position at the end of the financial period.

Sensitivity of the Results:

The results of the actuarial valuation will be more sensitive to changes in the financial assumption than changes in the demographic assumptions. In preparing the sensitivity analysis of the results to the discount rate used, the actuaries have relied on the calculations of the duration of the liability. Based on this methodology, the results of the sensitivity analysis are summarised in the table below:

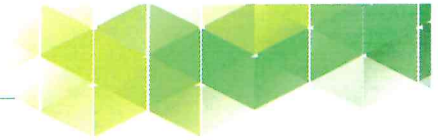
Present value of obligation

2024

Ksh'000	Ksh'000
Current Discount Rate (%)	Discount Rate – 1% (%)
(15.30%)	(14.30%)
424,600	420,300

2023

Ksh'000	Ksh'000
(15.9%)	(14.9%)
430,100	425,300



Notes to the consolidated financial statements (continued)

24. Post employment benefit obligations/ (asset) (continued)

(b) Defined benefit retirement scheme (continued)

Since the bulk of the benefits payable under the Scheme are salary related, the sensitivity of the liability to a change in the salary escalation assumption is not expected to be materially different. However, the impact of a change in salary escalation is expected to be less than the impact of a change in the discount rate as a portion of the liabilities (for example the liability in respect of pensions in payment and deferred pensioners) would not be affected by a change in the salary escalation rate.

Effect on Company Cashflows:

The Scheme is funded and therefore benefits are paid from Scheme assets as and when they arise. The Company is required to contribute to the Scheme in respect of the accrual of new benefits and towards any deficit that may arise. As the Scheme is closed, the cost of accrual of new benefits may rise over time with the ageing of the active population. Poor experience of the Scheme may also result in additional funding requirements towards any deficit that arises.

Maturity Analysis of the Liability:

The weighted average duration of the liability as at 30 September 2024 is 1.1 (2023: 1.1).



Notes to the consolidated financial statements (continued)

24. Post employment benefit obligations/ (asset) (continued)

(b) Defined benefit retirement scheme (continued)

Scheme assets

The scheme assets are managed by ICEA Lion Asset Management Limited.
The composition of the assets was as follows:

	2024		2023	
	Shs'000	%	Shs'000	%
Government securities	462,784	80.2	377,851	74.9
Quoted equities	88,950	15.4	79,122	15.7
Cash and contributions due	3,989	0.7	6,476	1.3
Money market	21,556	3.7	41,030	8.1
	<u>577,279</u>	<u>100.0</u>	<u>504,479</u>	<u>100.0</u>

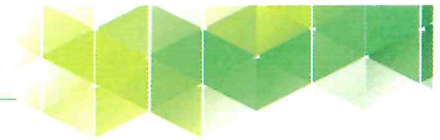
Other post employment benefit obligations

The group and company also contribute to a defined contribution retirement benefit scheme for certain non-unionisable employees. The contributions which have been charged to profit or loss are as below:

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Defined contribution benefit scheme	<u>8,529</u>	<u>7,390</u>	<u>2,906</u>	<u>1,923</u>

The group and company also make contributions to a statutory provident fund, the National Social Security Fund. Contributions are determined by local statute and are shared between the employer and employee. The contributions which have been charged to profit or loss are as below:

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
National Social Security Fund	<u>95,605</u>	<u>80,693</u>	<u>14,510</u>	<u>8,474</u>



Notes to the consolidated financial statements (continued)

25. Borrowings

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Bank overdrafts	-	28,907	-	-
Bank loans	44,699	68,224	-	-
Other borrowings	-	15,088	-	15,088
Total borrowings	44,699	112,219	-	15,088
Less current portion	(15,413)	(102,246)	-	(5,115)
Non-current portion	29,286	9,973	-	9,973
Maturity of non-current borrowings				
Between 1 and 2 years	16,997	3,156	-	3,156
Between 2 and 5 years	12,289	6,817	-	6,817
	29,286	9,973	-	9,973

The bank loans and bank overdrafts are secured by a first legal charge and a debenture over certain of the group's immovable properties and other assets and by guarantees given by related companies.

