

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2021

SASINI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**DIRECTORS AND STATUTORY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

DIRECTORS

Dr. J.B. McFie, PhD, MBS	- Chairman
Dr. N. N. Merali, PhD, CBS (Until 3 July 2021)	
A.H. Butt, CPA (Kenya), FCCA	
S.N. Merali, Bsc, MSc	
Dr. S.O. Mainda, PhD, MA, ACII, EBS	
Betty Koech, MBA, BCom	
Rosemary Munyiri, MSc, BCom, CPA (Kenya), CISA	
Martin R. Ochieng', MBA, Bsc	- Group Managing Director

SECRETARY

Lawrence Chelimo Kibet, CPS (Kenya)
5th Floor, Absa Plaza, Loita Street
PO Box 9287 - 00100
NAIROBI

REGISTRARS

Image Registrars Limited
5th Floor, Absa Plaza, Loita Street
PO Box 9287 - 00100
NAIROBI

ADVOCATES

Shapley Barret & Company
PO Box 40286 - 00100
NAIROBI

Harrison Hamilton and Mathews
PO Box 30333 - 00100
NAIROBI

Timamy and Company Advocates
PO Box 87288 - 80100
MOMBASA

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

3rd Floor, Rivaan Centre
Westlands
PO Box 30151 - 00100
NAIROBI

Telephone

(+254-020) 3342166/71/72

Mobile

(+254) 0722 200706, 0734 200706

E-mail

info@sasini.co.ke

Website

www.sasini.co.ke

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DIRECTORS AND STATUTORY INFORMATION **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

AUDITOR

KPMG Kenya
8th Floor, ABC Towers
Waiyaki Way
PO Box 40612 - 00100
NAIROBI

BANKERS

Absa Bank Kenya Plc
Barclays Plaza
PO Box 46661 - 00100
NAIROBI

Diamond Trust Bank Kenya Limited
DTB Centre, Mombasa Road
PO Box 61711 - 00200
NAIROBI

NCBA Bank Kenya Plc
Mara & Ragati Roads, Upper Hill
PO Box 30437 - 00100
NAIROBI

Spire Bank Limited
Equatorial Fidelity Centre
Waiyaki Way
PO Box 52467 - 00200
NAIROBI

KCB Bank Kenya Limited
Kiambu Branch
PO Box 81 - 00900
KIAMBU

Standard Chartered Bank Kenya Limited
Kiambu Branch
PO Box 117 - 00900
KIAMBU

UBA Kenya Bank Limited
Ring Road, Vale Close Westlands
PO Box 34154 - 00100 NAIROBI

HFC Limited
Rehani House Koinange Street
PO Box 30088 - 00100
NAIROBI

Corporative Bank of Kenya Limited
Nairobi Business Centre, China Centre
PO Box 48231 - 00100
NAIROBI

Stanbic Bank Kenya Limited
Stanbic Bank Centre, Westlands Road
PO Box 72833 - 00200
NAIROBI

SASINI PLC

BOARD OF DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Dr. McFie is the Chairman of the Board of Directors. He holds a PhD in Accounting from the University of Strathclyde and a BA and MA in Mathematics from Oxford University. He is a Fellow of both the Association of Chartered Certified Accountants and the Institute of Certified Public Accountants of Kenya (ICPAK). Dr. McFie is a lecturer in Financial Reporting, Auditing and Cybercrime at Strathmore University. He is also a director of The Standard Group Limited and the Chairman of the Registration and Quality Assurance Committee of ICPAK. Between 1993 and 2002 he was a Director of the Kenya Capital Markets Authority, a member of the Kenya Value Added Tax Tribunal and a Trustee of the Kenya Corporate Governance Trust and of Jitegemee Trust. Prior to his lecturing at Strathmore University, he was the Training Manager in Ernst and Young, after qualifying as an accountant in the firm.

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

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

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

Mr. S. N. Merali holds a Master of Science degree in Banking and International Finance from City University Business School, London and Bachelor of Science in Management Sciences from Kings College, London. Mr. Merali initially worked with Merrill Lynch International Bank Limited in the United Kingdom as an Investment Analyst between October 2000 and February 2003. He joined Sameer Investments Limited in March 2003 and now serves as the Chief Executive Officer of that company. He is the Chairman of Ryce East Africa Limited, Nandi Tea Estates Ltd and Warren Enterprises Ltd. He is a Director of Sameer Africa PLC, a company listed on the Nairobi Securities Exchange Ltd. He is also a Director of Sameer ICT Ltd, Sameer Telkom Ltd, Fidelity Shield Insurance Company Ltd, Frontier Optical Networks Ltd Company Ltd and Image Registrars Ltd among others. Mr. Merali has extensive experience in strategic leadership, business initiation and development, corporate management, audit and risk management as well as prudent financial management and planning.

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

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

Dr. Mainda has a wealth of experience in Finance, Insurance, Strategic Management and Education. He is currently the Group Chairman of Housing Finance Group of Companies as well as Chairman of Continental Reinsurance Company. He sits on the Board of several companies in Eastern Africa e.g. Shelter Afrique, Sasini Plc, Ryce East Africa, Tausi Assurance Company Limited, Dubai Islamic Bank Kenya and Mahathi Infrastructure Uganda Limited, etc.

As a Chairman and Director of various companies, he brings to the board, international business experience, management and executive leadership experience in operation, talent management and governance. Dr. Mainda served for many years as Chairman of Insurance Regulatory Authority of Kenya (IRA), as well as Insurance Advisory Board of Kenya.

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BOARD OF DIRECTORS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

Dr. Steve Omengo Mainda, PhD - *Independent Non-Executive Director (continued)*

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

Mr. Martin Robert Ochieng' - *Group Managing Director*

Mr. Ochieng' is a holder of a Master of Business Administration degree in Strategic Marketing and Management from Oxford Brookes University, England, and a First-Class Honours Bachelor of Science degree from Moi University. His career spans over 27 years of experience in international trade, business management and leadership in industry leading global organisations. He started work for 3M HealthCare as a Medical Representative in charge of Western Kenya region before joining Warner Lambert/Pfizer Inc. in 1997 as a Territory Manager covering Western Kenya, Eastern Uganda and North-Western Tanzania regions. In 2003 he moved with Pfizer to South Africa as Head of Marketing for Sub Saharan Africa markets. He has held several leadership roles in various organisations including at KVV International as Head of Global Marketing, at Tyco International as Marketing and Strategy Director for Africa and Middle East region and later as Managing Director for Tyco Commercial Services for the region, as CEO at GHM South Africa and as MD for SGA Kenya. He joined Sasini PLC on 1st March 2019.

Mrs. Betty Koech - *Independent Non-Executive Director*

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

Mrs. Koech worked at G4S Kenya as the Sales and Marketing Director and previously held the post of Marketing Manager at Unilever Kenya. She is a Member of the Board of Directors of Sunshine Secondary Education Limited where she serves in the Finance & Procurement Committee and the Human Resource Board Committee in the same Institution. She has extensive experience in Leadership, Marketing, Strategic Management, Sales and Coaching. She is a Director and Associate of the Lead Catalyst Group Limited. She is also a Lead Consultant with Silicon Consulting Group Limited.

Mrs. Rosemary Munyiri - *Independent Non-Executive Director*

Mrs. Rosemary Munyiri holds a Master of Accountancy degree from Bowling Green State University-Ohio, United States of America, and a Bachelor of Commerce (Accounting) degree from the University of Nairobi. She is a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). She is also a Certified Information Systems Auditor (CISA) and a Member of the Information Systems Audit and Control Association (ISACA).

Mrs. Munyiri has previously worked for East African Breweries Limited in various capacities which include: The Group Financial Planning and Reporting Manager, the Group Controls Compliance and Ethics Manager, the Manager – Group Audit and Risk and as a Consultant – Group Audit and Risk.

She has also worked as a Global Audit and Risk Manager at Diageo PLC, the Head of Internal Audit at Farmers' Choice Limited, a Staff Accountant at Plante & Moran PLLC, USA, and an Audit Manager at Wanyeki & Co. Associates, CPA – Nairobi. She is a Financial Planning and Reporting Manager with Consol Glass Kenya Ltd. She has a wealth of experience in Audit and Risk Management as well as in Financial Planning and Analysis.

SASINI PLC
SENIOR MANAGEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Dr. Samuel Kanga Odalo, DBA, - *Group Financial Controller*

Dr. Samuel Odalo has over 31 years' experience in Finance, Accounting and Audit. Prior to joining Sasini PLC, he held senior Finance and Accounting positions in various companies in the Agribusiness Industry. He holds a Doctorate Degree in Business Administration (Finance) from United States International University (USIU), a Global Executive Master of Business Administration (MBA) from USIU in partnership with Columbia Business School in New York, Bachelor of Science in Business Administration (Accounting) from USIU. Dr. Odalo is also a Certified Public Accountant (CPA) in Kenya and is a Member of Institute of Certified Public Accountants of Kenya (ICPAK). He joined the Sasini group in 1998 and rose through the ranks to become the Group Financial Controller in July 2009. Dr Odalo assumed the role of acting Group Managing Director from 1st October 2018 to 28 February 2019.

Mr. Lawrence Kibet - *Company Secretary*

Mr. Kibet holds a Bachelor of Laws (LL.B) Degree from the University of Nairobi, a Diploma in law from the Kenya School of Law and holds a Master of Business Administration degree in operations management, (MBA) from the University of Nairobi. He also holds a Bachelor of Commerce (BCom. Hons.) Finance major, and Bachelor of Laws degrees from the University of Nairobi and is currently pursuing a Master of Public Policy and Management degree at the Strathmore Business School, Strathmore University. He has also attended various professional management and corporate governance capacity building courses.

He is a Certified Public Accountant (CPA (K)), an advocate of the high court of Kenya and a Certified Public Secretary (CPS (K)). Mr Kibet is an active member of the Institute of Certified Public Accountants of Kenya (ICPAK), the Institute of Certified Public Secretaries (ICPSK) and Investor relations society (UK). Mr Kibet has over 15 years' experience in legal and corporate secretarial practice, corporate governance, policy management and investor relations. He has been involved in several Capital Markets transactions over the last ten years.

Mr. Silas Juma Njibwakale – *Managing Director, Kipkebe Limited*

Mr. Silas Juma Njibwakale holds a Bachelor of Science Degree in Agriculture from University of Nairobi and a Diploma in Human Resource Management from Kenya Institute of Management (KIM). He is a full member of the Institute of Human Resource Management (IHRM).

He has vast experience of over 27 years in managing tea estates and factories in Kenya. He has a wealth of knowledge in tea husbandry and has been instrumental in improving efficiencies and effectiveness within the tea industry in Kenya with a view to ensuring tea business remains sustainable with emphasis on value addition.

Prior to joining Sasini PLC, he held a number of senior management positions in various organizations which include The Sotik Tea Company Ltd, Sotik Highlands Tea Estate Ltd, Arroket Estate (Arroket & Kaptembwa) & Arroket Factory.

He has previously served as a member of the Board of Directors – Tea Board of Kenya and currently the National vice Chairman of the Kenya Tea Growers Association (KTGA).

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

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SENIOR MANAGEMENT **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTIMUED)**

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

Mr. Muriithi has a vast experience of over 27 years in Managing Coffee and Tea Estates & Factories. Prior to joining Sasini PLC, he held senior positions within the Neumann Kaffee Gruppe managing coffee and tea estates & factories both at local and international levels. Holds a Diploma in Agricultural Engineering from Jomo Kenyatta University of Agriculture and Technology among other management and leadership courses. Appointed General Manager, Coffee Operations in February 2004 where he has ably lead in a series of very successful diversification programs amongst other major activities within the Group.

Ms. Priscah Muthoni Keah - *Head of Human Resources & Administration*

Ms. Keah has over 17 years' experience in Human Resource Management. Prior to joining Sasini PLC., she held various Senior Human Resources Management positions in Agribusiness and Manufacturing Industries. Holds Master of Business Administration (MBA) in Human Resources Management, Bachelor of Science (BSc.) (Mathematics) (Hons), Post Graduate Diploma in Human Resources Management and is a Member of the Institute of Human Resources Management (IHRM). Appointed to the position in July 2010.

SASINI PLC

NOTICE OF THE ANNUAL GENERAL MEETING

TO ALL SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE SEVENTIETH (70TH) ANNUAL GENERAL MEETING of the Company will be via electronic communication, **on Friday, 4th March 2022 at 11.00 a.m.** and will be virtual to conduct the following business:

Ordinary business

1. To table the proxies and note the presence of a quorum.
2. To read the Notice convening the meeting.
3. To consider and if approved, adopt the Company's audited financial statements for the year ended 30 September 2021, together with the Chairman's, Directors' and Auditors' Reports thereon.
4. Dividends
 - i) To confirm the interim dividend of 50% paid on 15 July 2021 to the shareholders on the register of members as at close of business on 2 June 2021.
 - ii) To declare the payment of a final dividend of 50% for the year ended 30 September 2021 payable to the shareholders on or about 15 March 2022 to members on the register at the close of business on 22nd February 2022, subject to withholding tax where applicable. The register will remain closed for one (1) day on 23rd February 2022.
5. Auditors: To note that Messrs KPMG Kenya continue in office as Auditors by virtue of Section 721 (2) of the Companies Act, 2015 and to authorize the Directors to fix the Auditors' remuneration for the ensuing financial year.
6. To elect Directors:
 - (a) Dr James Boyd McFie, who retires at this meeting in accordance with the provisions of the Company's Articles of Association and Clause 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. Special notice is hereby given pursuant to Section 287 of the Companies Act, 2015, that notice has been received of the intention to propose the following Resolution as an Ordinary Resolution at the 2022 Annual General meeting:

'That Dr James Boyd McFie who has attained the age of 70 years, be and is hereby re-elected a Director of the Company until he comes up for retirement by rotation.
 - (b) Mr. Sameer Merali, a Director retiring by rotation in accordance with the Company's Articles of Association and being eligible, offers himself for re-election'.
7. In accordance with the provisions of Section 769 of the Companies Act, 2015, the following directors, being members of the Audit, Risk & Compliance Committee of the Board be elected to continue to serve as members of the said Committee:
 - (i) Mrs. Betty Koech
 - (ii) Mrs. Rosemary Munyiri
 - (iii) Mr. Sameer Merali
 - (iv) Dr. James McFie
8. To approve the Directors' Remuneration Report and the remuneration paid to the Directors for the year ended 30th September 2021.
9. To consider any other business for which due notice has been given.

SASINI PLC

NOTICE OF THE ANNUAL GENERAL MEETING (CONTINUED)

BY ORDER OF THE BOARD



**LAWRENCE KIBET, CPS (K)
COMPANY SECRETARY**

Date: 11 January 2022.

NOTES:

1. Shareholders wishing to participate in the meeting should register for the AGM by dialing *483*806# on their mobile telephone and follow the various prompts on the registration process.
2. To complete the registration process, shareholders will need to provide their National ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number. For assistance shareholders should dial the following helpline number: **(+254) 709 170 000** from 9:00 a.m. to 5:00 p.m. from Monday to Friday. Shareholders outside Kenya should dial the helpline number or send an email to sasinishares@image.co.ke for assistance during registration.
3. Registration for the AGM opens on Monday 7 February 2022 at 9:00 am and will close on Tuesday, 1 March 2022 at 5.00pm. Shareholders will not be able to register after this time.
4. The following documents may be viewed on the Company's website www.sasini.co.ke **(a)** a copy of this Notice and the proxy form; **(b)** 2021 Financial Statements.
5. Any shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.
6. The proxy form can also be obtained from the Company's website www.sasini.co.ke or from Image Registrars Limited, Absa Towers (formerly Barclays Plaza), 5th Floor, Loita Street, P. O. Box 9287 – 00100, Nairobi, Kenya. Shareholders who do not propose to be at the Annual General Meeting are requested to complete and return the proxy form to Image Registrars Limited, or alternatively to the Registered Office of the Company so as to arrive not later than Wednesday 2nd March 2022 at 11.00am.
7. Duly signed proxy forms may also be emailed to sasinishares@image.co.ke in PDF format. A proxy form must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under the Company's common seal or under the hand of an officer or duly authorized attorney of such body corporate.
8. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so on or before Wednesday 2 March 2022 at 11.00am by: (a) sending their written questions by email to sasinishares@image.co.ke; or (b) to the extent possible, physically delivering or posting their written questions with a return physical, postal or email address to the registered office of the Company or P.O. Box 30151 – 00100, Nairobi, or to Image Registrars offices at the address above.

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

The Company's directors will provide written responses to the questions received to the return physical, postal or email address provided by the Shareholder no later than 12 hours before the start of the AGM. A full list of all questions received, and the answers thereto will be published on the Company's website not later than 12 hours before the start of the AGM.