The bank overdrafts and loan balances denominations and effective interest rates are as listed below:

	2024 Shs'000	Effective Interest Rates	2023 Shs'000	Effective Interest Rates
Bank overdrafts				
Tanzania Shillings	-		996	16%
USD	-		27,911	7%
	-		28,907	
Bank loans				
Euros	-		58,933	6.99%
USD	44,699	8%	9,291	8%
	44,699		68,224	

The Euro loan was for the purpose of construction of biomass plant at Dwa Estate Limited and was cleared as at the end of the year. The US dollar loan relates to capital expenditure incurred by Amboni Plantations Limited.

Other borrowings outstanding at the end of previous year amounting to Shs 15,088,000 were fully repaid during the year.



Notes to the consolidated financial statements (continued)

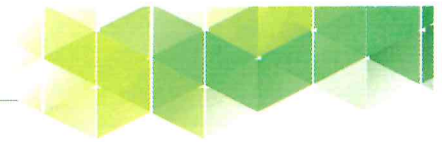
26. Payables and accrued expenses

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Trade payables	88,564	70,567	7,405	9,856
Amount due to related parties (Note 31 (v))	13,863	12,189	2,363	1,846
Provision for leave pay	40,941	45,232	10,999	11,334
Advance payment from customers	1,910	265	-	-
Accrued expenses	108,439	60,449	14,663	13,423
Other payables	112,297	46,102	22,932	7,222
	<u>366,014</u>	<u>234,804</u>	<u>58,362</u>	<u>43,681</u>

The payables and accrued expenses are short-term and hence the impact of discounting would be insignificant, thus the carrying amounts approximate to the fair value.

27. Lease liability

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Current	8,485	10,426	4,499	4,794
Non-current	12,361	23,103	8,348	15,011
	<u>20,846</u>	<u>33,529</u>	<u>12,847</u>	<u>19,805</u>
Maturity of non-current lease liability				
Between 1 and 2 years	4,664	9,235	4,118	5,156
Between 2 and 5 years	5,603	6,045	4,230	9,855
Between 5 and 10 years	2,094	7,823	-	-
	<u>12,361</u>	<u>23,103</u>	<u>8,348</u>	<u>15,011</u>



Notes to the consolidated financial statements (continued)

27. Lease liability (continued)

The lease liability denominations and effective interest rates are listed below.

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
USD	11,988	17,936	11,988	17,936
Kenya Shillings	8,858	15,593	859	1,869
	<u>20,846</u>	<u>33,529</u>	<u>12,847</u>	<u>19,805</u>

The effective interest rates on the lease liability at the end of the year ranged between 9.25% to 15.35% (2023: 9.25% to 15.35%).

28. Contingent liabilities

The group companies are defendants in various legal actions relating to industrial accidents and other employment-related legal claims for which provision has not been made in these financial statements as the directors are of the opinion that the possibility of any significant loss is remote.

During the year, the company's subsidiary, Amboni Plantations Limited, was served by the Tanzania Revenue Authority with tax assessments claiming alleged underpayments of tax during the five years to 30 September 2022, together with interest and penalties. The directors consider the assessments to have no valid basis and have challenged the same.



Notes to the consolidated financial statements (continued)

29. Commitments

Capital commitments

Commitments for capital expenditure at the end of the reporting period which were not recognised in the financial statements were:

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Authorised and contracted for	56,647	123,092	-	-

Operating lease commitments

The group as lessee

The future minimum lease payments under non-cancellable operating leases are as follows:

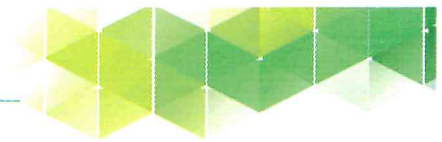
	Group & Company	
	2024 Shs'000	2023 Shs'000
Not later than 1 year	697	697
Between 2 and 5 years	1,335	2,032
Over 5 years	-	-
	2,032	2,729

The lease expenditure charged to profit or loss during the year is disclosed in Note 6.

Group as lessor

The group companies are lessors under various agreements with rental receipts and receivables as below;

	2024 Shs'000	2023 Shs'000
Rent received	604	573
Rent receivable		
Within 1 year	420	431
Within 2-5 years	1,786	1,821
Over 5 years	2,953	4,894
	5,159	7,146



Notes to the consolidated financial statements (continued)

30. (a) Notes to the consolidated statement of cash flows

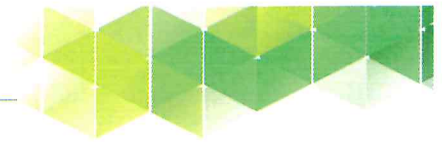
	Group	
	2024	2023
	Shs'000	Shs'000
(i) Reconciliation of profit before tax to net cash generated from operations		
Profit before tax	352,395	762,145
Adjustment for:		
Defined benefit retirement scheme credit recognised in profit before tax (Note 7)	(9,356)	(8,168)
Employer's contributions to defined benefit retirement scheme (Note 24 (b))	(4,885)	(4,878)
Net exchange loss on bank loans and other borrowings (Note 30 (a)(ii))	24	24,678
Exchange loss on lease liability (Note 30 (a)(iii))	(5,063)	3,533
Interest costs (Note 8(b))	17,062	12,147
Interest receivable (Note 8(a))	(21,082)	(10,166)
Depreciation of property, plant and equipment (Note 6)	381,731	377,795
Depreciation of investment property (Note 6)	151	151
Depreciation of right of use asset (Note 6)	9,404	7,608
Modification of scope of lease	(868)	-
Fair value loss on of biological assets (Note 13(a))	59,322	28,526
Gain on sale of property, plant and equipment (Note 6)	(8,097)	(1,109)
	<hr/>	<hr/>
Operating profit before working capital changes	770,738	1,192,262
Working capital changes		
- receivables and prepayments	(193,355)	16,318
- inventories	161,759	18,378
- payables and accrued expenses	163,210	(67,948)
- Staff retirement gratuity	24,140	31,408
	<hr/>	<hr/>
Net cash generated from operations	926,492	1,190,418
	<hr/>	<hr/>
(ii) Analysis of changes in bank loans and other borrowings (excluding bank overdrafts)		
At start of year	83,312	127,600
Interest expense on bank loans	1,527	1,809
Loans received during the year	52,395	-
Other borrowings interest expense	-	1,426
Exchange adjustments	24	24,678
Translation adjustment	(6,992)	2,662
Repayment of principal and interest	(85,567)	(74,863)
	<hr/>	<hr/>
At end of year	44,699	83,312
	<hr/>	<hr/>



Notes to the consolidated financial statements (continued)

30. (a) Notes to the consolidated statement of cash flows (continued)

	Group	
	2024	2023
	Shs'000	Shs'000
(iii) Analysis of changes in lease liability		
At start of year	33,529	35,609
Present value of future lease payments recognised	5,670	2,100
Modification of scope of lease	(2,965)	-
Payments during the year	(10,325)	(7,813)
Interest charge	2,324	3,497
Interest paid	(2,324)	(3,397)
Exchange adjustment	(5,063)	3,533
	<hr/>	<hr/>
At end of year	20,846	33,529
	<hr/> <hr/>	<hr/> <hr/>



Notes to the consolidated financial statements (continued)

30. (b) Notes to the company statement of cash flows

	Company	
	2024	2023
	Shs'000	Shs'000
(i) Reconciliation of (loss)/profit before tax to net cash generated from operations		
(Loss)/profit before tax	(33,198)	109,877
Adjustments for:		
Defined benefit retirement scheme credit recognised in profit before tax (Note 7)	(5,550)	(4,614)
Employer's contributions to defined benefit retirement scheme (Note 24(b))	(2,897)	(2,755)
Interest receivable (Note 8(a))	(22,284)	(9,282)
Interest costs (Note 8(b))	1,108	2,968
Depreciation of right of use asset (Note 6)	4,980	3,240
Depreciation of property, plant and equipment (Note 6)	62,660	64,510
Depreciation of investment properties (Note 6)	151	151
Gain on sale of property, plant and equipment	(5,963)	-
Fair value adjustment of sisal agricultural produce (Note 13)	44,195	518
Exchange (gain)/loss on lease liability (Note 30(b)(ii))	(5,063)	3,533
Modification of scope of lease	(719)	-
	<hr/>	<hr/>
Operating profit before working capital changes	37,420	168,146
Working capital changes		
- receivables and prepayments	189,596	202,536
- inventories	15,626	56,700
- payables and accrued expenses	14,681	(242)
- Staff retirement gratuity	12,842	3,942
	<hr/>	<hr/>
Net cash generated from operations	270,165	431,082