SASINI PLC

NOTICE OF THE ANNUAL GENERAL MEETING (CONTINUED)

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

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

SASINI PLC

ILANI YA MKUTANO MKUU WA KILA MWAKA

KWA WANAHISA WOTE

ILANI INATOLEWA HAPA KUWA MKUTANO MKUU WA KILA MWAKA WA SABINI (70) wa Kampuni utakuwa kupitia mawasiliano ya kielektroniki, **Ijumaa, tarehe 4 Machi 2022, saa tano asubuhi** kuendesha shughuli zifuatazo:

Shughuli za Kawaida

1. Kuwasilisha majina ya wawakilishi na kutambua uwepo wa akidi.
2. Kusoma Ilani ya kuitisha mkutano.
3. Kuchunguza na ikikubaliwa, kuidhinisha taarifa unganishi ya Kampuni na taarifa za kifedha zilizokaguliwa za mwaka ulioishia 30 Septemba 2021, pamoja na Ripoti za Mwenyekiti, Wakurugenzi na Wahasibu.
4. Migao ya Faida
 - i) Kuthibitisha mgao wa faida wa muda wa asilimia 50 uliolipwa tarehe 15 Julai 2021 kwa wanahisa kwenye rejista la wanachama kufikia mwisho wa biashara tarehe 2 Juni 2021.
 - ii) Kutangaza malipo ya mgao wa faida wa mwisho wa asilimia 50 kwa mwaka ulioishia tarehe 30 Septemba 2021 utakaolipwa kwa wanahisa tarehe 15 Machi 2022 kwa wanachama kwenye rekodi wakati wa kufunga biashara tarehe 22 Februari 2022 baada ya kutozwa ushuru panapostahili. Rejista itafungwa kwa siku moja tarehe 23 Februari 2022.
5. Wahasibu: Kutambua kuwa KPMG Kenya wanaendelea afisini kama Wahasibu kwa sababu ya Sehemu 721 (2) ya Sheria ya Makampuni 2015 na kuidhinisha Wakurugenzi kuamua ujira wa Wahasibu kwa mwaka wa kifedha unaofuata.
6. Kuchagua Wakurugenzi:
 - (a) Dkt. James Boyd McFie, anayestaafu katika mkutano huu kufuatana na masharti ya Kanuni za Kampuni na Kifungu 2.5 cha Kanuni ya Desturi za Utawala wa Shirika kwa Watoaji Amana kwa Umma. Ilani maalum inatolewa hapa kufuatana na sehemu 287 ya Sheria ya Makampuni, 2015, ilani hiyo imepokelewa ya dhamira ya kupendekeza Azimio lifuatalo kama Azimio la Kawaida katika mkutano wa kila mwaka wa 2022:

‘Kuwa Dkt. James Boyd McFie ambaye amefikisha umri wa miaka 70, awe na hapa anachaguliwa tena Mkurugenzi wa Kampuni mpaka afikie kustaafu kwa zamu.’
 - (b) Bw. Sameer Merali, Mkurugenzi anayestaafu kwa zamu kufuatana na Kanuni za Kampuni na kwa kuwa anastahili, anajitolea kuchaguliwa tena.
7. Kufuatana na masharti ya Sehemu 769 ya Sheria ya Makampuni, 2015, wakurugenzi wafuatao, wakiwa wanachama wa Kamati ya Uhasibu, Hatari na Makubaliano ya Halmashauri wachaguliwe kuendelea kutumika kama wanachama wa kamati hiyo:
 - i) Bi. Betty Koech
 - ii) Bi. Rosemary Munyiri
 - iii) Bw. Sameer Merali
 - iv) Dkt. James McFie
8. Kuidhinisha Ripoti ya Malipo ya Wakurugenzi na malipo yaliolipwa Wakurugenzi ya mwaka ulioishia tarehe 30 Septemba 2021.

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ILANI YA MKUTANO MKUU WA KILA MWAKA (KUENDELEZA)

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

KWA AMRI YA HALI MASHAURI

LAWRENCE KIBET, CPS (K)

KATIBU WA KAMPUNI

Tarehe: 11 Januari 2022

MAELEZO:

1. Wanahisa wanaotaka kushiriki katika mkutano wajiandikishe kwa mkutano mkuu wa mwaka kwa kubonyeza *483*806# kwenye simu zao za mkono na kufuata maagizo mbalimbali kwenye mchakato wa kujiandikisha.
2. Kukamilisha mchakato wa kujiandikisha, wanahisa watahitaji kutoa Nambari zao za Vitambulisho vya Kitaifa/Pasipoti zilizotumiwa kununulia hisa na/au Nambari ya Akaunti ya CDSC. Kwa usaidizi wanahisa wapige nambari ifuatayo ya usaidizi: (+254) 709 170 000 kutokea saa tatu asubuhi hadi saa kumi na moja jioni kutokea Jumatatu hadi Ijumaa. Wanahisa nje ya Kenya wapige nambari ya usaidizi au watume barua pepe kwa sasinishares@image.co.ke kwa usaidizi wakati wa kujiandikisha.
3. Kujiandikisha kwa mkutano mkuu wa mwaka kunaanza Jumatatu tarehe 7 Februari 2022 saa tatu asubuhi na kutafungwa Jumanne tarehe 1 Machi 2022 saa kumi na moja jioni. Wanahisa hawataweza kujiandikisha baada muda huu.
4. Hati zifuatazo zinaweza kupatikana katika mtandao wa Kampuni www.sasini.co.ke (a) nakala ya Ilani hii na fomu ya uakilishi; (b) Ripoti unganishi ya mwaka 2021 na Taarifa za Kifedha.
5. Mwanahisa yeyote ambaye anahaki ya kuhudhuria na kupiga kura katika Mkutano Mkuu wa Mwaka anahaki kuteua mwakilishi kuhudhuria na kupiga kura kwa niaba yake. Mwakilishi huyo si lazima awe mwanachama wa Kampuni.
6. Fomu ya uakilishi pia inaweza kupatikana kutoka kwa mtandao wa Kampuni www.sasini.co.ke au kutoka Image Registrars Limited, Absa Towers (awali Barclays Plaza), ghorofa ya 5, Barabara ya Loita, S.L.P. 9287 - 00100, Nairobi, Kenya. Wanahisa ambao hawatarajii kuwepo katika Mkutano Mkuu wa Mwaka wanaombwa kujaza na kurejesha fomu za uakilishi kwa Image Registrars Limited, au vinginevyo kwa Afisi Ilioandikishwa ya Kampuni ili ifike kabla ya au isipite Jumatano 2 Machi 2022 saa tano za asubuhi.
7. Fomu za uakilishi zilizotiwa sahihi kisawa zinaweza pia kutumwa kwa barua pepe kwa sasinishares@image.co.ke kwa muundo wa PDF. Fomu ya uakilishi lazima iwekwe sahihi na anayeteua au wakili wake aliyeidhinishwa kisawa kwa maandishi. Ikiwa anayeteua ni shirika, hati inayomteua mwakilishi lazima iwe na muhuri wa kawaida wa Kampuni au kwa idhini ya afisa au mwanasheria aliyeidhinishwa wa shirika hilo.
8. Wanahisa wanaotaka kuuliza maswali yoyote au kutaka ufafanuzi kuhusu mkutano mkuu wa mwaka wanaweza kufanya hivyo kufikia Jumatano tarehe 2 Machi 2022 saa tano asubuhi au kabla ya hapo kwa (a) kutuma maswali yao yalioandikwa kwa barua pepe kwa sasinishares@image.co.ke ; au (b) inapowezekana, kuwasilisha kwa mkono au kutuma kwa posta maswali yao yalioandikwa na anwani ya kujibu ya anapoishi, ya posta au barua pepe kwa afisi ilioandikishwa ya Kampuni au S.L.P. 30151 - 00100, Nairobi au kwa afisi za Image Registrars katika anwani iliopo hapa juu.

SASINI PLC

ILANI YA MKUTANO MKUU WA KILA MWAKA (KUENDELEZA)

MAELEZO:

Lazima wanahisa watoe maelezo yao kamili (majina kamili, Nambari ya Kitambulisho cha Kitaifa/ Pasipoti/ Akaunti ya CDSC) wanapokuwa wanawasilisha maswali yao au ufafanuzi. Wakurugenzi wa Kampuni watajibu kwa maandishi maswali yaliyopokelewa kwa anwani ya kujibia ya anapoishi, ya posta au barua pepe iliyotolewa na mwenye hisa kwa muda usiopungua masaa kumi na mbili kabla ya kuanza kwa mkutano mkuu wa mwaka. Orodha kamili ya maswali yote yaliopokelewa, na majibu kuhusiana nayo yatachapishwa katika mtandao wa Kampuni kwa muda usiopungua masaa kumi na mbili ya kuanza kwa mkutano mkuu wa mwaka.

9. Mkutano mkuu wa mwaka utapeperushwa moja kwa moja kupitia kiungo ambacho kwamba kitatolewa kwa wanahisa wote ambao watakuwa wamejiandikisha kushiriki katika mkutano mkuu wa mwaka. Wanahisa waliojiandikisha kisawa na wawakilishi watapata agizo la huduma ya ujumbe mfupi (SMS/USSD) kwenye simu zao za mkono zilizoandikishwa, masaa 24 kabla ya mkutano mkuu wa mwaka ikiwa kama ukumbusho wa mkutano mkuu wa mwaka. Agizo la pili la SMS/USSD litatumwa saa moja kabla ya mkutano mkuu wa mwaka, kama ukumbusho kuwa mkutano mkuu wa mwaka utanza katika saa moja na kutoa kiungo cha upeperushaji wa moja kwa moja.
10. Wanahisa na wawakilishi ambao kuwa wamejiandikisha kuhudhuria mkutano mkuu wa mwaka wanaweza kufuata yanayotendeka wakitumia jukwaa la kupeperushia moja kwa moja, kuipata ajenda na kupiga kura (watakapoagizwa na mwenyekiti) kupitia maagizo ya USSD.
11. Matokeo ya maazimio ya yaliopigiwa kura yatachapishwa kwenye mtandao wa Kampuni yaani www.sasini.co.ke katika masaa ishirini na nne kufuatia kumalizika kwa mkutano mkuu wa mwaka.

Wanahisa wanahimizwa kufuatilia mtandao wa Kampuni siku zote kwa maelezo yoyote mapya kuhusiana na mkutano mkuu wa mwaka.

SASINI PLC

CHAIRMAN'S STATEMENT

“This year we endured the continued negative effects of the COVID 19 pandemic to post the best results we have seen in recent times”: Dr. J. B. McFie, PhD., Chairman

Business Environment:

This year, Sasini PLC endured one of its most difficult years in the operational environment with the negative effects of the COVID 19 pandemic. This was a continuation of the effects this outbreak had on our business and operations from the previous year. We faced the challenges in a very positive manner and are glad to report that the resilience shown by the leadership bore very good results in the end.

The Group posted a full year operating profit after tax of KShs 438.07 million against prior year same period profit of KShs 74.25 million. Several factors contributed to this performance including cost containment measures in the tea division through automation, improvement in tea production volumes, sale of raw timber, and better than expected coffee price realization. This year also saw the resumption of the macadamia business which had a positive contribution to the overall results. The gradual global relaxation of containment measures on Covid 19 pandemic helped open the nuts market resulting in a strong performance in the second half of the year.

The tea unit achieved profitability despite the continued low-prices throughout the year. We also had some adverse weather conditions experienced during the start of the financial year. The tea business achieved favorable tea production volumes in the year under review. This year's production is the highest ever achieved for the unit despite the unpredictable weather patterns within the region. Despite the constantly changing business environment in tea, the company managed to attain impressive profitability through cost containment measures including mechanization in tea harvesting, maintaining desired factory processes, interest income from deposits, and the income from sale of mature timber. The cost of producing tea was contained throughout the year due to the company's serious approach to automation in its fields. In the year under review, we completed our roll out of the field automation program. It is noteworthy to state that this exercise has coincided with the company's improvement in the quality of the tea that we now produce. We strengthened our private selling channels to support our auction sales and our intention is to keep driving these improvements in the years ahead.

Generally, the financial year started on a good note for coffee with prices being strong. These strong prices held throughout the year and helped the organisation attain the good results posted at the end of the fiscal. The coffee units performed above expectations and the outlook for the coffee export market is good as global prices maintain their strength. The unit's performance was largely driven by the favorable weather conditions that meant good growing conditions though the volumes were lower than anticipated. The higher coffee price realizations during the year increased profitability. The coffee mills performed very well with trading activities, against confirmed sales contracts while the coffee prices realized in both the auction and the direct sales channels were firm and encouraging. The favorable prices were driven by the lower than anticipated volume of coffee in the global markets. Despite the higher than anticipated cost of production (COP) in coffee, the sales prices realized were much higher than expected and were able to mitigate the higher COPs.

We shipped out sixty-six (64) containers of avocado fruit during the year. All the packing was done from the new Sasini Avocado EPZ pack-house commissioned during the year. The shipments were affected by the ongoing Covid 19 pandemic that has affected the market destinations for the fruit, tight competition from other players in the global market, issues of fruit quality in the field, and better-quality supply from other sources especially South Africa and Peru. The average fruit purchase cost was at a high of Kes. 326/Kg. This was the highest we have paid for fruit in the last three seasons. This year despite being an off season (less fruit available), the prices realized were much lower than expected. During the year, we completed and opened our own avocado packhouse which is now fully operational.

SASINI PLC

CHAIRMAN'S STATEMENT (CONTIMUED)

Despite the total closure of the macadamia market early in the year, the global nuts market picked up in the later part of the year as the global economies gradually opened, after the effects of the Covid 19 pandemic. During the year, 1.48 million Kgs. of nut in shell (NIS) were purchased to build up stocks to satisfy the market orders. This unit is now showing signs of the potential it has as a major profit center in the future. The resumption of global air travel, the slow but steady resurgence of the global hospitality sector and the eventual re opening of global retail outlets meant that the mainstreams of the global nut markets were recovering. We took advantage of these and aggressively marketed and sold our macadamia nuts in the latter part of the financial year to end up with that business being profitable as well.

The depreciation of the local currency against the major currencies coupled with the income from fixed cash deposits boosted profitability by way of positive exchange variances and interest income. The exchange rate during the year reached a high of KShs 113.01/US\$, while the cumulative average for the year under review was KShs 109.05/US\$.

The cash generation has been encouraging despite low profitability from some units. The timely tea sales collections, coffee trading receipts and receipts from both avocado and macadamia sales had positive impacts on the cash flows. The company paid an interim dividend of KShs 114 million, on 15 July 2021 as planned.

The effects of the COVID-19 pandemic continued to drive the company towards strict adherence to the mitigation measures to help curb the pandemic's spread. We have had less than 10 cases of employees being directly affected with this disease because of this diligence.

The company's Board continues to be committed to the single-minded goal of driving our performance towards being the continent's premier agribusiness. To this end, the Board has continued to closely monitor the company's performance and helped in managing emerging issues throughout the year. We oversaw the continued commitment to the strategic framework that the Board had set 2 years back and which has been instrumental in driving the needed improvements now evident.

This year, we have strengthened our journey and role of being a leading business on the sustainability front. We have always operated in a sustainable and ethical manner but rather than by default, we have now embarked on doing this deliberately. Early in the financial year we launched our Sustainability Statement which captures our intent and details our focus areas going forward. We have aligned our efforts with the global goals set by the United Nations Global Compact which is the world's biggest corporate sustainability drive. Sasini PLC remains one of the strong members of the United Nations Global Compact Kenya Network and is committed to strongly drive our business forward in a sustainable manner. Sasini PLC acknowledges that its sustained business success is dependent on nesting the business harmoniously with the society in the environment it operates in. It is our intention to premise our approach going forward on three very critical principles of the **planet**, **people**, and **profits** for prosperity.

To support the above drive, we identified and will focus on 9 key sustainable development goals (SDGs) being;

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

SASINI PLC

CHAIRMAN'S STATEMENT (CONTIMUED)

Our approach to the sustainable effort is based on 4 key thematic areas;

1. Our respect for human rights
2. Our strict adherence to good labour practices
3. Our focused attention to protecting the environment
4. Our total dislike of and lack of tolerance for corruption

We feel that at Sasini PLC, our value systems are completely aligned to our desire to drive these goals and so we make this commitment with a deep desire to be an excellent corporate citizen.

Good governance depends on good and effective leadership and a healthy corporate culture, supported by robust systems and processes and a good understanding of risk. We aim to stay abreast of developments in good governance and practice and have well developed plans to ensure that we continue meeting international standards of excellent corporate governance. We intend to stay at the forefront of this crucial global goal to play our part in making the world a better place than we found it.

On a sad note, in this year, we lost our major shareholder and long-time company Director, Dr. Naushad Noorali Merali. Dr. Merali was an outstanding businessman, entrepreneur, industrialist, and corporate leader. He had been involved with the company for over 30 years of its 70-year existence and was instrumental in driving change and growth in the pursuit for diversification into our fruit and nuts businesses. He led with a clear mind focused on teamwork, efficiency and a positive attitude which were the foundations of the success he achieved. Whereas he leaves big shoes to fill, I am delighted to let you know that the Board, management, and the business, is in very good hands and the fact that we operate under strict governance and a strong strategic framework ensured that we had no issues with continuity because of Dr. Merali's departure. We continue praying that God may grant his soul eternal rest and peace.

Looking ahead

Having stabilized with the strategic foundation we now have, it is our intention to drive forward strongly knowing that our future is in our hands. We intend to use that strategic framework to further seek profitable growth in our macadamia and avocado businesses to help improve our results in the years ahead.

We now have in place a strong and stable leadership team tasked with the mantle of managing the business. The Board remains committed as usual to this course and we are in good health with all aspects of the business. As we weave our way out of this global pandemic, we must stay focused on fighting its spread as we have done recently. It is our intention to protect our employees and all our stakeholders in our continued dealings with them.

In the new financial year, we will retain strong attention on the stability of our traditional businesses in tea and coffee. The two crops remain the foundation of what Sasini PLC is as a corporate and will remain a core part of our business. However, in seeking to drive growth in our influence and ultimately in profits, we launched our macadamia and avocado businesses a few years ago. These have survived the global negative effects of the pandemic and are now poised for strength in contributing to the company's prosperity in the future. The Board continues to seek for new opportunities for further diversity in areas that would be supplementary to our existing businesses and strategies.

Our attention to attracting, training, and retaining good talent to help us achieve our goals will remain a corner stone of our work going forward. We continue to successfully entrench and drive a strong performance culture in our business, and I cannot over emphasize how critical our employees are to this course.

In doing this, it is imperative that we retain razor-sharp focus on cost containment to help boost our profitability. The focus we have had on cost has been phenomenal and we need to retain that. To do that, we must be prudent with how we spend our operational money but also how we invest. We have now completed our field automation roll out in our tea business and we switch our attention now over the next few years to automation in the factories.

SASINI PLC

CHAIRMAN'S STATEMENT (CONTIMUED)

This will see us improve on efficiencies and quality needed for that business. We have also commissioned the construction of 1.5 MW solar power generating stations which when complete will see us reduce our reliance on hydroelectricity and further push us towards use of renewable sources of energy. It is our long-term goal to roll similar projects out into our other business units.

Our avocado unit is now fully equipped with its own pack house. As we look to drive the growth from the fruit business, we will rely on our growing competence in the global fruit trade to help achieve our goals and owning our own processing facilities is a crucial part of that.

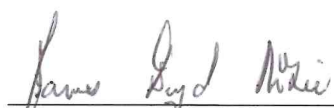
To continue being successful, we intend to retain strong attention on being profitable to generate the cash we need to our stability, re investment and capital expansion and growth. It is critical for Sasini PLC to not only be a leading agribusiness in the continent but to also lead on the financial aspects.