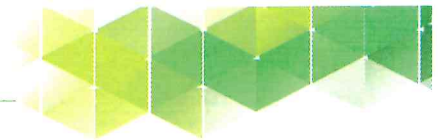


Notes to the consolidated financial statements (continued)

30. (b) Notes to the company statement of cash flows (continued)

(ii) Analysis of changes in lease liability

	Company	
	2024	2023
	Shs'000	Shs'000
At start of year	19,805	17,326
Present value of future lease payments recognised	5,670	2,100
Payments during the year	(4,947)	(3,154)
Interest charge	1,108	1,542
Interest paid	(1,108)	(1,542)
Exchange adjustment	(5,063)	3,533
Modification of scope of lease	(2,618)	-
	<hr/>	<hr/>
At end of year	12,847	19,805
	<hr/> <hr/>	<hr/> <hr/>



Notes to the consolidated financial statements (continued)

31. Related party transactions

The parent company is REA Trading Limited which owns 97% of the company's shares.

REA Trading Limited and Wigglesworth & Company Limited – UK are related parties by virtue of their connection with the Robinow family.

Sales of sisal fibre and yarns to Wigglesworth & Company Limited – UK are contracted at market prices for East African fibres and yarns.

Afchem Limited was controlled by Neil Cuthbert and family members in prior year. Fees charged to the company were comparable to market rates.

A director of a subsidiary company was a director of Chequered Flag Limited in prior year.

A director of the company is a director of I & M Bank Limited.

The following transactions were carried out with related parties during the year:

(i) Sales of goods and services

	Group	
	2024	2023
	Shs'000	Shs'000
Wigglesworth & Company Limited – UK		
Sale of sisal fibre and yarns	3,506,467	3,606,268
	3,506,467	3,606,268
	3,506,467	3,606,268
	Company	
	2024	2023
	Shs'000	Shs'000
Wigglesworth & Company Limited – sisal fibre	765,717	813,036
Management services		
Amboni Plantations Limited	26,286	37,837
Amboni Spinning Mill Limited	8,715	4,360
Dwa Estate Limited	94,349	50,238
Wigglesworth Exporters Limited	525	525
Afchem Limited	-	240
	129,875	93,200
	129,875	93,200

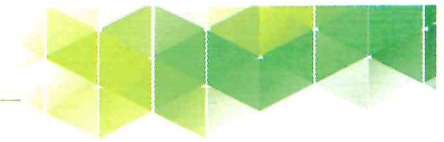


Notes to the consolidated financial statements (continued)

31. Related party transactions (continued)

Related party transactions (continued)

	Group	
	2024 Shs'000	2023 Shs'000
(ii) Purchase of management and other services		
REA Trading Limited (consultancy services)	6,164	4,876
I & M Bank Limited (banking services)	212	182
Chequered Flag Limited	-	324
	<u>6,376</u>	<u>5,382</u>
	Company	
	2024 Shs'000	2023 Shs'000
REA Trading Limited (consultancy services)	6,164	4,876
Wigglesworth Exporters Limited (management services)	8,618	8,889
Amboni Spinning Mill Limited - (sisal ropes)	13,040	14,507
I & M Bank Limited (banking services)	134	120
Chequered Flag Limited	-	324
	<u>27,956</u>	<u>28,716</u>
	Group and Company	
	2024 Shs'000	2023 Shs'000
(iii) Payments on behalf of REA Trading Limited	772	1,118
	<u>772</u>	<u>1,118</u>
(iv) Key management compensation		
	Group	
	2024 Shs'000	2023 Shs'000
Remuneration paid to directors and key management staff was as follows:		
Salaries and other short term benefits	208,683	236,312
Post employment benefits	6,125	5,050
Directors fees	9,365	9,437
	<u>224,173</u>	<u>250,799</u>



Notes to the consolidated financial statements (continued)

31. Related party transactions (continued)

(iv) Key management compensation (continued)

	Company	
	2024 Shs'000	2023 Shs'000
Salaries and other short term benefits	141,610	175,388
Post-employment benefits	1,417	822
Directors fees	7,080	6,720
	<u>150,107</u>	<u>182,930</u>