To fully drive our intentions, we will continue to invest in and focus on sharpening our commercial astuteness. Our global markets are growing and due to our participation on multiple crop areas, we now have a wider range of customers than we had before we diversified. It is our intention to cross sell to most of these customers and increase our share of their consideration when seeking agri-products

To do all the above, we will base all our operations on being sustainable. It is our single most important aspect as we delve into the 3rd decade of the 21st century. Our alignment to global objectives in this area underpins our intentions clearly. We will remain focused on all these to take our company to where it seeks to be, at the top of industry.

Acknowledgments

Please allow me to extend my deep gratitude to the shareholders who continue to support the work the company does on pursuing its strategic goals and objectives. The Board has been steadfast in offering leadership to the business and for that I am truly grateful. The management team continues to lead and manage the business prudently and I would like to express my gratitude to them for their commitment. To all our employees at Sasini PLC, thank you so much for your hard work. You prove to us every day that you are a special group of people and the future of the organisation, and its success lies squarely on the great work each of you does.



Dr. J. B. McFie, PhD
Chairman

Date: 11 January 2022

SASINI PLC

TAARIFA YA MWENYEKITI

“Mwaka huu tumevumilia athari hasi zilizoendelea za ugonjwa wa Uviko 19 kutoa matokeo mazuri zaidi kabisa tuliopata katika nyakati za karibuni”: Dkt. J.B. McFie, PhD., Mwenyekiti

Mazingira ya Biashara:

Mwaka huu Sasini PLC imevumilia mmojawapo wa miaka yake migumu kabisa katika mazingira ya utendaji kazi na athari hasi za ugonjwa wa Uviko 19. Hili lilikuwa uendeleaji wa athari za mlipuko huu zilizokuwepo kwenye biashara yetu na ufanyaji kazi kutoka mwaka uliotangulia. Tulikabili changamoto hizi kwa njia chanya kabisa na tunafuraha kuripoti kuwa uthabiti ulioonyeshwa na uongozi ulizalisha matokeo mazuri sana hatimaye.

Kundi lilipata faida ya utendaji kazi wa mwaka mzima baada kodi ya KShs milioni 438.07 dhidi ya mwaka uliotangulia kipindi sawa ya KShs milioni 74.25. Hali kadhaa zilichangia katika utendaji huu ikiwa ni pamoja na hatua za kupunguza gharama katika kigawe cha majani chai kupitia utumiaji wa mitambo inayojiendesha, uimarikaji katika wingi wa uzalishaji majani chai, uuzaji wa mbao ghafi na upatikanaji wa bei nzuri zaidi za kahawa kuliko ilivyotarajiwa. Mwaka huu pia tulikuwa na uanzaji upya wa biashara ya makadamia ambayo ilikuwa na mchango chanya katika jumla ya matokeo. Ulegezaji wa polepole wa ulimwengu wa masharti ya uzuiaji wa ugonjwa wa Uviko 19 ulisaidia kufungua soko la makadamia ikisababisha utendaji imara katika nusu ya pili ya mwaka.

Kitengo cha majani chai kilipata faida licha ya bei za chini zilizoendelea mwaka mzima. Pia tulikuwa na hali mbaya za hewa zilizokuwepo mwanzoni mwa mwaka wa kifedha. Biashara ya majani chai ilipata wingi wa uzalishaji wa kufaa wa majani chai katika mwaka unaopitiwa. Uzalishaji wa mwaka huu ndio wa juu kabisa uliopatikana wa kitengo licha ya mielekeo ya hali za hewa isiotabirika katika eneo. Licha ya ubadilikaji daima wa mazingira ya biashara ya majani chai, kampuni iliweza kupata faida ya kuvutia kupitia hatua za kudhibiti gharama pamoja na utumizi wa mashine katika uvunaji majani chai, kudumisha kazi za kiwanda zinazofaa, riba ya mapato kutoka uwekaji amana, na mapato kutoka uuzaji wa mbao zilizokomaa. Gharama ya uzalishaji majani chai ilidhibitiwa mwaka wote kutokana na mtazamo wa maana wa kampuni kuhusu utumiaji wa mitambo inayojiendesha katika mashamba yake. Katika mwaka unaopitiwa tulikamilisha mpango wetu wa utumizi wa mitambo ya kujiendesha katika mashamba. Yafaa kutaja kuwa shughuli hii imefikiana na uimarishaji wa kampuni wa ubora wa majani chai ambayo sasa tunazalisha. Tuliimarisha njia zetu za uuzaji wa kibinafsi kusaidia mauzo ya mnada na nia yetu ni kuendelea kuongeza maendeleo haya katika miaka inayokuja.

Kwa ujumla, mwaka wa kifedha ulianza vyema kwa kahawa na bei zikiwa thabiti. Bei hizi thabiti zilikuwepo mwaka mzima na zilisaidia shirika kupata matokeo mazuri yaliopatikana katika mwisho wa mwaka wa kifedha. Vitengo vya kahawa vilitenda zaidi ya matarajio na mtazamo wa soko la biasharanje la kahawa ni mzuri na bei za ulimwengu zikidumisha nguvu yake. Utendaji wa kitengo uliendelezwa na hali za hewa za kufaa zilizomaanisha hali nzuri za ukuaji ijakokuwa wingi wa uzalishaji ulikuwa wa chini kuliko ulivyotarajiwa. Upatikanaji wa bei ya juu ya kahawa katika mwaka uliongeza faida. Vinu vya usagaji kahawa vilifanya vyema sana na shughuli za biashara, dhidi ya mikataba ya siku nyingi ya mauzo hali bei za kahawa zilizopatikana katika zote mnada na njia za mauzo ya moja kwa moja zilikuwa imara na za matumaini. Bei za kuvutia zilisababishwa na wingi wa uzalishaji kahawa wa chini ya ilivyotarajiwa katika masoko ya ulimwengu. Licha ya gharama za juu zaidi ya ilivyotarajiwa za uzalishaji katika kahawa, bei zilizopatikana za mauzo zilikuwa za juu zaidi ya ilivyotarajiwa na ziliweza kupunguza gharama za juu zaidi ya ilivyotarajiwa za uzalishaji.

Tulisafirisha makasha sitini na nne (64) ya matunda ya parachichi katika mwaka. Ufungaji wote wa mizigo ulifanywa katika kituo kipya cha ufungaji cha Sasini Avocado EPZ kilichoanzishwa katika mwaka. Shehena ziliathiriwa na ugonjwa wa Uviko 19 unaoendelea ambao umeathiri masoko ya safari ya matunda, ushindani mkali kutoka kwa wauzaji wengine katika soko la ulimwengu, maswala ya ubora wa matunda katika eneo, na ugavi wa ubora zaidi kutoka kwa vyanzo vingine hasa Afrika Kusini na Peru. Gharama ya wastani ya ununuzi wa matunda ilikuwa ya juu ikiwa KShs 326/Kg. Hii ilikuwa ya juu zaidi kabisa tuliolipia matunda katika misimu mitatu iliopita. Licha ya mwaka huu kutokuwa ni msimu (matunda machache yanapatikana), bei zilizopatikana zilikuwa za chini zaidi ya ilivyotarajiwa.

SASINI PLC

TAARIFA YA MWENYEKITI (KUENDELEZA)

Mazingira ya Biashara (Kuendeleza)

Katika mwaka huu, tulikamilisha na kufungua kituo chetu wenyewe cha kufungia parachichi ambacho sasa kinafanya kazi kikamilifu.

Licha ya kufungwa kabisa kwa soko la makadamia mapema katika mwaka, soko la ulimwengu la makadamia liliimarika katika sehemu ya baadaye ya mwaka pale chumi za ulimwengu zilipofunguka polepole, baada ya athari za ugonjwa wa Uviko 19. Kilo milioni 1.48 za makadamia ya maganda zilinunuliwa katika mwaka kuongeza akiba kutosheleza maagizo ya soko. Kitengo hiki sasa kinaonyesha ishara ya uwezo kilichonacho kama kituo muhimu cha faida katika siku za baadaye. Urejelezi mpya wa safari za anga za ulimwengu, ufufukaji wa polepole lakini imara wa sekta ya hoteli ya ulimwengu na hatimaye ufunguzi upya wa biashara za rejareja za ulimwengu ulimaanisha kuwa nguzo kuu za masoko ya makadamia ya ulimwengu yanapata ahueni. Tulijinufaisha kwa haya na kwa bidii kuu kutangaza na kuuza makadamia yetu katika sehemu ya baadaye ya mwaka wa kifedha na kuishia na biashara hiyo pia kuwa ya faida.

Upunguaji wa thamani ya fedha za nchini dhidi ya fedha muhimu pamoja na mapato kutoka kwa amana za kifedha za muda maalum ziliinua faida kwa njia ya tofauti za ubadilishaji fedha chanya na riba ya mapato. Kiwango cha ubadilishaji fedha katika mwaka kilifikia kiwango cha juu cha KShs. 113.01/ US\$, hali limbikizi la wastani la mwaka unaopitiwa likiwa KShs 109.50/US\$.

Uzalishi wa fedha umekuwa wa matumaini licha ya faida ndogo kutoka kwa baadhi ya vitengo. Ukusanyaji wa wakati wa mauzo ya majani chai, stakabadhi za biashara ya kahawa na stakabadhi kutoka kwa zote mauzo ya parachichi na makadamia zimekuwa na athari chanya kwenye mapato halisi. Kampuni ililipa mgao wa faida ya muda wa KShs. milioni 114, tarehe 15 Julai 2021 kama ilivyopangwa.

Athari za Uviko 19 ziliendelea kupelekea kampuni kuelekea kufuata kikamilifu masharti ya kupunguza kusaidia kuzuia kuenea kwa ugonjwa. Tumekuwa na chini ya wafanyikazi kumi wagonjwa wakiathiriwa moja kwa moja na ugonjwa huu kwa sababu ya jitihada hii.

Halmashauri ya Kampuni inaendelea kujitolea katika lengo moja tu la kuendesha utendaji wetu katika kuwa viwanda vya huduma za kilimo vya kwanza barani. Kufikia hili, Halmashauri imeendelea kuchunguza kwa makini utendaji wa kampuni na kusaidia katika kusimamia maswala ibuka mwaka mzima. Tulisimamia ujitoleaji wa kuendelea kwa mfumo wa kimkakati ambao Halmashauri ulipanga miaka miwili nyuma na ambao umekuwa wa kusaidia katika kuendesha uimarikaji unaohitajika ambao sasa ni dhahiri.

Mwaka huu tumeimarisha safari yetu na wajibu wa kuwa biashara inayoongoza kwa upande wa uendeleu. Daima tumeshughulika kwa njia endelevu na adilifu lakini kwa uhakika zaidi kuliko kwa kimakosa; sasa tumeanza kufanya hili kimaksudi. Mapema katika mwaka wa kifedha tulianzisha Taarifa yetu Endelevu ambayo inaonyesha nia yetu na inaeleza maeneo yetu tunayolenga tukielekea mbele. Tumefungamanisha jitihada zetu na malengo ya ulimwengu yaliowekwa na Maafikiano ya Ulimwengu ya Umoja wa Mataifa ambalo ndilo shirika kubwa zaidi linalosukuma uendeleu duniani. Sasini PLC inabakia mmoja wa wanachama thabiti wa Mtandao wa Maafikiano ya Ulimwengu ya Umoja wa Mataifa nchini Kenya na imejitolea kuendesha kiimara biashara yetu mbele kwa njia endelevu. Sasini PLC inakubali kuwa mafanikio yake endelevu ya biashara yanategemea kujiegemeza kwa mpangilio mzuri na jamii katika mazingira inayofanya kazi. Ni nia yetu kwenda mbele kuegemeza mtazamo wetu katika misimamo mitatu muhimu sana ya sayari, watu na faida kwa ufanisi.

SASINI PLC

TAARIFA YA MWENYEKITI (KUENDELEZA)

Mazingira ya Biashara (Kuendeleza)

Kusaidia msukumo wa hapo juu, tulitambua na tutalenga kwenye malengo makuu 9 ya maendeleo endelevu yakiwa;

1. Umalizaji wa umaskini
2. Afya nzuri na hali njema
3. Elimu bora
4. Usawa wa kijinsia
5. Nishati ya kumudika na safi
6. Kazi za heshima na ukuaji wa kiuchumi
7. Viwanda, uvumbuzi na miundombinu
8. Utumizi wa kuwajibika na uzalishaji
9. Maisha kwenye ardhi

Mtazamo wetu wa juhudi endelevu umeegemezwwa kwenye maeneo manne makuu ya kimaudhui;

1. Heshima yetu kwa haki za binadamu
2. Ufuatiliaji wetu kamili wa desturi nzuri za ufanyaji kazi
3. Uangalifu wetu wa kulenga katika kulinda mazingira
4. Uchukivu wetu kamili na kutovumilia ufasidi

Tunahisi kuwa katika Sasini PLC, mifumo yetu ya maadili imefungamana kikamilifu na matamano yetu ya kutimiza malengo haya na hivyo tunatoa ahadi hii tukiwa na matamano makuu ya kuwa raia wa kishirika bora zaidi.

Utawala mzuri unategemea uongozi mzuri na wa kufaa na utamaduni mzuri wa shirika, unaosaidiwa na mifumo na njia imara na uelewa mzuri wa hatari. Tunalenga kuwa sambamba na maendeleo ya utawala mzuri na desturi na kuwa na mipango iliokundelezwa vyema kuhakikisha kuwa tunaendelea kutekeleza viwango vya kimataifa vya utawala wa shirika. Tunanua kubaki mbele kabisa ya lengo hili muhimu la ulimwengu kuchukua nafasi yetu katika kuufanya ulimwengu mahali bora zaidi ya tulivyopata.

Kwa ukumbusho wa kusikitisha, mwaka huu tulimpoteza mwanahisa mkuu na Mkurugenzi wa kampuni wa kipindi kirefu Dkt. Naushad Noorali Merali. Dkt. Merali alikuwa mfanyibiashara aliyejipambanua, mjasiriamali, mtasnia na kiongozi wa shirika. Amehusika katika kampuni kwa zaidi ya miaka 30 ya uwepo wake wa miaka 70 na alisaidia katika kuleta mabadiliko na ukuaji ya upanuzi wa biashara zetu za matunda na makadamia. Aliongoza kwa akili angavu iliolenga kwenye kazi ya pamoja, ufanisi na msimamo chanya ambayo ndiyo misingi ya mafanikio aliopata. Hali akiwa ameacha pengo kubwa kujazwa, ninafuraha kuwajulisha kuwa Halmashauri, usimamizi na biashara, zipo katika mikono mizuri sana na kwa kuwa tunafanya kazi chini ya utawala kamili na msingi thabiti wa kimkakati ulihakikisha kuwa hatukuwa na maswala ya uendelezi kwa sababu ya kuondoka kwa Dkt. Merali. Tunaendelea kuomba kuwa Mungu ataipatia roho yake mapumziko ya milele na amani.

Tukiangaza Mbele

Tukiwa tumejiimarisha na mfumo wa kimkakati tulio nao sasa, ni nia yetu kuendelea mbele kiimara tukijua kuwa siku zetu za baadaye zipo mikononi mwetu. Tunakusudia kutumia mfumo huo wa kimkakati kutafuta ukuaji zaidi wa faida katika biashara zetu za makadamia na parachichi kusaidia kuimarisha matokeo yetu katika miaka ijayo.

Sasa tuna timu thabiti na imara ya uongozi iliopatiwa jukumu la kusimamia biashara. Bado Halmashauri imejitolea kama kawaida katika njia hii na tuko katika hali nzuri katika vipengele vyote vya biashara. Tunapobuni njia yetu kujitoa katika ugonjwa huu wa ulimwengu, lazima tuwe tumelenga katika kupigana na uenezi wake kama tulivyofanya karibuni. Ni nia yetu kulinda wafanyikazi wetu na washika dau wetu wote katika muwasala wetu nao wa kuendelea.

SASINI PLC

TAARIFA YA MWENYEKITI (KUENDELEZA)

Tukiangaza Mbele (Kuendeleza)

Katika mwaka mpya wa kifedha, tutaweka uangalifu imara katika uthabiti wa biashara zetu za asili za majani chai na kahawa. Mazao haya mawili yanabakia msingi wa Sasini PLC ni nini kama shirika na yatabakia sehemu ya kiini ya biashara yetu. Hata hivyo, katika kutafuta kuendeleza ukuaji katika ushawishi wetu na hatimaye katika faida, tulianzisha biashara zetu za makadamia na parachichi miaka michache iliopita. Hizi zimeokoka na athari hasi za ugonjwa za ulimwengu na sasa ziko tayari kiuwezo kuchangia katika ufanisi wa kampuni katika siku za baadaye. Halmashauri inaendelea kutafuta nafasi mpya za upanuzi zaidi katika maeneo ambayo yatakuwa ya kuongezea zaidi biashara zetu zilizopo na mikakati.

Uangalifu wetu katika kuvutia, kufunza na kuajiri vipawa vizuri kutusaidia kutimiza malengo yetu utabakia kiini cha kazi yetu kuendelea mbele. Tutaendelea kwa ufaulu kufanya madhubuti na kuendelea utamaduni wa utendaji imara, na siwezi kutohimiza zaidi vile wafanyikazi wetu ni sehemu muhimu sana ya hilo.

Katika kutekeleza hili, ni lazima tulenge kwa makini kwenye kudhibiti gharama kusaidia kuinua faida yetu. Kulenga tulikokuwa nako kwenye gharama kumekuwa ajabu sana na tunahitaji kuendelea nako. Kufanya hilo, lazima tuwe waangalifu katika jinsi tunavyotumia pesa za kuendeshea shughuli lakini pia jinsi tunavyoikeza. Sasa tumekamilisha uanzishi wetu wa utumiaji wa mitambo inayojiendesha shambani katika biashara yetu ya majani chai na tunaendelea uangalifu wetu sasa wa miaka michache ijayo katika utumiaji wa mitambo inayojiendesha katika viwanda. Hili litatuelekeza kuimarisha ufanisi na ubora unaohitajika kwa biashara hiyo. Tumeanzisha pia ujenzi wa vituo vya kuzalisha nguvu za jua za 1.5 MW ambavyo vikikamilika vitatusaidia kupunguza utegemezi wetu wa umeme wa nguvu za maji na kutusukuma zaidi kwenye utumizi wa vyanzo vya nishati vinavyojitengeneza upya. Ni lengo letu la muda mrefu kuanzisha miradi sawa katika vitengo vyetu vingine vya biashara.

Kitengo chetu cha parachichi sasa kimekamilika kabisa na kituo chake cha kufungia. Tunapochunguza kuendeleza ukuaji wetu katika biashara ya matunda, tutategemea ustadi wetu unaokua katika biashara ya matunda ya ulimwengu kutusaidia kutimiza malengo na kumiliki nyenzo zetu wenyewe za utengenezaji ni sehemu muhimu ya hilo.

Kuendelea kuwa na ufanisi, tunakusudia kuweka uangalifu imara katika kuwa na faida kuzalisha fedha tunazohitaji kwa uthabiti wetu, kukeza upya na upanuzi wa mtaji na ukuaji. Ni muhimu kwa Sasini PLC kuwa sio tu kiongozi wa viwanda vya huduma za kilimo katika bara lakini pia kuongoza kwenye vipengele vya kifedha.

Kuendeleza kikamilifu malengo yetu, tutaendelea kukeza na kulenga katika kunoa uerevu wetu wa biashara. Masoko yetu ya ulimwengu yanakua na kutokana na ushiriki wetu kwenye maeneo ya mazao mengi, sasa tuna wateja anuwai kuliko tulivyokuwa nao kabla kupanua biashara. Ni nia yetu kuuza kwa kupitana kwa karibu na wateja hawa wote na kuongeza hisa yetu ya uzingatiaji wao wanapotafuta bidhaa za kilimo.

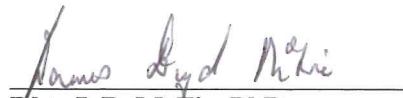
Kufanya yote yalio hapo juu, tutaegemeza shughuli zetu zote kwenye kuwa endelevu. Ni kipengele chetu kimoja muhimu sana tunapoingia katika miaka kumi ya tatu ya karne ya 21. Mfungamano wetu na malengo ya ulimwengu katika eneo hili unaunga mkono dhamiri zetu dhahiri. Tutabaki tumelenga kwenye haya yote kupeleka kampuni yetu inapohitaji kuwepo kwenye kilele cha tasnia.

SASINI PLC

TAARIFA YA MWENYEKITI (KUENDELEZA)

Shukrani

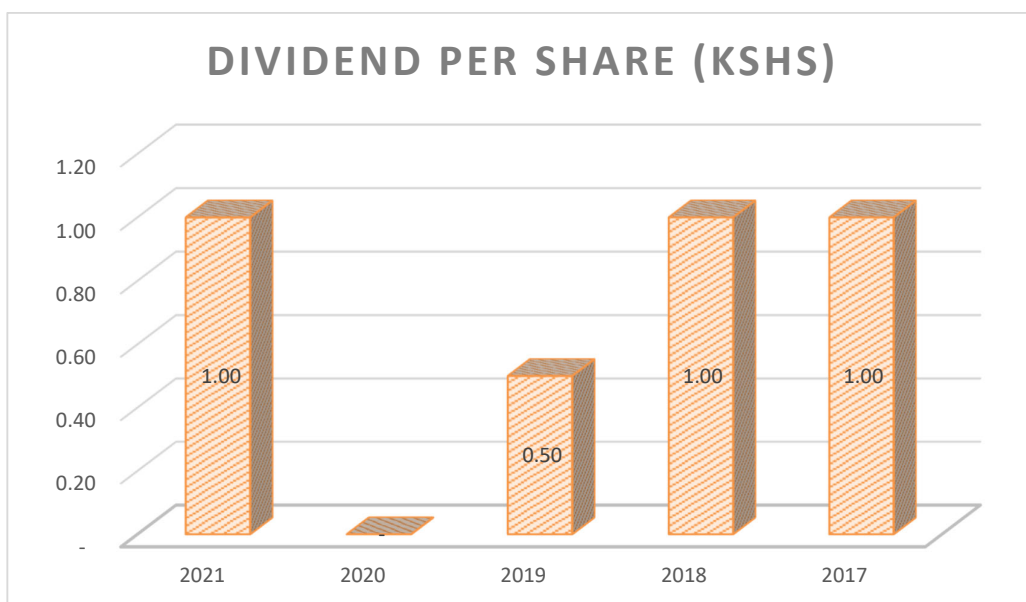
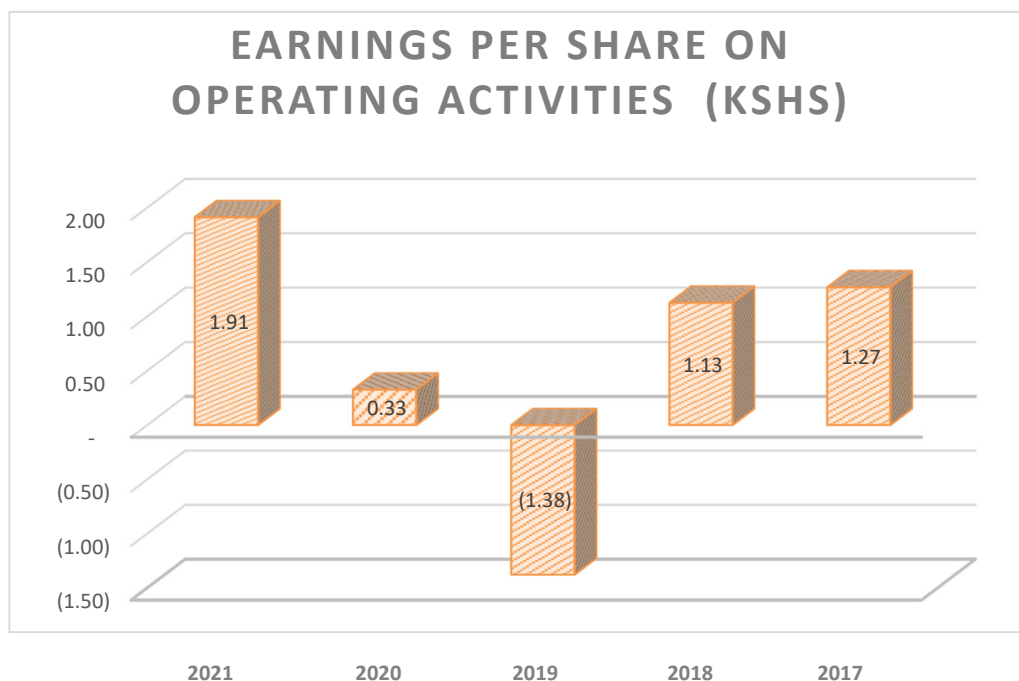
Tafadhali muniuhusu kutoa shukrani zangu za dhati kwa wanahisa wanaoendelea kusaidia katika kazi inayofanywa na kampuni ya kufuatilia malengo ya kimkakati na dhamira zake. Halmashauri imekuwa imara katika kutoa uongozi katika biashara na kwa hilo ninashukuru kikweli. Timu ya usimamizi inaendelea kuongoza na kusimamia biashara kwa busara na ningependa kutoa shukrani zangu kwao kwa kujitolea kwao. Kwa wafanyikazi wetu wote wa Sasini PLC, asanteni sana kwa kazi yenu ngumu. Munatuthibitishia kila siku kuwa ni kundi maalum la watu na ni siku za baadaye za shirika, na mafanikio yake yanategemea kabisa kwenye kazi kuu kila mmoja wenu anayofanya.


Dkt. J. B. McFie, PhD
Mwenyekiti

Tarehe: 11 Januari 2021

SASINI PLC

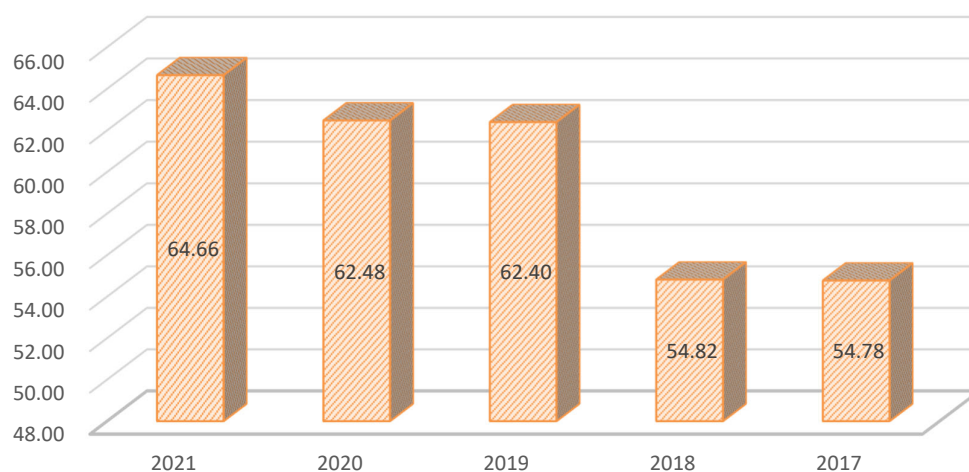
GRAPHICAL HIGHLIGHTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021**



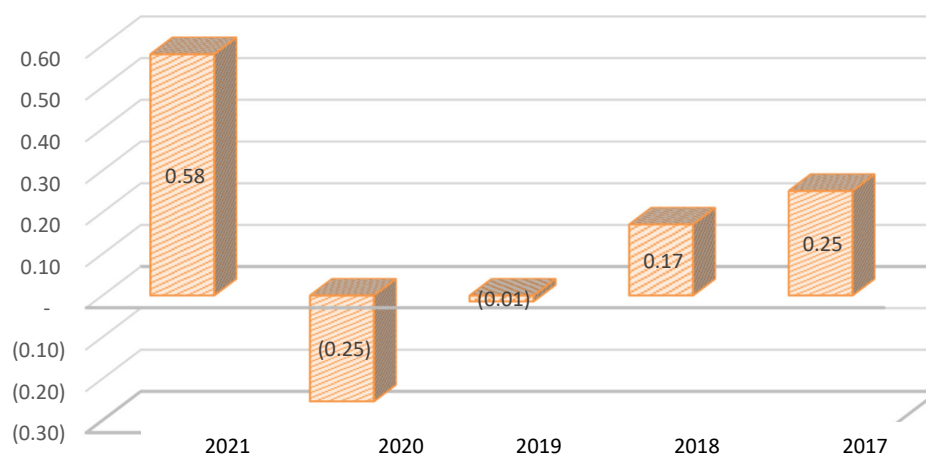
SASINI PLC

GRAPHIC HIGHLIGHTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

CAPITAL EMPLOYED PER SHARE

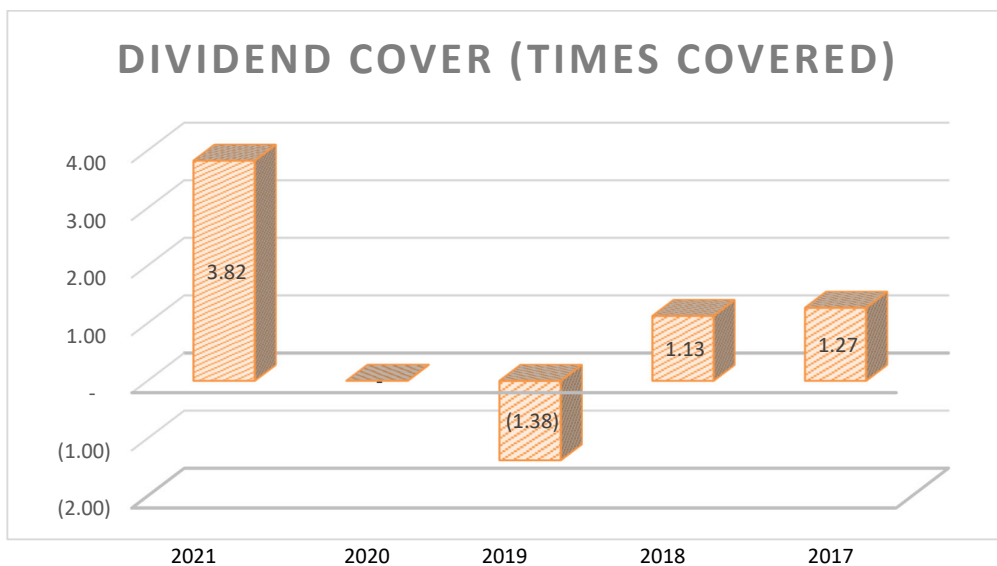


EARNINGS/(LOSS) PER SHARE ON BIOLOGICAL ASSETS (KSHS)



SASINI PLC

GRAPHIC HIGHLIGHTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)



SASINI PLC

GOVERNANCE AUDIT REPORT

The Code of Corporate Governance practices for issuers of securities to the Public in Kenya 2015 (the Code), articulates the principles and specific recommendations on structures and processes, which companies should adopt in making good Corporate Governance an integral part of their business dealings and culture. The Code further specifically requires listed companies to enlist the services of an independent and accredited governance auditor certified by ICS to establish the extent to which the Board and the Company have applied the Corporate Governance principles.

The Governance Audit should be conducted by competent and recognized professionals accredited for that purpose by the Institute of Certified Secretaries (ICS). The Company, in compliance with the Companies Act, 2015 and the Code retained the firm of Azali Certified Public Secretaries LL.P (the Auditor) to conduct a Governance Audit of the governance structures, procedures and processes of the company in order to assure the Board that its governance structures and operations are consistent with the Code, as well as the latest developments in corporate governance and that the Company had adopted best practices in corporate governance as a means of ensuring sustainability. The Code further requires that after undergoing the Governance Audit, the Board should provide a definite statement on the level of compliance.

The scope of the Audit is derived from the Code, The Companies Act, 2015 and the Governance Audit Tool developed by the ICS. The Audit covers the following broad areas:

1. Ethical Leadership and Strategic Management
2. Transparency and Disclosure
3. Compliance with laws and regulations
4. Communication with Stakeholders
5. Board independence and governance
6. Board policies, systems, practices and procedures
7. Consistent shareholder and stakeholder value enhancement
8. Corporate social responsibility and investment; and
9. Sustainability

Statement of the Responsibilities of The Directors

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

The Board of Directors has ensured that the Company has undergone its inaugural governance audit for the period October 2019 to September 2020 and obtained a report disclosing the state of governance within the company.

In this regard therefore, the Board is committed to the highest standards of Corporate Governance and strives to ensure that not only is it fully aware of the legal and regulatory requirements in the Corporate Governance, but that it has adopted global best practice. Recognizing the role of Management, the Board also ensures that management is fully informed of the Corporate Governance requirements and the same are implemented in the business operations.

SASINI PLC

GOVERNANCE AUDIT REPORT (CONTINUED)

Statement of the Responsibilities of The Directors (Continued)

The Board being cognizant of its fiduciary duties under the Act, the Board has taken measures to ensure that all the Directors promote the success of the company, that they act in good faith at all times, exercise reasonable care, skill and diligence while ensuring that conflict of interest are avoided where they occur and there is a process for managing them.

It is on this premise that the Board sanctioned a Governance Audit to be conducted during the financial year that ended on 30 September 2021 with a view of examining the organization's policies, manuals, procedures, processes, practices and activities in order to evaluate the organization's compliance with the external regulatory framework. The governance audit evaluates an organization's adherence to its internal by-laws, policies, processes, practices and procedures as well as best practices in the specific industry and relevant benchmarks.

Adoption of the Governance Audit Report

The Governance Audit Report was adopted by the Board of Directors on 10 August 2021.

Governance Auditors Responsibility

We have performed the Governance Audit for Sasini PLC covering the year 1st October 2019 to 30 September 2020 which comprises assessment of Governance Practices, Structures and Systems put in place by the Board.

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

We conducted our audit in accordance with ICS Governance Audit Standards and Guidelines which conform to global standards. These standards require that we plan and perform the governance audit to obtain reasonable assurance on the adequacy and effectiveness of the organization's policies, systems, practices and processes. We believe that our governance audit provides a reasonable basis for our opinion.

Opinion

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

FOR: AZALI CERTIFIED PUBLIC SECRETARIES LL.P



**C.S Madren Oluoch-Olunya, ICS G.A No. 00192
Nairobi**



Date: 16 August 2021.

SASINI PLC

STATEMENT OF THE LEGAL AND COMPLIANCE AUDITOR

Sasini PLC a publicly listed entity on the Nairobi Securities Exchange is regulated under the Capital Markets Act by the Capital Markets Authority. The Company's Board is responsible for establishment of internal procedures and monitoring systems to promote compliance with applicable laws, regulations, and standards. In addition, the Board should also ensure the compliance strategy is aligned to the operations of the Company. This responsibility includes organizing for an independent legal compliance audit to be conducted periodically.

It is on this premise that the Board commissioned a legal compliance audit with the aim of ensuring that Sasini PLC ("the Company") conducts its operations in accordance with the Constitution, all relevant laws, regulations and standards as well as to minimize exposure to legal risks.

The Directors have ensured that the Company has undergone a legal compliance audit for the period October 2019 to September 2020 and obtained a report, which discloses the state of legal compliance within the Company.


Opinion

In our opinion, the Board has fairly implemented good governance practices and has put in place governance structures and working systems in the organization to ensure compliance with the laws and regulations that govern the agricultural sector and the Capital Markets industry as well as those laws that are relevant to its business operations thus there is an overall audit finding of Broad Compliance with legal and statutory obligations.

Adoption of the Legal Audit Report

The Legal Audit Report was adopted by the Board of Directors on 10 August 2021.

FOR: AZALI CERTIFIED PUBLIC SECRETARIES LL. P


CS Judith Odhge-Otieno, Advocate
LSK PC №/2021/10779
Nairobi



Date: 16 August 2021.

SASINI PLC

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The directors have pleasure in submitting their annual report together with the audited consolidated and separate financial statements for the year ended 30 September 2021, which disclose the state of affairs of the Group and the Company.

1. Activities

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

2. Results

The results of the Group and Company for the year are set out on pages 73 and 74, respectively.

3. Dividends

An interim dividend of 50% (KShs 0.50 per share) (2020 – Nil) was declared and paid on 15 July 2021. The Directors recommend the payment of a final dividend of 50% (KShs 0.50 per share: 2020 : Nil) payable on or about 15 March 2022 to members on record at the close of business on 22 February 2022. This amounts to a total dividend of 100% (KShs.1.00 per share for the year: 2020 Nil).

4. Equity and reserves

The authorized issued share capital and reserves of the Group and Company at 30 September 2021 and matters relating thereto are set out in Note 28 and 29 to the financial statements. No shares or debentures were issued during the year ended 30 September 2021.