	Group	
	2024 Shs'000	2023 Shs'000
(v) Outstanding balances		
Current receivables (Note 20)		
Wigglesworth & Company Limited – UK	331,919	233,823
Afchem Limited	-	69
REA Trading Limited – other	67	692
	<u>331,986</u>	<u>234,584</u>

Current payables (Note 26)		
Wigglesworth & Company Limited - UK	13,863	12,189
	<u>13,863</u>	<u>12,189</u>

	Company	
	2024 Shs'000	2023 Shs'000
Current receivables (Note 20)		
Amounts due from group companies		
Amboni Plantations Limited	25,288	41,967
Wigglesworth Exporters Limited	2,021	7,957
Dwa Estate Limited	82,393	238,756
Amboni Spinning Mill Limited	2,917	7,680
	<u>112,619</u>	<u>296,360</u>

Amount due from related parties		
Wigglesworth & Company Limited – UK	72,562	73,820
REA Trading Limited – Other	67	692
Afchem Limited	-	69
	<u>72,629</u>	<u>74,581</u>



Notes to the consolidated financial statements (continued)

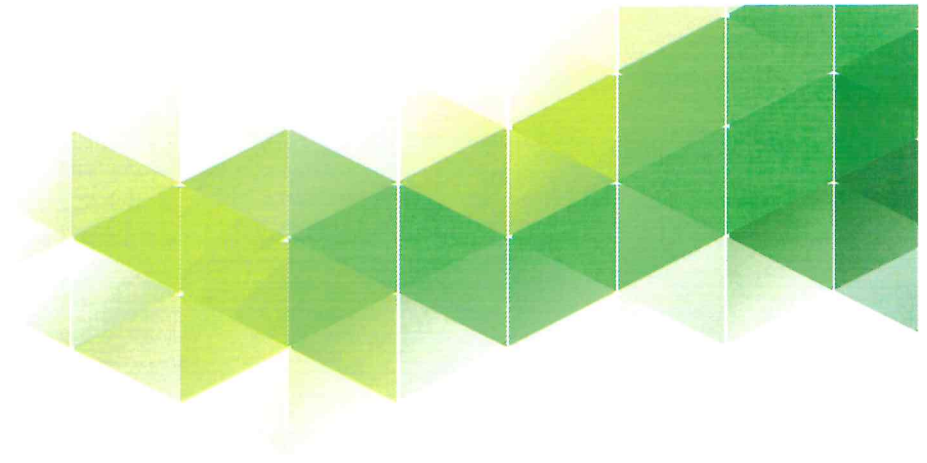
31. Related party transactions (continued)

	Company	
	2024 Shs'000	2023 Shs'000
(v) Outstanding balances (continued)		
Loan to subsidiary - Dwa Estate Limited		
Loan advanced	232,560	-
Interest accrued	1,610	-
	<u>234,170</u>	<u>-</u>
Maturity of loan to subsidiary		
Current	41,135	-
Between 1 and 2 years	73,825	-
Between 2 and 5 years	119,210	-
	<u>193,035</u>	<u>-</u>
Total loan to subsidiary	<u>234,170</u>	<u>-</u>
Current payables (Note 26)		
Amount due to related parties		
Wigglesworth & Company Limited – UK	2,363	1,846
	<u>2,363</u>	<u>1,846</u>

The outstanding balances arise from services and goods received and rendered temporary advances and expenses paid by related parties and group companies on behalf of each other.



**REA VIPINGO
PLANTATIONS**



Proxy Form

I/We _____

of _____

being a Member/Members of the above named company, hereby appoint _____

or failing him Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held virtually on Friday 28th March 2025 and at any adjournment thereof.

Signature _____ Date _____ 2025

This form is to be used* in favour of/against the resolutions. Unless otherwise instructed the proxy will vote as he thinks fit.

* Strike out whichever is not desired.

Notes:

1. To be valid this proxy must be returned to The Secretary, Rea Vipingo Plantations Limited, 1st Floor, Block D, Wilson Business Park, Wilson Airport, P.O. Box 17648, Nairobi – 00500 so as to arrive no later than 11.00 a.m. on Wednesday 26th March 2025.
2. In the case of a corporation this proxy must be under its common seal or under the hand of an officer duly authorised in writing.

First Fold

Second Fold

*The Secretary
REA Vipingo Plantations Limited
P.O.Box 17648-00500
Nairobi
Kenya*

Third Fold and tuck in edge

First Fold