Full details of the Group and Company reserves and movements therein during the year are shown on pages 77, 78, 79 and 80.

5. Property, plant and equipment

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

6. Directors

The directors who served during the year and up to the date of this report are set out on page 1. Regrettably, on 3 July 2021, we lost our stalwart Group Chairman, Dr. Naushad N Merali after a short illness.

7. Business review

Performance and position of the Group

The financial year began on a high note despite the negative disruptions caused by the COVID-19 pandemic. The disruption in the supply chain, reduced demand, and the depreciation of the local currency were all evident during the year, however, the company's performance showed resilience through all these. We experienced an increase in turnover compared to prior year and the results were buoyed by the improved coffee prices, good weather conditions and cost containment measures within the group.

SASINI PLC

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

7. Business review (Continued)

Performance and position of the Group (continued)

The macadamia business was slowed down by the global shutdown in the first half of the year, but this opened after the global relaxation of the containment measures on the Covid19 pandemic. The avocado business registered good harvest and increased demand early in the year slowing down in the latter parts of the year due to other entrants flooding the market and negatively affecting profitability.

Coffee and tea production volumes were within expectations, but the late start of the avocado season meant that the results relied heavily on tea, coffee, and macadamia business units during the early part of the year. The impact of mechanization of tea harvesting continues to be a key driver in the cost containment measures of the company and the return to profitability. These have greatly helped to mitigate the effects of the low tea prices realized mainly in the auction during the year.

Despite the challenges, the year recorded a turnover of KShs 5.26 billion compared to KShs 4.14 billion in the previous year representing an increase of 27% in revenue. The cost of sales increased to KShs. 4.11 million against prior year's KShs 3.33 billion (a corresponding increase of 23%). The benefits of mechanization coupled with a rigorous focus on cost containment helped us grow our cost of sales slower than our revenue, a desired result that we intend to carry forward with.

The Group therefore posted an overall profit after tax and non-controlling interest (including the changes in value of biological assets) of KShs 573.2 million (prior year KShs 12.61 million). This is made up of a profit from operating activities of Kes 438.06 million compared to KShs 74.25 million in the previous year for the group (490% improvement); Minority interest profit of KShs 5.36 million (prior year loss KShs 3.66 million). The gain from changes in the value of biological assets was KShs 129.78 million (prior year loss of KShs 57.98 million).

The average tea price during the year were lower than expected and did not reach the anticipated levels mainly due to a depressed auction market that was further negatively affected by effects of COVID 19 pandemic. This year tea prices achieved an average of \$1.64/Kg. (KShs. 179/Kg.) compared to \$1.67/Kg. (KShs. 175/Kg.) in the prior year.

The coffee prices achieved were much higher than expected and averaged at \$6.09/Kg (KShs 664/Kg against \$4.46/Kg. (KShs. 467/Kg) in the prior year, owing to favorable prices realized in the auction and direct sales driven by lower than anticipated volume of coffee in the market.

The company produced 12,906 tonnes of tea during year against prior year's 12,445 tonnes. This is an increase of 3.7% and is poised to increase further in the coming year. Coffee volume improved to 714 tonnes against prior year's 513 tonnes due to the favourable weather patterns experienced throughout the year.

Principal risks and uncertainties

The Group's activities expose it to a variety of risks and uncertainties. These can be categorized as agricultural risks, financial risks, operational risks. Agricultural risk is the risk of direct or indirect loss arising from adverse agricultural conditions such as disease outbreaks, floods, droughts, and other adverse weather events caused by climatic changes.

During the financial year, the tea estates experienced frequent hail damages that affected production volumes.

SASINI PLC

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

7. Business review (Continued)

Principal risks and uncertainties (continued)

The Group has adopted strategies to mitigate agricultural risk which include agricultural diversification of products and processes and the adoption of sound agricultural practices.

The Group's risk management process with respect to agricultural risk focuses on anticipating, avoiding and/or reacting to shocks attributable to adverse agricultural conditions. The Group's objective is to achieve an efficient risk management system for agriculture that preserves the value of agricultural outputs, strengthens the viability of farm businesses, and ensures an environment which supports and sustains continued investment in the farming sector.

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

The financial year experienced increased volumes of tea supplies at the Mombasa auction driving down the price realizations and this contributed to margin erosion, despite achieving a higher production of tea. Local currency fluctuation also exposed the company to currency risks. Management responded to these shocks by driving more tea sales volumes through the private sales treaties at better margins, putting strong focus on green leaf quality and ensuring efficient operational cost management.

The Group's exposure to Credit risk and Liquidity risk remained low during the period as management implemented robust risk mitigation strategies such as timely and aggressive collection of debts, stopped supplying retail products to cash constrained retail stores and kept all funds with stable financial institutions that have good credit standing.

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

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group processes, personnel, technology, and infrastructure, and from external factors such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior, poor infrastructure, especially rural and trunk roads, land tenure issues and increasing labour costs arising from union demands. The Group objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group reputation with overall cost effectiveness but to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of the overall Group standards for the management of operational risks in the following areas:

- Requirements for the appropriate recruitment of competent personnel and the segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;

SASINI PLC

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

7. Business review (Continued)

Principal risks and uncertainties (continued)

- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective; and
- Continuous review of the processes for adequacy and effectiveness.

On environmental and social sustainability risks, the Group is committed to sustainability and acting in a responsible manner to promote employee well-being, minimise our impact on the environment and give back to the wider community. The Group has built partnerships with our employees, clients, investors, suppliers and communities based on mutual respect, trust and fairness.

The Group continues to take good care of the immediate environment by planting trees on all available land. Equally, tillage is kept to a bare minimum in order to conserve top-soil. We are certified by the Rainforest Alliance. The employees are well looked after with clean and hygienic housing provided by the company, piped water in all the villages and day care centers for the toddlers and schools for older children. The Group has established four primary schools and one secondary school within its premises. We ensure complete adherence to the collective bargaining agreements and local legislation.

Future outlook

Although the effects of the pandemic are still with us, our liquidity is stable and will be sufficient to support the company subsequently. We continue to exercise prudent business decisions to withstand these negative effects and aim to continue delivering the desired results in this unpredictable environment.

In view of the strong performance during the year, the management will continue to explore new lines and ideas in a bid to fit in with the changing business environment and also expand and enhance shareholder value. Emphasis on quality coupled with quantity based on a sustainable model remain top on the agenda for delivery.

8. Donations

The Group did not make donations to any political entity during the year. (2020-Nil).

The Group did not make donations to any charitable organisations during the year. (2020-Nil).

9. Relevant audit information

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

- There is no relevant audit information of which the Company's auditor are unaware; and
- Each director has taken all the steps that they ought to have taken as a director so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

SASINI PLC

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

10. Substantial shareholdings

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

	Shareholding %	
	2021	2020
Legend Investments Limited	41.84	41.84
Yana Towers Limited	12.60	12.60
East Africa Batteries Limited	11.02	11.02
Gulamali Ismail	<u>7.92</u>	<u>7.92</u>
	<u>73.38</u>	<u>73.38</u>

Directors' interests

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

Name of Director	2021	2020
	No. of shares	No. of shares
Mr. A. H. Butt	30,300	30,300
Mr. S. N. Merali	1,403,600	45,900

Some of the other directors have indirect interests through entities.

11. Employees

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

	Group		Company	
	2021	2020	2021	2020
Management	167	156	100	95
Other staff	<u>2,308</u>	<u>2,364</u>	<u>667</u>	<u>463</u>
Total	<u>2,475</u>	<u>2,520</u>	<u>767</u>	<u>558</u>

12. Auditor

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

SASINI PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

13. Approval of financial statements

The financial statements were approved and authorised for issue at a meeting of the directors held on 11 January 2022.

BY ORDER OF THE BOARD



Lawrence Chelimo Kibet CPS-K
Company Secretary

Date: 11 January 2022.

SASINI PLC

RIPOTI YA WAKURUGENZI **MWAKA UNAOISHIA TAREHE 30 SEPTEMBER 2021**

Wakurugenzi wanafuraha katika kuwasilisha ripoti yao ya kila mwaka pamoja na taarifa za kifedha zilizokaguliwa za pamoja na kandokando za mwaka ulioishia 30 Septemba 2021, zinazoarifu hali ya shughuli za Kundi na Kampuni.

1. Shughuli

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

2. Matokeo

Matokeo ya Kundi na Kampuni ya mwaka yameonyeshwa katika ukurasa 73 na 74, mtawalia.

3. Mgao wa Faida

Mgao wa faida ya muda wa asilimia 50 (KShs. 0.50 kwa hisa) (2020: Kapa) ulitangazwa na kulipwa tarehe 15 Julai 2021. Wakurugenzi wanapendekeza malipo ya mgao wa faida ya mwisho wa asilimia 50 (KShs. 0.50 kwa kila hisa : 2020 : Kapa) utakaolipwa tarehe 15 Machi 2022 au karibu na hapo kwa wanachama kwenye rekodi mwisho wa biashara tarehe 22 Februari 2022. Hii inafikia jumla ya mgao wa faida wa asilimia 100 (KShs. 1.00 kwa kila hisa kwa mwaka : 2020 – kapa).

4. Rasilimali ya Hisa na Akiba

Rasilimali ya hisa na akiba zilizoidhinishwa na kutolewa za Kundi na Kampuni kufikia tarehe 30 Septemba 2021 na mambo yanayohusiana nazo yanaonyeshwa kwenye tanbihi 28 na 29 za taarifa za kifedha. Hakuna hisa wala stakabadhi za mikopo zilitolewa katika mwaka ulioishia 30 Septemba 2021.

Maelezo kamili ya akiba za Kundi na Kampuni na mienendo yake katika mwaka yameonyeshwa katika kurasa za 77, 78, 79 na 80.

5. Mali, Mitambo na Vifaa

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

6. Wakurugenzi

Wakurugenzi waliohudumu katika mwaka huu na mpaka tarehe ya ripoti hii wameonyeshwa katika ukurasa wa 1. Kwa masikitiko, tulimpoteza Mwenyekiti wetu hodari wa Kundi, Dkt. Naushad N. Merali, tarehe 3 Julai 2021 baada ya kuugua kwa muda mfupi.

7. Mapitio ya Biashara

Utendaji na nafasi ya Kundi

Mwaka wa kifedha ulianza vizuri licha ya vurugu hasi zilizosababishwa na ugonjwa wa Uviko 19. Uvurugaji katika mfululizo wa ugavi, mahitaji yaliopungua na kupungua kwa thamani ya fedha za nchini yote yalikuwa dhahiri katika mwaka, hata hivyo utendaji wa kampuni ulionyesha uthabiti kupitia yote haya. Tulipata ongezeko katika mapato na matumizi ikilinganishwa na mwaka uliotangulia na matokeo yaliinuliwa na bei za kahawa zilizoimarika, hali nzuri za hewa na hatua za kudhibiti gharama katika kundi.

SASINI PLC

RIPOTI YA WAKURUGENZI

MWAKA UNAOISHIA TAREHE 30 SEPTEMBER 2021 (KUENDELEZA)

7. Mapitio ya Biashara (Kuendeleza)

Utendaji na nafasi ya Kundi (kuendeleza)

Ijapokuwa biashara ya makadamia ilipunguzwa kasi na kufungika kwa ulimwengu katika nusu ya kwanza ya mwaka, ulegezaji wa masharti ya kuzuia ugonjwa wa Uviko 19 ya ulimwengu ulifungua soko la makadamia ikisababisha ongezeko la faida baadaye katika mwaka. Ijapo biashara ya parachichi ilipata mavuno mazuri na ongezeko la mahitaji mapema katika mwaka, mahitaji yalipungua vile wauzaji wengine walivyojaza soko wakiathiri faida katika mwaka.

Wingi wa uzalishaji wa kahawa na majani chai ulikuwa wa karibu na matarajio lakini uanzaji wa kuchelewa wa msimu wa parachichi ulimaanisha kuwa matokeo yalitegemea zaidi biashara ya majani chai, kahawa na makadamia. Athari ya utumizi wa mashine wa asilimia 100 katika uvunaji majani chai inaendelea kuwa msukumo mkuu katika hatua za kudhibiti gharama za kampuni na kurejea katika utengenezaji faida licha ya bei za chini za majani chai zilizopatikana hasa katika mnada katika mwaka.

Licha ya changamoto, mwaka ulirekodi kiasi cha KShs. bilioni 5.26 ikilinganishwa na KShs. bilioni 4.14 katika mwaka uliotangulia ikiwakilisha ongezeko la asilimia 27 katika mapato. Gharama za mauzo ziliongezeka kuwa KShs. milioni 4.11 dhidi ya mwaka uliotangulia ya KShs. milioni 3.33 (ongezeko linalolingana la asilimia 23). Faida za utumizi wa mashine pamoja na kulenga vikali kwenye udhibiti wa gharama zilitusaidia kukuza gharama zetu za mauzo polepole zaidi kuliko mapato yetu, matokeo ya kufaa ambayo tunakusudia kuendelea nayo mbele.

Kwa hivyo Kundi lilipata faida ya jumla baada ya kodi na riba isiodhibitiwa (pamoja na mabadiliko katika thamani ya rasilimali za kibiolojia) ya KShs. milioni 573.2 (mwaka uliotangulia KShs. milioni 12.61). Hii ni pamoja na faida kutokana na shughuli za uendeshaji ya KShs. milioni 438.06 ikilinganishwa na KShs. milioni 74.25 mwaka uliopita ya Kundi (ongezeko la 490%); faida ya riba chache ya KShs. milioni 5.36 (mwaka uliotangulia hasara ya KShs. milioni 3.66). Ongezeko la mali kutokana na mabadiliko katika thamani ya rasilimali za kibiolojia lilikuwa KShs. milioni 129.78 (mwaka uliotangulia hasara ya KShs. milioni 57.98).

Katika mwaka bei za wastani za majani chai zilikuwa za chini kuliko ilivyotarajiwa na hazikufikia viwango vilivyotazamiwa hasa kutokana na soko la mnada lililokandamizwa ambalo liliathiriwa kihasi zaidi na athari za ugonjwa wa Uviko 19. Mwaka huu bei za majani chai zilipata wastani wa \$1.64 /Kg. (KShs 179/Kg.) ikilinganishwa na \$1.67/Kg. (KShs 175/Kg.) mwaka uliotangulia. Bei za kahawa zilizopatikana zilikuwa za juu zaidi kuliko ilivyotarajiwa na wastani wa \$6.09/Kg. (KShs 664/Kg. dhidi ya \$4.46/Kg. (KShs 467/Kg.) katika mwaka uliotangulia, kutokana na bei za kufaa zilizopatikana katika mnada na mauzo ya moja kwa moja yaliyotokana na wingi wa uzalishaji wa chini wa kahawa kuliko ulivyotarajiwa katika soko.

Kampuni ilizalisha tani 12,906 za majani chai katika mwaka dhidi ya tani 12,445 za mwaka uliotangulia. Hili ni ongezeko la asilimia 3.7 na inategemewa kuongezeka zaidi. Bei za kahawa ziliongezeka kupita matarajio, hali wingi wa uzalishaji ulimarika kuwa tani 714 dhidi ya tani 513 mwaka uliotangulia kutokana na hali nzuri za hewa zilizopatikana katika mwaka wote.

Hatari kuu na kutokuwa na hakika

Shughuli za Kundi zinaliwacha wazi kwa hatari tofauti na hali za kutokuwa na hakika. Hizi zinaweza kuorodheshwa kama hatari za kilimo, hatari za kifedha na hatari za utendaji kazi. Hatari ya kilimo ni hatari ya hasara ya moja kwa moja au isiokuwa ya moja kwa moja inayotokana na hali mbaya za kilimo kama vile milipuko ya magonjwa, mafuriko, ukame na matukio mengine mabaya ya hali ya hewa yanayosababishwa na mabadiliko ya tabianchi.

SASINI PLC

RIPOTI YA WAKURUGENZI

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7. Mapitio ya Biashara (Kuendeleza)

Hatari kuu na kutokuwa na hakika (kuendeleza)

Katika mwaka wa kifedha, mashamba ya majani chai yalipata uharibifu wa mvua za mawe mara kwa mara zilizosababisha wingi wa uzalishaji kupungua. Kwa upande wa kahawa, mvua za muda mrefu na za viwango vya juu zilizopatikana zilivuruga duru ya uzalishaji wa kawaida, hivyo kuathiri uzalishaji. Kundi limeanzisha mikakati ya kuzuia hatari ya kilimo ambayo ni pamoja na kutengeneza bidhaa anuwai na njia za kilimo na kufuata desturi thabiti za kilimo.

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

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

Mwaka wa kifedha ulipata ongezeko la wingi wa ugavi wa majani chai katika mnada wa Mombasa ukipelekea kushuka kwa bei zilizopatikana na hili lilichangia pakubwa kufilisi faida, licha ya kupata uzalishaji mkubwa wa majani chai. Kupanda na kushuka kwa pesa za nchini pia kuliiacha kampuni wazi kwa hatari za kifedha. Usimamizi ulishughulikia mabaya haya kwa kusukuma zaidi wingi wa mauzo ya majani chai kupitia mikataba ya mauzo ya kibinafsi kwa faida nzuri zaidi, kuweka mkazo zaidi kwenye ubora wa majani ya kijani na kuhakikisha usimamizi ufaao wa gharama za utendaji kazi.

Uwachaji wazi wa Kundi kwa hatari za mkopo na hatari ya uwezo wa kupata fedha ulibakia wa chini wakati wa kipindi hiki kwa vile usimamizi ulitekeleza mikakati imara ya kudhibiti hatari kama vile ukusanyaji wa wakati na wa bidii wa madeni, kuwacha kuwapatia bidhaa rejareja maduka rejareja yenye shida za kifedha na kuweka pesa zote katika taasisi madhubuti za kifedha zilizo na msimamo mzuri wa mikopo.

Wakurugenzi wanapitia na kukubaliana kuhusu sera za kusimamia hatari hizi. Halmashauri ya wakurugenzi ina wajibu wa jumla wa kuanzisha na uangalizi wa mhimili wa usimamizi wa hatari wa Kundi. Mpango wa jumla wa usimamizi wa hatari wa Kundi unalenga kwenye kutotabirika kwa masoko ya kifedha na unatafuta kupunguza athari zozote mbaya zinazoweza kutokea katika utendaji wake wa kifedha (tanbihi 5).

Hatari ya utendaji kazi ni hatari ya hasara ya moja kwa moja au isiokuwa ya moja kwa moja inayotokana na sababu nyingi tofauti zinazohusishwa na michakato ya Kundi, wafanyikazi, teknolojia na muundombinu, na kutoka kwa vipengele vya nje kama vile vinavyotokana na mahitaji ya kisheria na ya kikanuni na kwa kawaida viwango vinavyokubaliwa vya tabia ya shirika, muundombinu mbaya, hasa barabara za vijijini na barabara kuu, maswala ya masharti ya kumiliki ardhi na gharama zinazoongezeka za wafanyikazi zinazotokana na madai ya vyama vya wafanyikazi. Lengo la Kundi ni kusimamia hatari za utendaji kazi ili kusawazisha uepukaji wa hasara za kifedha na madhara kwa sifa njema ya Kundi na ufaaji wa jumla wa gharama lakini kuepuka taratibu za udhibiti zinazozuia uwezo na ubunifu.

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MWAKA UNAOISHIA TAREHE 30 SEPTEMBER 2021 (KUENDELEZA)

7. Mapitio ya Biashara (Kuendeleza)

Hatari kuu na kutokuwa na hakika (kuendeleza)

Usimamizi unapatiwa wajibu mkuu wa kuendeleza na kutekeleza vidhibiti kushughulikia athari za utendaji kazi. Jukumu hili linasaidiwa na maendeleo ya viwango vya jumla vya Kundi kwa usimamizi wa hatari za ufanyaji kazi katika maeneo yafuatayo:

- Mahitaji ya uandikaji kazi wafanyaji kazi wenye uwezo na utengaji wa majukumu, pamoja na idhini huru ya kuendesha shughuli;
- Mahitaji ya upatanishi na usimamizi wa shughuli;
- Utimizaji wa mahitaji ya kikanuni na mengine ya kisheria;
- Uhifadhi wa hati za udhibiti na njia ;
- Mahitaji ya ukadiriaji wa muda wa hatari za utendaji kazi zinazokabiliwa, na utoshelezaji wa vidhibiti na njia za kushughulikia hatari zilizotambuliwa;
- Mahitaji ya kuripoti hasara za utendaji kazi na tendo la kurekebisha linalopendekezwa;
- Maendeleo ya mipango ya dharura;
- Mafunzo na maendeleo ya weledi;
- Utibuaji wa hatari pamoja na bima inapofaa; na
- Mapitio ya kuendelea ya michakato kwa utoshelezi na ufaaji.

Kuhusu hatari za mazingira na uendeleu wa kijamii, Kundi limejitolea kwa uendeleu na kutenda kwa njia ya uwajibikaji kusaidia uzima wa mfanyakazi, kupunguza athari yetu kwenye mazingira na kuisaidia jamii pana. Kundi limejenga ubia uliojengwa kwenye kuheshimiana, uaminifu na usawa na wafanyakazi wetu, wateja, waekezaji, wagavi na jamii.

Kundi linaendelea kutunza mazingira ya karibu vizuri kwa kupanda miti kwenye ardhi yote iliyopo. Pia ulimaji unafanywa kwa kiwango kidogo kuhakikisha kuhifadhi udongo wa juu. Tumethibitishwa na Muungano wa msitu wa mvua. Wafanyakazi wanatizamwa vizuri na makazi safi na ya afya kutolewa na kampuni, maji ya bomba katika vijiji vyote na vituo vya utunzi wa watoto wachanga mchana na shule kwa watoto wakubwa. Kundi limeanzisha shule nne za msingi na moja ya upili katika majengo yao. Tunahakikisha ufuataji kamili wa mikataba yote ya maafikiano ya pamoja na sheria za nchini.

Mtazamo wa wakati ujao

Ijapokuwa athari za ugonjwa bado zipo nasi, uwezo wetu wa kupata fedha ni thabiti na utatosha kusimamia kampuni baadaye. Tunaendelea kutekeleza maamuzi ya busara ya biashara kuhimili athari hizi hasi na tunalenga kuendelea kutoa matokeo yanayotakiwa katika mazingira haya yasiotabirika.

Kutokana na utendaji imara katika mwaka, usimamizi utaendelea kutafuta bidhaa mpya na mbinu kujaribu kuwa tayari katika mazingira ya biashara yanayobadilika na pia kupanua na kuendeleza thamani ya mwanahisa. Msisitizo wa ubora pamoja na viwango na ukikazaniwa na uendeleu unabakia kileleni kwenye ajenda ya uwasilishaji.

8. Utoaji msaada

Kundi halikutoa msaada kwa chombo chochote cha kisiasa katika mwaka. (mwaka 2020 – Kapa).
Kundi halikutoa msaada kwa mashirika yoyote ya kutoa misaada katika mwaka. (2020 - Kapa).

SASINI PLC

RIPOTI YA WAKURUGENZI **MWAKA UNAOISHIA TAREHE 30 SEPTEMBER 2021 (KUENDELZA)**

9. Habari husika za ukaguzi

Wakurugenzi waliopo afisini katika tarehe ya ripoti hii wanathibitisha kuwa:

- Hakuna habari zozote husika za ukaguzi ambazo kwamba wakaguzi wa Kampuni hawajazifahamu; na
- Kila mkurugenzi amechukua hatua zote ambazo kwamba angefaa kuchukua kama mkurugenzi ili kwamba afahamu habari zozote husika za ukaguzi na kuhakikisha kuwa mkaguzi wa Kampuni anafahamu habari hizo.

10. Umilikaji wa hisa nyingi

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

	Umilikaji wa hisa %	
	2021	2020
Legend Investment Limited	41.84	41.84
Yana Tower Limited	12.60	12.60
East African Batteries Limited	11.02	11.02
Gulamali Ismail	<u>7.92</u>	<u>7.92</u>
	<u>73.38</u>	<u>73.38</u>

Ushirika wa Wakurugenzi

Ushirika wa moja kwa moja wa wakurugenzi katika hisa za kampuni ni kama ufuatao:

Jina la Mkurugenzi	2021	2020
	Idadi ya hisa	Idadi ya hisa
Bw. A.H. Butt	30,300	30,300
Bw. S. N. Merali	1,403,600	45,900

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

11. Wafanyikazi

Katika mwaka kundi lilikuwa na uhusiano mzuri na wafanyikazi. Idadi ya wastani ya wafanyikazi walioandikwa na Kundi na Kampuni ni kama ilipo hapa chini:

	Kundi		Kampuni	
	2021	2020	2021	2020
Usimamizi	167	156	100	95
Wafanyikazi wengine	<u>2,308</u>	<u>2,364</u>	<u>667</u>	<u>463</u>
Jumla	<u>2,475</u>	<u>2,520</u>	<u>767</u>	<u>558</u>

12. Mkaguzi wa Hesabu

Mkaguzi wa hesabu, KPMG Kenya, anastahiki na hapa anajitolea kuandikwa tena kulingana na mahitaji ya Sheria ya Makampuni ya Kenya, 2015.

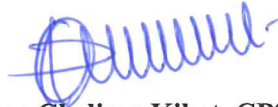
SASINI PLC

RIPOTI YA WAKURUGENZI
MWAKA UNAOISHIA TAREHE 30 SEPTEMBER 2021 (KUENDELZA)

13. Kuidhinishwa kwa taarifa za kifedha

Taarifa za kifedha zilikubaliwa na kuidhinishwa kutolewa katika mkutano wa wakurugenzi uliofanyika tarehe 11 Januari 2022.

KWA AMRI YA HALMASHAURI



Lawrence Chelimo Kibet, CPS-K
Katibu wa Kampuni

Tarehe: 11 Januari 2022

SASINI PLC

DIRECTORS REMUNERATION REPORT **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

INFORMATION NOT SUBJECT TO AUDIT

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

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

Policy on Directors' remuneration

The remuneration report details the remuneration arrangements for Sasini PLC directors who served during the year ended 30 September 2021. The executive and non-executive directors listed below are collectively referred to as directors.

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

Remuneration Policy for the Non-Executive Chairman and Non-Executive Directors

The remuneration of the Non-Executive Chairman and Non-executive Directors is determined by the Remuneration and Nomination Committee. These Board members receive annual fees and allowances for attending meetings. Non-Executive roles are not entitled to any performance related pay or pension.

The Non-Executive Chairman and Non-Executive Directors do not have service contracts. The Company's policy is to appoint the Non-Executive Directors for an initial three-year period, which may be extended for a further term by mutual consent. The initial appointments and any subsequent reappointments are subject to annual election or re-election by shareholders.

Non-Executive Directors' appointments may be terminated at any time by serving three months' written notice by either party, but six months' in the case of the Non-Executive Chairman.

Non-Executive Director Remuneration Policy

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

The value of benefits provided will be reasonable in the market context and take account of the individual circumstances and benefits provided in comparable roles for companies within the Industry.

SASINI PLC

DIRECTORS REMUNERATION REPORT **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

Key objectives of Sasini's Remuneration Policy

Our remuneration philosophy underpins our evolving strategy, supports the evolution of our culture and is aligned to our risk management approach. It aims to direct our employees' efforts in delivering our strategy to create sustainable long-term value for our stakeholders in a manner that is both fair and responsible. The Board undertook a review of the Group's remuneration frameworks in 2021. A key consideration was to make further progress concerning pay-for performance to facilitate sustainable business performance, long-term stakeholder value creation and ensuring that Sasini's reward practices continue to be market related. The following fundamental principles guided the Sasini's Remuneration decisions during the year. These included ensuring:

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

Remuneration principles

1. Attract, retain and engage high-calibre individuals who have the skills, ambition and talent to deliver our strategy.
2. Support the realisation of our stakeholder aspirations, with a specific focus on rewarding our employees for the achievement of our strategy within our risk appetite relative to performance and shareholder returns.
3. Align the long-term interests of our executives and shareholders by ensuring remuneration outcomes are transparent and are aligned to the value we create in the short, medium and long term. This entails a specific emphasis on the contribution of longer-term incentives for senior and executive employees, which are aligned to market practice.
4. Continuously build confidence and trust in our reward outcomes through high quality reward governance, engagement on our disclosure with shareholders, and internal transparency and effective communication.

Substantial changes to Directors' remuneration

There were no substantial changes relating to the Directors' remuneration made during the year (2020: None).

Contract of service – Executive directors

Name	Date of contract	Unexpired term	Notice period	Amount payable for early termination/retirement
M.R. Ochieng'	Contract extended for 5 Years. Contract expiry on 28/02/2026	4 Years and 5 Months	3 Months – Maintained	Salary in lieu of notice period (3 Months) – Maintained.

Statement of voting at general meeting on directors' remuneration

In the last AGM held on 5 March 2021, the shareholders unanimously passed a resolution to approve the Directors' remuneration report and the directors' remuneration policy.

Information subject to audit (auditable part)

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

SASINI PLC

DIRECTORS REMUNERATION REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

Directors' remuneration paid during the year (Continued)

Non-executive directors

	2021			2020		
	Fees KShs'000	Sitting allowance KShs'000	Total KShs'000	Fees KShs'000	Sitting allowance KShs'000	Total KShs'000
Dr. J.B. McFie*	1,200	205	1,405	1,200	205	1,405
Dr. N. N. Merali	833	40	873	1,000	100	1,100
A.H. Butt	1,000	380	1,380	1,000	320	1,320
S.N. Merali	1,000	160	1,160	1,000	145	1,145
Dr. S.O. Mainda	1,000	140	1,140	1,000	120	1,120
Mrs. Betty Koech	1,000	140	1,140	1,000	140	1,140
Mrs. Rosemary Munyiri	1,000	160	1,160	1,000	120	1,120
Total	7,033	1,225	8,258	7,200	1,150	8,350

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

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

Executive directors

2021:	Basic pay KShs'000	Gratuity/ pension KShs'000	Non-cash benefits KShs'000	Total KShs'000	Amounts paid KShs'000
M. R. Ochieng'	29,202	-	2,160	31,362	31,362
2020:	Basic pay KShs'000	Gratuity/ pension KShs'000	Non-cash benefits KShs'000	Total KShs'000	Amounts paid KShs'000
M. R. Ochieng'	24,202	-	1,841	26,043	26,043

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

Approval of the directors' remuneration report

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

BY ORDER OF THE BOARD


Director

Date: 11 January 2022.

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Corporate Governance Statement

Our statement of compliance summarizes how the Group has implemented the principles and provisions of the Capital Markets Authority's (CMA) Corporate Governance Code. The Board considers that the Group has complied in all material respects with the Code for the year ended 30 September 2021.

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

2021 Highlights

- We completed the successful mechanization of tea picking;
- Created a framework for greater employee and stakeholder engagement;
- Strengthened controls to increase resilience and manage organisational risks;
- Developed resilience through strict adherence to Covid 109 protocols to weather the pandemic storm;
- Drove outstanding performance from the Tea, Coffee and Macadamia businesses;
- Adhered to our set strategic goals during times of turmoil helping us to stay focused;
- Focused on contribution to the wider society and development of an inclusive and positive corporate culture embedding policies that support our core values and are aligned with strategic priorities and;
- Completed of Avocado Park house.

2022 Priorities

- Setting strategic direction and vision for the next 3–5 years for long-term sustainable success
- Maintaining focus on driving business growth through further strengthening of our avocado and macadamia businesses while maintaining the contributions from our Tea and Coffee businesses and;
- Strengthening our commercial competence to help us open more markets for our produce.

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

Dear Shareholder,

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

Leadership, governance, and purpose

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

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

Leadership, governance, and purpose (Continued)

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



Martin R Ochien'g
Group Managing Director

Date: 11 January 2022

1. The Board lays solid foundations for management and oversight

Roles and responsibilities of the Board and Management

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

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

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

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

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

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

Roles and responsibilities of the Board and Management (continued)

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

- Appointment of the Chair-person;
- Appointment and removal of the Group Managing Director;
- Appointment of Directors to fill a vacancy or as an additional Director;
- Establishment of Board Committees, their membership and delegated authorities;
- Recommendation for payment of dividends;
- Approval of major capital expenditure, acquisitions, and divestitures that exceed authority levels delegated to Management and;
- Any other specific matters nominated by the Board from time to time.

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

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

Changes in Board Composition during the year

During the year under review, The Company's majority shareholder and non-executive Director Dr. Naushad Merali passed on and the requisite notifications were provided to all the stakeholders, namely, the regulatory authorities, shareholders, and employees.

Management of conflicts of interest

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

Director induction

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

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

Training and development

Board members undergo regular training and education to enable them to fulfil their responsibilities. Directors receive functional presentations built into the annual Board Work Plan to gain a good sense of the company's operations and central functions. During the financial year under review, the Directors engaged in e-learning and facilitator-led training from credible sources on areas of strategy, governance, resilience, and law.

Board evaluation

In line with the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Board undertook an annual evaluation of its performance as an entity, its committees, the Chairman and each individual Director and the Company Secretary. This was aimed at enabling the board and its members and the committees to gauge their performance and identify areas of improvement. Following the Board evaluation exercise, individual feedback was given by the Chairman to the Board members. All Board members continued to perform well, and each one of them is making an effective contribution to the Board and the company.

Governance audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Board appointed Azali LLP., a certified Legal and Governance auditor to conduct the Company's governance audit for the year ended 30th September 2021. The opinion of the independent governance auditor was that the company operated under good governance practices.

Legal and compliance audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, an internal legal and compliance audit was carried out for the year ended 30 September 2021 with the objective of ascertaining the level of adherence to applicable laws, regulations, and standards. The findings from the audit confirmed that the Company was generally in compliance with applicable laws and regulations.

The overall objective is sustainability

Various objectives on the Group's contribution to the United Nations Sustainable Development Goals were considered, both through the role in society, strategy review and the Group's role as signatory to United Nations Global Compact Network Kenya.

In 2021, the Company's focus was on:

- Continuing to guide the Group's stakeholder response in general and to Covid-19 pandemic;
- Oversee the expansion of our environmental risk management approach;
- Continue to monitor the full integration of sustainability within the various businesses to enable the demonstration of substantial and tangible results;
- Focus on the execution activities that enable the Group to lead with purpose and play a meaningful role in our customers' life journey and suppliers' adherence to global goals, with a view to embedding and integrating the Group's role in society;
- Review progress in culture transformation as well as leadership development, career pathing;
- Talent development and retention and;
- Monitoring relationships with the Group's trade unions in its various jurisdictions and ensuring that labour legislation is scrupulously adhered to.

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

Values, principles, standards, and norms of behaviour

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

Alignment with the Sustainable Development Goals (SDGs)

The Group is focused on the following sustainable development goals:

— SDG Goal Number 1: No poverty.

We offer employment to potential candidates from the community. As an entity focused on the successive growth of the economy, Sasini is an active enabler in the socio-economic development of the youth by providing them with platforms that can help to provide secure livelihoods and actively participates in the initiatives by communities in areas where we operate to enhance their socio-economic status.

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

Improved access by the community to quality coffee, tea, macadamia, and avocado seedlings to help small-scale farmers/outgrowers increase farm productivity and meet the growing demands of the food chain while improving their socio-economic development and increasing their resilience to challenges associated with poverty and hunger. Provision of clean and purified portable water direct from mains via purifying machines at the workplace As a corporate citizen we have a moral duty to contribute to social sustainability in areas where we operate in. Provision of health facilities is an area of strategic importance for Sasini PLC. The group maintains a well-equipped medical Centre with in-patient and out-patient treatment options within the tea operations as well as satellite dispensary and a diagnostic laboratory. The facilities have ambulances on stand-by to transfer critical cases to larger facilities whenever such needs arise. These facilities cater for both the company employees and local community residents.

— SDG Goal Number 4: Quality education

Education is another area of strategic importance to Sasini PLC. We have invested in the provision of learning facilities within our tea operations and offer support to learning institutions within our areas of operation through donations of learning material to schools within our coffee estates. Our Tea division maintains nursery and primary schools providing free education to the children of employees, dependents, and surrounding communities. We see this as one critical means of developing talent and uplifting the society's socio-economic status. The group supports education through bursaries and stipends while also providing funds to improve schools located near our plantations. We also provide resources such as computers, laboratory equipment, sports kits and learning material to the schools.

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

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

— SDG Goal Number 5: Gender equality

We encourage gender balance and through our Diversity and Inclusion Policy we aim at attracting more women to managerial positions. We have in place programs such as training and development, reward schemes and recognition and work-life flexibility that enhance our goal of being an employer that promotes gender parity.

— SDG Goal Number 7: Affordable and clean energy

Implementing a gradual migration of energy usage to renewable energy sources, namely, Solar power at our tea estates ensures that we will be a sustainable consumer going forward. We intend to reduce reliance on hydroelectricity and diesel generated power and promote the uptake of renewable energy in our operations.

— SDG Goal Number 8: Decent work and economic growth

On top of the efforts we put in place to reward our employees decent work with good remuneration, we in the year under review increased our contribution towards community social enhancement. We invested in the Talanta Mtaani Show, a youth talent show that seeks to identify hidden talents and skills in the nation's youth and helps bring these out for development and eventual conversion to economic activity fruitful to the youth. This programme is driven by the Talanta Mtaani Consortium comprising Civil Society Urban Development Programme (CSUDP), Uwezo Awareness Organisation and the Centre for Intellectual Property Law Advocacy and Research International (CIPLAR). The show focuses on youth empowerment, capacity building / training and employment creation. It seeks to promote talent among youth by providing a platform to showcase their talents, build capacity and train them on how to manage and monetize talent, provide rewarding and satisfying careers for employees/self-employment and fostering mutually beneficial partnerships with stakeholders

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

We have through research learned and invested in agricultural technological interventions and solutions that address the markets needs to enhance productivity and quality as well as improve on efficiencies and cost reductions. Our successful role out of mechanized harvesting in our tea business has greatly improved our efficiency, cut our production costs and enhanced the quality of tea we produce for the market.

— SDG Goal Number 12: Responsible consumption and production

We make the most efficient use of resources at our tea, coffee, macadamia, and avocado operations while reducing waste and minimizing their deleterious impact on the environment. Gradual elimination of one-time plastic use and plastic water carboys in the office place is ongoing. We have put in place production procedures that adhere to food safety standards to produce safe products for people and the environment at all stages of the value chain from development, manufacturing, use and safe disposal of byproducts.

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

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

— SDG Goal Number 15: Life on land

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

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

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

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

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

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

2. Access to information and independent professional advice

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

Board meetings

The Board meets on such number of occasions each year as the Board deems appropriate or as frequently as may otherwise be required to deal with urgent matters, which might arise between the scheduled meetings. For details of the current Directors, their qualifications, skills, and experience, refer to the Directors' section on pages 3 to 4. For details of Directors' attendance at Board and Committee Meetings for the year ended 30 September 2021, refer to Directors' meetings on pages 57 and 58.

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. Appointment and re-election of Directors

The composition, structure and proceedings of the Board are primarily governed by the Constitution and the laws governing corporations in jurisdictions where Sasini PLC operates. It is intended that the Board will comprise mostly of independent Non-Executive Directors. It is intended that the Board comprise of Directors with a broad range of skills, expertise, and experience from a diverse range of backgrounds that is appropriate to Sasini PLC and its strategy. When appointing new Directors, the Board, together with the Nomination Committee, evaluates the balance of skills, knowledge, and experience on the Board and, considering the evaluation, determines the role and capabilities required for the appointment, subject to limits imposed by the Constitution and the terms served by existing Non-Executive Directors. At commencement of the Director selection process, the Board, together with the Nomination Committee undertakes appropriate checks on potential candidates to consider their suitability to fill a vacancy on the Board or for election as a Director. Prior to appointment, candidates are required to provide the Chairman with details of other commitments and an indication of time involved, and to acknowledge that he or she will have adequate time to fulfil his or her responsibilities as a Non-Executive Director of Sasini Group. Directors available for re-election at a general meeting are reviewed by the Nomination Committee and recommended to the Board. Directors are re-elected in accordance with the Constitution and the CMA regulations. Shareholders will be provided with details about each Director for re-election in the notice of meeting for the AGM to enable Shareholders to decide on re-election. Sasini Group enters into a written agreement with each Director and Senior Executive setting out the key terms, conditions, and responsibilities of their position. Non-Executive Directors must inform the Chairperson before accepting any new appointment as a Director of another listed entity, another material directorship or other position with a significant time commitment attached.

4. Company Secretary

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

5. Diversity

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

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

6. Performance review of the Board and senior executives

The Governance, Nomination and Remuneration Committee is responsible for establishing the processes for reviewing the performance of the Board, the Board's Committees, and individual Directors. The Board, Governance, Nomination and Remuneration Committee, Risk and Audit Committee and Finance, ICT and Strategy Committee, periodically self-assess their performance against a range of set criteria developed annually by the Governance, Nomination and Remuneration Committee. The Governance, Nomination and Remuneration Committee has considered and reviewed the performance of the Board, individual Directors, the Board Committees, and senior executives during the year ended 30 September 2021. A peer review has been undertaken for each Director seeking re-election at the AGM to enable the Board to recommend that Shareholders elect that Director at the AGM.

7. Performance review of Executive Management

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

8. The Board is structured to add value

Board Committees

(a) Governance, Nomination and Remuneration Committee

The role and responsibilities of the Committee are to:

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

Establish and facilitate a Director induction process and provide appropriate professional development opportunities for Directors.

(b) Risk and Audit Committee

The role and responsibilities of the committee are to:

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

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

Board Committees (continued)

(b) Risk and Audit Committee – continued

- Assist the Board to adopt and apply appropriate ethical standards in relation to the management of Sasini PLC and the conduct of its business;
- Review the adequacy of Sasini Group's insurance policies;

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

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

For removing or appointing external auditors, review their performance, including their proposed fees, and if appropriate invite tenders from reputable and certified firms for provision of audit services.

It is the policy of Sasini PLC that its external auditing firm must be independent of it. The Risk and Audit Committee will review and assess the independence of the external auditor on an annual basis. The Risk and Audit Committee may obtain information from, and consult with management, the external auditor, and external advisers, as it considers appropriate. The Risk and Audit Committee also has access to the external auditor to discuss matters without management being present. The Risk and Audit Committee met four times during the year ended 30 September 2021.

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

(c) Finance, ICT and Strategy Committee

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

- Reviewing key technology changes, innovations and trends in the marketplace and their potential for application within Sasini Group, including advising Sasini Group through industry meetings with experts and education visits to key technology partners, industries and regions;
- Reviewing and recommending to the Board management strategies relating to Sasini Group's Technology Strategy and their alignment with Sasini Group's overall strategy and objectives;
- Reviewing and monitoring Management's strategies and innovation framework for developing or implementing new technologies and systems; advising the Board in relation to Sasini Group's IT operations for the purpose of enhancing the Board's understanding of the use of technology as an enabler and a risk for Sasini Group;
- Reviewing and recommending to the Board major new technology projects and investments.

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

Board Committees (continued)

(c) Finance, ICT and Strategy Committee – continued

- Monitoring and reviewing the post implementation results of all key technology projects, including the achievement of expected benefits and return on investment;
- Reviewing and recommending to the Board, management's strategies for sourcing of major technology suppliers and monitoring the technology governance framework for third party suppliers; Reviewing, monitoring, and advising on the effectiveness of the Information Security Risk Management Policy and Procedure;
- Advising the Risk and Audit Committee on matters of technology, systems, data, and intellectual property risk and security;
- Improving the efficiency of the Board by taking responsibility for technology tasks delegated to the committee where such tasks should be discussed in depth;
- Reviewing and reporting to the Board on the effectiveness of incident response plans as they relate to technology risks and cyber security risks, including disaster recovery plans and ensuring the regular testing and reporting to the Board on the results of testing;
- The delivery of technology services to Sasini PLC, including performance outcomes for quality, stability, and reliability and, where reliable information and metrics are available,
- The integration of IT operations and technology within the broader organisation, including strategies to minimise residual integration risk and maximise transparency across the organisation and;

Such other matters relating to Sasini PLC's Technology Strategy as the committee may require from time to time.

Board Skills Matrix

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

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

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

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

Board Skills Matrix (continued)

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

Induction and education

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

9. The Board promotes ethical and responsible decision-making

(a) Code of conduct and ethics

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

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

(b) Securities trading policy

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

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

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

9. The Board promotes ethical and responsible decision-making (Continued)

(b) Securities trading policy (continued)

The Securities Trading Policy applies to:

- All Directors and officers of Sasini Group including the Group Managing Director;
- All direct reports to the Group Managing Director;
- All employees and contractors of Sasini PLC;
- Their associates (as defined in the CMA Act) including, close family members and trusts and entities controlled by them; and
- Other persons identified by Sasini Group from time to time, (Restricted Persons) who by reason of their engagement with Sasini as advisors and or agents have come to access unpublished price sensitive information which could have material impact on the value of the security on the Exchange.

The Securities Trading Policy sets out restrictions that apply to dealing with securities, including trading windows, during which Restricted Persons, may deal in Sasini Group's Securities in accordance with the CMA Regulations and the NSE Listing Manual.

10. The Board makes timely and balanced disclosure

The Board's aim is to ensure that Shareholders are kept informed of all major developments affecting the situation of Sasini Group. Sasini Group has adopted a Continuous Disclosure Policy to ensure compliance with the explicit requirements and the spirit and intent of its disclosure obligations under the CMA Act and NSE Listing regulations. The Board bears the primary responsibility for Sasini Group's compliance with its continuous disclosure obligations and is therefore responsible for overseeing and implementing this Policy. The Board makes the ultimate decision on whether there is any materially price sensitive information that needs to be disclosed to the CMA and NSE. It is a standing agenda item at all Board meetings to consider any information that must be disclosed to the CMA and NSE in accordance with Sasini Group's continuous disclosure obligations. The Board has appointed the Company Secretary as the Reporting Officer to streamline the day-to-day compliance with its continuous disclosure obligations. All Directors are required to notify the Reporting Officer if they believe there is materially price sensitive information which requires disclosure to the CMA and NSE.

11. The Board respects the rights of shareholders

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

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

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

To encourage Shareholder engagement and participation at the AGM, Shareholders can attend the AGM, ask questions from the floor, participate in voting, and meet the Board and the Executive Team in person. In exceptional circumstances as may be restricted by exigencies such as pandemics, the shareholders are afforded the opportunity for a general meeting virtually or where possible a hybrid general meeting. Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the notice of meeting.

The Board recognises and manages risk

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

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

Internal audit

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

12. Economic, environmental, and social sustainability risks

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

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

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

Board and Board Committees Attendance

The Board meets as often as necessary to fulfil its role. Directors are required to allocate sufficient time to the Company to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During the reporting year, the Board met four (4) times. Members of the Executive Leadership Team and other members of senior management attended meetings of the Board by invitation. Attendance at Board and standing Board committee meetings during financial year 2020/2021 is set out in the table below:

Full Board

MEMBER/IN ATTENDANCE	January 2021	February 2021	May 2021	August 2021
Dr. James McFie	√	√	√	√
Dr. Naushad Merali	X	X	√	X
Dr. Steve Mainda	√	√	√	√
Mrs. Betty Koech	√	√	√	√
Mr. Akif Butt	√	√	√	√
Mrs. Rosemary Munyiri	√	√	√	√
Mr. Sameer Merali	√	√	√	√
Mr. Martin R. Ochieng'	√	√	√	√
Mr. Lawrence Kibet	√	√	√	√

ICT, Strategy and Finance Committee

MEMBER/IN ATTENDANCE	January 2021	February 2021	May 2021	August 2021
Dr. Naushad Merali	√	√	√	X
Mr. Akif Butt	√	√	√	√
Mr. Sameer Merali	√	√	√	√
Mr. Martin R. Ochieng'	√	√	√	√
Mr. Lawrence Kibet	√	√	√	√

SASINI PLC

CORPORATE GOVERNANCE **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

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

Risk and Audit Committee

MEMBER/IN ATTENDANCE	December 2020	January 2021	April 2021	July 2021
Mrs. Betty Koech	√	√	√	√
Dr. James McFie	√	√	√	X
Mrs. Rosemary Munyiri	√	√	√	√
Mr. Sameer Merali	√	√	√	√
Mr. Martin R. Ochieng'	√	√	√	√
Mr. Lawrence Kibet	√	√	√	√

Governance, Nomination and Remuneration Committee

MEMBER/IN ATTENDANCE	December 2020	January 2021	April 2021	July 2021
Dr. Steve Mainda	√	√	√	√
Dr. James McFie	√	√	√	√
Mr. Akif Butt	√	√	√	√
Mr. Martin R. Ochieng'	√	√	√	√
Mr. Lawrence Kibet	√	√	√	√

√ - In attendance

X- Absent (or absent with apology)

Top ten shareholders on 30 September 2021

The ten largest shareholders of the Company as of 30 September 2021 were as follows:

No	Names	Address	Shares	Percentage
1	Legend Investments Limited	PO Box 55358 - 00200 Nairobi	95,417,345	41.84%
2	Yana Towers Limited	PO Box 55358 - 00200 Nairobi	28,725,240	12.60%
3	East Africa Batteries Limited	PO Box 55358 - 00200 Nairobi	25,135,700	11.02%
4	Ismail, Gulamali	PO Box 90626 - 80100 Mombasa	18,064,800	7.92%
5	Gidjoy Investments Limited	PO Box 1051 - 00200 Nairobi	9,900,800	4.34%
6	Tropical Veterinary Services Limited	PO Box 87496 - 80100 Mombasa	9,242,600	4.05%
7	Morjaria, Shardaben Vithaldas	PO Box 49863 - Nairobi	4,587,841	2.01%
8	Jamal, Karim	PO Box 445 - 00600 Nairobi	2,111,780	0.93%
9	Joseph, Schwartzman	PO Box 30118 - 00100 Nairobi	1,972,100	0.86%
10	Steluc Limited	PO Box 10087 - 00100 Nairobi	1,500,000	0.66%
11	Others	-	31,397,294	13.77%
	Grand Totals:		228,055,500	100.00%

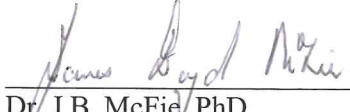
SASINI PLC

CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

Distribution of shareholders

	Range	Records	Shares	Percentage
1	Less than 500	3,829	810,311	.36%
2	501 to 1000	1,123	939,479	.41%
3	1001 to 5000	1,251	2,982,624	1.31%
4	5001 to 10000	260	1,899,001	.83%
5	10001 to 50000	278	6,249,491	2.74%
6	50001 to 100000	53	3,551,058	1.56%
7	100001 to 500000	44	8,592,300	3.77%
8	500001 to 1000000	5	3,619,430	1.59%
9	1000001 to 2000000000	12	199,411,806	87.44%
		6,855	228,055,500	100.00%


Dr. J.B. McFie, PhD
Chairman


Mr. Martin R. Ochieng'
Group Managing Director

Date: 11 January 2022.

SASINI PLC

SUSTAINABILITY UPDATE 2021 **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

This is a summary of the work we have initiated and want to do on our sustainability journey as we aim to strengthen this effort in the years ahead. When we set our strategic pillars two years ago, we chose to underpin everything we do on being sustainable. In that time, we have strengthened our efforts by doing more for this noble global drive. Our business practices have always been sustainable in all our existence, but the difference now is rather than having these practices by default, we are driving them deliberately.

The company's philosophy, vision, mission, values, governance, policies, and corporate responsibility are all geared towards sustainable business development, stewardship of, and sound protection of the primary factor in our business; the environment. In addition to this, we have driven focus on key areas of strict adherence to human rights, the entrenchment of good labour practices and a strong focus on fighting corruption. Our focus is to do responsible business combining the good effects of the planet, people, and profits for prosperity.

Sasini PLC was incorporated in Kenya as a private company on 15th February 1952 in what was then known as Doondu Estates Limited. The company was converted into a public company in 1960 and has stayed public since then championing the good conduct of not just publicly listed entities, but that of Kenya corporates at large. It has over 6,000 shareholders, majority of whom are Kenyans.

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

All of the company's production activities are certified under various internationally recognized certification standards which include: ISO 22000:2005, Rainforest Alliance, C.A.F.E Practice, Fairtrade, Global G.A.P., GRASP, FSSC and IFS to assure our customers of prudent employment of food safety handling techniques, quality products and traceability at all levels of production.

Sasini PLC has eight subsidiary companies, three of which operate in the Export Processing Zones.

Our purpose

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

Our vision

To be the leading agribusiness in Africa.

Our strategic imperatives

- Entrench a performance culture in our business to help drive operational planning and execution;
- Structure and align the organisation to be cost prudent;
- Drive focus on commercial aspects to help sharpen the organization's sales and marketing efforts;
- Focus on talent management, development, and retention;
- Strengthen our fiscal management to ensure financial health of the organisation and;
- Strive to build a complaint business based on sustainable ethics and practices.

Our key stakeholders

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

SASINI PLC

SUSTAINABILITY UPDATE 2021 FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

The company's key stakeholders are :

- The environment
- Employees
- Investors and shareholders
- Government/Regulatory & Industry Advocacy Bodies
- Customers
- Suppliers
- Outgrower farmers
- Creditors and service providers
- Bankers/lenders
- Auditors
- Society/community
- The media

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

	Stakeholder Group	Material Relationship	Means of Engagement
1	The Environment	The land sustains our operations	Protection, stewardship, and precautionary approach to the environment. Application and diffusion of environmentally friendly technologies.
2	Employees	Provide human capital. Their engagement, skills and attitude help the company to achieve its business objectives	Internal Circulars, Trainings and Sensitization, Leadership coaching and mentorship, Skip level meetings with Group Managing Director
3	Investors, & Shareholders	Provide financial Capital. Their feedback helps shape our business imperatives	Investor briefings and meetings, investors relations portal on website, Announcement of interim and annual results
4	Government/Regulatory & Industry Advocacy Bodies	Provides policies and framework for operational licenses, imposes regulations for proper governance and industry guidelines.	Compliance with Licensing requirements; Engagement through industry consultative bodies

SASINI PLC

SUSTAINABILITY UPDATE 2021 **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

	Stakeholder Group	Material Relationship	Means of Engagement
5	Customers	Through innovation ensuring we can supply our customers with high-quality products and support in cost-effective manner	Sale through Retail outlets country-wide; website, e-commerce portal in our website, social media platforms (Facebook, Twitter, and Instagram)
6	Creditors, suppliers & service providers	They affect our ability and business purpose to offer quality and cost-competitive products	Supplier performance evaluation, Supplier factory site visits.
7	Out growers farmers	Impact on our ability to attain factory optimal capacities, affect our ability to produce quality products in a cost-effective manner.	Field extension services, Plant husbandry advice and technological interventions, Farm materials and inputs assistance. Farmers' Open Day
8	Bankers	Bankers step in to provide periodic/ term financial requirements to tidy the business operations Custodian of company's funds and fixed deposits	Application for short- and medium-term borrowings and overdraft facilities. By opening Interest earning Fixed Deposits accounts
9	Auditors	Auditors are vital for the evaluation of the situation and health of the Company to give assurance to the shareholders and potential investors	Through inspection of all books of accounts and company records
10	Community	Sustainable development initiatives through the provision of education facilities and clean water that enhances their socio-economic status	Initiating projects that give back to the society to improve their livelihoods, Barazas (Social gatherings)
11	Media	The media is our key window to the external world. Updating the media regularly on new business development initiatives and products helps expand our target customers and stakeholders.	Product launch and advertisement, media release, interviews with Group Managing Director and key Managers. Telephone conversations

SASINI PLC

SUSTAINABILITY UPDATE 2021 **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

Sustainability Framework

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

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

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

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

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

1. The Environment and Climate Change
2. Social partnerships and agricultural innovation
3. Governance and business conduct, ethics, and compliance
4. Environment and Climate change
5. The continuous war on corruption

The environment is our key stakeholder. All business enterprises utilize the planet's resources to make economic gains or profits.

Whether it is the manufacturing processes, using raw materials for consumer products, needs and consumption of energy, needs and utilization of water, plant husbandry and the attendant processes; all these are sourced from the surface of the earth.

Our core businesses are anchored on agriculture, which is the mainstay of the Kenyan economy. Therefore, as a leading agricultural company, we have a duty of care and responsibility to the environment not only as stewards but also to demonstrate best practices in our farms, whose performance we report on to the National Environment Management Authority (NEMA) and other regulatory and certification bodies.

Regarding the greenhouse gas emissions, we are implementing a system to measure our carbon emissions as well as the Climate Risk Management system that involves the use of climate information in a multi-disciplinary scientific context to cope with the climate's impacts on our agricultural activities.

On energy usage, the company has made a conscious choice to gradually transition to the use of solar energy to power the tea factory processes. Construction by an independent power producer is underway to install a solar power generating plant within our tea operations which is a very huge consumer of hydroelectric power.

This shift to the use of solar energy to power our facilities will be implemented in phases across all our operations over the next few years. To minimize the cost of energy, the company is planning to replace all current incandescent, fluorescent, and energy-saving bulbs with light emitting diodes (LED).

Agricultural innovation is critical to our survival and remains core to our strategic growth.

SASINI PLC

SUSTAINABILITY UPDATE 2021 **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

The digitization in our operations and technological intervention through the investment in mechanized tea harvesting has helped us in reducing wastage and increasing efficiencies in the farm place. We have extended these benefits to select outgrower farmers looking to have all our outgrower farming community in the partnership loop.

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

In 2021 our contribution towards community social investment programmes involved sponsorship of the Sasini Talanta Mtaani Show Season 6. We invested heavily in the sponsorship of this show. This programme is driven by Talanta Mtaani Consortium comprising Civil Society Urban Development Programme (CSUDP), Uwezo Awareness Organisation and the Centre for Intellectual Property Law Advocacy and Research International CIPLAR). The show focuses on youth empowerment, capacity building, training, and employment creation. It seeks to promote talent among youth by providing a platform to showcase their talents, build capacity and train them on how to manage and monetize talent, provide rewarding and satisfying careers for employees/self-employment and fostering mutually beneficial partnerships with stakeholders.

As corporate citizens we have a moral duty to contribute to social sustainability in areas where we operate. Provision of education and health are areas of strategic importance for Sasini PLC as well as for society. In promoting education and social welfare, the Group has constructed four (4) primary schools and one secondary school within the tea operations and also renders support to schools around our coffee operations. Our Tea division maintains nursery and primary schools providing free education to the children of employees, dependents, and surrounding communities. We see this as one critical means of developing talent and uplifting the society's socio-economic status. The group supports education through bursaries and stipends while also providing funds to improve schools located near our plantations. We also provide resources such as computers, laboratory equipment, sports kits and learning material to schools.

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

Strong governance structure, ethics and morals are the hallmarks of a thriving and successful society. As a responsible business we aim at inculcating strong culture, business ethos and conduct among our stakeholders. A strong moral attitude and ethical culture instills awareness and understanding of the consequences for non-compliance, creates accountability and transparency and builds confidence.

To address the material issues, we have a robust risk management programme. In addition, the company has in place a code of conduct and ethics at workplace and conducts training for staff on matters of ethics to drive the correct behavioral ethos.

Materiality and alignment with the UN Sustainable Development Goals (SDGs)

SASINI PLC

SUSTAINABILITY UPDATE 2021 **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

Topic		Response to Material Issue	SDG addressed
Environment and Climate Change	Greenhouse Gas (GHG) Emissions	Reduction of greenhouse gas emissions, through prudent farm and factory practices, to reduce the farmers' and neighbouring communities' vulnerability to the adverse effects of climate change. Increasing tree population through a sound afforestation programme within our estates. Biodiversity conservation through sustainable agriculture practices, protection of habitats and preservation.	13, 15
	Waste Management and Waste reduction	Making the most efficient use of resources at our tea, coffee, macadamia and avocado operations while reducing waste and minimizing their deleterious impact on the environment. Drastic elimination of one-time plastic use and plastic water carboys in the office place.	12, 13
	Clean Water and Sanitation	Efficient use of water, protection of water courses, riparian reserves and reduction of the release of water pollutants through soak lagoons. Provision of clean and purified potable water direct from mains via purifying machines at the workplace.	3, 6

SASINI PLC

SUSTAINABILITY UPDATE 2021 FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

Topic		Response to Material Issue	SDG addressed
Social Partnerships	Employee engagement	We have in place programs such as training and development, reward scheme and recognition and work-life flexibility. We encourage gender balance and through our Diversity and Inclusion Policy, we aim to attract and appoint more women to managerial positions.	1,5,8
	Human Rights	We have a Human Rights Policy in place which guides our operations and upholding of the principles set out in the Universal Declaration of Human Rights and the International Labour Organization's core conventions.	5,8
	Reducing Poverty and Hunger	Improved access by the community to quality coffee, tea, macadamia and avocado seedlings to help small-scale farmers/outgrowers increase farm productivity and meet the growing demands of the food chain while improving their socio-economic development and increasing their resilience to challenges associated with poverty and hunger.	1,2
	Affordable quality education	We have invested in the provision of learning facilities within our tea operations and offer support to learning institutions within our areas of operation through donations of learning materials.	4

SASINI PLC

SUSTAINABILITY UPDATE 2021 **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

Topic		Response to Material Issue	SDG addressed
Governance	Business conduct ethics and compliance	Good practices of corporate governance and compliance with laws, regulations and company policies.	16
	Product range and Production responsibility	We have put in place production procedures that adhere to food safety standards to produce safe products for people and the environment at all stages of the value chain from development, manufacturing, use and safe disposal of by-products.	3, 15
	Agricultural Innovation	We have through research learned and invested in agricultural technological interventions and solutions that address the markets needs to enhance productivity and quality as well as improve on efficiencies and cost reductions	9

Chairman's commitment

The Board of Sasini PLC is fully committed and supportive of all the initiatives the company is taking in ensuring that it operates in an ethical and sustainable manner. To this end, we, together with the shareholders align ourselves with the steps management has taken to steer the business to conduct all its operations based on the global standards and norms set up by the United Nations Global Compact which is the world's biggest corporate sustainability initiative.

Sasini has been a signatory to the United Nations Global Compact for many years and has continuously shown its strong commitment to this very noble and crucial aspect of doing business. The strength of our commitment was further recognized by the United Nations Global Compact in 2019 when the Kenyan Network of this crucial initiative appointed our Group Managing Director, Mr. Martin Ochien'g as one of its Board members. This close alliance has meant that there is a strong collaboration between Sasini PLC and the United Nations Global Compact in mutually beneficial activities to help achieve our sustainability goals. We are very proud of this recognition.

As our sustainability knowledge and intelligence settles in the coming years, we will aim to introduce sustainability assurance audits, to entrench our determination to demonstrate the actual impact of our business on the economy, society and the environment by determining metrics that we can use to gauge our progress.

It is our full intention to continue being at the leading front of this initiative that we launched last year through a sustainability statement and subsequently, ensure full compliance with the NSE guidelines on environmental, social and governance reporting.

SASINI PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Directors are responsible for the preparation and presentation of the consolidated and separate financial statements of Sasini PLC (the Group and Company) which comprise the consolidated and company statements of financial position as at 30 September 2021, and the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information and the information identified as subject to audit in the Directors' Remuneration Report.

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

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

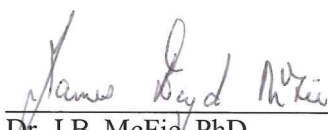
The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner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

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

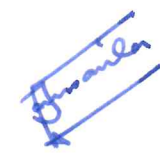
The Directors have made an assessment of the Company and its subsidiaries ability to continue as a going concern and have no reason to believe the Company and its subsidiaries will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

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



Dr. J.B. McFie, PhD
Chairman



Mr. Martin R. Ochieng'
Group Managing Director

Date: 11 January 2022.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SASINI PLC

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Sasini PLC (the Group and Company) set out on pages 73 to 142, which comprise the consolidated and company statements of financial position as at 30 September 2021, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity, consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Sasini PLC as at 30 September 2021, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Kenyan Companies Act, 2015.

Basis for opinion

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

Key audit matters

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



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

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

Key audit matters (continued)

Valuation of biological assets - IAS 41 <i>Agriculture</i> in the consolidated and separate financial statements	
See Note 3 (i) and Note 20	
The key audit matter	How the matter was addressed in our audit
<p>The Group's and Company's biological assets include unharvested produce growing on tea and coffee bushes, standing timber and livestock which are measured at fair value less costs to sell under IAS 41 <i>Agriculture</i>.</p> <p>Estimating the fair value of produce growing on tea and coffee bushes and standing timber is a complex process involving a number of judgments and estimates regarding various inputs including estimating the useful lives of the biological assets, expected harvest and selling prices at the point of harvest and costs to be incurred to maturity of the biological asset as well as costs to sell at the point of harvest (incremental costs). Due to the nature of the standing timber, the valuation technique includes a discounted cash flow model that uses a number of inputs such as expected yield/harvest that is based on historical trends derived from internal sources.</p> <p>Valuation of biological assets relating to unharvested tea, unharvested coffee and standing timber is a key audit matter because the determination of their fair values involves significant estimation uncertainty and is subject to significant management judgment.</p>	<p>Our audit procedures in this area included:</p> <ul style="list-style-type: none"> — Evaluating the Group's and Company's inputs and assumptions used in calculating the estimated cash flows with respect to yields and incremental costs by comparing previous estimates of yields and costs with the related historical yields and cost to maturity and with the Group's and Company's plans/budgets, as well as our understanding of the industry and the economic environment the Group and Company operates in. — Evaluating the reasonableness of the Group's and Company's estimated future prices by comparing previous forecasts for prices to actual outcomes and industry forecasts. — Evaluating the reasonableness of the number of standing trees by comparing the average number of trees per hectare derived from management estimated number of trees and hectares under tree cover with the recommended tree spacing per hectare obtained from external sources. — Evaluating the accuracy of the computations as well as the appropriateness of the discount rates used to discount cash flows by comparing the discount rates to long term government bonds rate with equal maturities. — Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities in accordance with IFRS 13 <i>Fair Value Measurement</i>.

Other information

The directors are responsible for the other information. The other information comprises the information included in the *Sasini Plc, Annual Report and Financial Statements at 30 September 2021* but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report we do not express any form of assurance conclusion thereon

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

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

Directors' responsibilities for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.



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

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

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

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

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other legal and regulatory requirements

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit that in our opinion:

- i. The information given in the report of the directors on pages 28 to 33 is consistent with the consolidated and separate financial statements; and
- ii. The auditable part of the Directors' remuneration report on pages 40 to 42 has been prepared in accordance with the Kenyan Companies Act, 2015;

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

For and on behalf of:

KPMG Kenya
Certified Public Accountants
PO Box 40612 - 00100
Nairobi

Date: 11 January 2022.

SASINI PLC

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

		2021	2020
	Note	KShs'000	KShs'000
Revenue	8	5,261,433	4,145,408
Cost of sales	9	(4,106,068)	(3,335,668)
Gross profit		1,155,365	809,740
Fair value changes on biological assets	20(a)	317,338	(47,375)
Other income	10	229,764	114,695
Total operating income		1,702,467	877,060
Administration and establishment expenses	11	(933,187)	(791,156)
Selling and distribution expenses	12	(48,211)	(51,580)
Results from operations		721,069	34,324
Finance income	13(a)	63,524	24,462
Finance costs	13(b)	(16,497)	(17,294)
Net finance income	13	47,027	7,168
Profit before tax	14	768,096	41,492
Tax expense	15(a)	(194,896)	(28,887)
Profit for the year		<u>573,200</u>	<u>12,605</u>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Impact of change in tax rate and revaluation		(95,074)	93,305
Remeasurement of post-employment benefits, net of tax	31	20,878	58,469
Impact of change in tax rate on defined benefit reserve		5,950	3,631
Total comprehensive income		<u>504,954</u>	<u>168,010</u>
Profit attributable to:			
Owners of the company		567,844	16,269
Non-controlling interest		5,356	(3,664)
		<u>573,200</u>	<u>12,605</u>
Total comprehensive income attributable to:			
Owners of the company		501,801	169,117
Non-controlling interest		3,153	(1,107)
		<u>504,954</u>	<u>168,010</u>
Earnings per share:			
Basic and diluted (KShs)	16	<u>2.49</u>	<u>0.07</u>
Dividend per share (KShs)	17	<u>1.00</u>	<u>-</u>

The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

SASINI PLC

COMPANY STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 KShs'000	2020 KShs'000
Revenue	8	2,212,247	1,363,277
Cost of sales	9	(1,836,304)	(1,165,668)
Gross profit		375,943	197,609
Fair value changes on biological assets	20(b)	120,461	78,980
Other income	10	206,022	180,273
Total operating income		702,426	456,862
Administration and establishment expenses	11	(430,676)	(359,143)
Results from operations		271,750	97,719
Finance income	13(a)	32,759	19,194
Finance costs	13(b)	(14,598)	(15,553)
Net finance income	13	18,161	3,641
Profit before tax	14	289,911	101,360
Tax expense	15(a)	(77,281)	(43,648)
Profit for the year		212,630	57,712
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of property, plant and equipment, net of tax		-	-
Impact of change in tax rate on revaluation		(31,801)	31,801
Remeasurement of post-employment benefits, net of tax	31	1,236	2,696
Impact of change in tax rate on defined benefit reserve		(228)	408
Total comprehensive income		181,837	92,617
Basic and diluted (KShs)	16	<u>0.93</u>	<u>0.25</u>
Dividend per share (KShs)	17	<u>1.00</u>	<u>-</u>

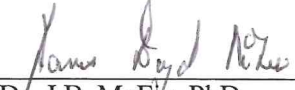
The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

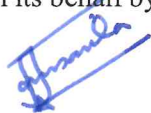
SASINI PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

		2021	2020
ASSETS	Note	KShs'000	KShs'000
Non-current assets			
Property, plant and equipment	18(a)	11,268,638	11,386,598
Capital work-in-progress	18(c)	152,704	127,243
Intangible assets	19	21,845	18,944
Biological assets	20(a)	1,136,449	1,012,880
Deferred tax asset	30	3	7,582
Right of use asset	22	25,709	41,314
		<u>12,605,348</u>	<u>12,594,561</u>
Current assets			
Inventories	24	484,901	567,663
Biological assets	20(a)	309,760	196,819
Trade and other receivables	25	909,217	531,110
Tax recoverable	15(b)	11,540	93,913
Cash and bank balances	27	821,973	593,689
		<u>2,537,391</u>	<u>1,983,194</u>
TOTAL ASSETS		<u>15,142,739</u>	<u>14,577,755</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	28	228,055	228,055
Non-distributable reserves	29(a)	10,268,165	10,204,430
Distributable reserves	29(b)	2,640,480	2,316,442
		<u>13,136,700</u>	<u>12,748,927</u>
Non-controlling interest	29(c)	307,291	304,138
Total equity		<u>13,443,991</u>	<u>13,053,065</u>
Non-current liabilities			
Deferred tax liability	30	1,155,508	964,177
Lease liability	22	-	17,698
Post-employment benefits	31	145,555	197,101
		<u>1,301,063</u>	<u>1,178,976</u>
Current liabilities			
Trade and other payables	32	371,457	317,693
Lease liability	22	17,697	15,953
Post-employment benefits	31	8,531	12,068
		<u>397,685</u>	<u>345,714</u>
TOTAL EQUITY AND LIABILITIES		<u>15,142,739</u>	<u>14,577,755</u>

The consolidated and separate financial statements set out on pages 73 to 142 were approved and authorised for issue by the Board of Directors on 11 January 2022 and signed on its behalf by:


Dr. J.B. McFie, PhD
Chairman


Mr. Martin R. Ochieng'
Group Managing Director


The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

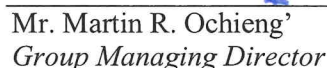
SASINI PLC

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

		2021	2020
ASSETS	Note	KShs'000	KShs'000
Non-current assets			
Property, plant and equipment	18(b)	7,351,938	7,395,188
Capital work-in-progress	18(c)	45,236	42,602
Intangible assets	19	14,819	9,598
Biological assets	20(b)	151,587	129,741
Right of use asset	22	15,504	31,007
Investment in subsidiaries	23	<u>817,727</u>	<u>589,897</u>
		<u>8,396,811</u>	<u>8,198,033</u>
Current assets			
Inventories	24	91,652	81,197
Biological assets	20(b)	264,822	166,207
Trade and other receivables	25	308,912	188,421
Amounts due from related companies	26	118,029	242,014
Tax recoverable	15(b)	-	36,332
Cash and bank balances	27	<u>247,324</u>	<u>317,603</u>
		<u>1,030,739</u>	<u>1,031,774</u>
TOTAL ASSETS		<u>9,427,550</u>	<u>9,229,807</u>
EQUITY AND LIABILITIES			
Current liabilities			
Share capital	28	228,055	228,055
Non - distributable reserves	29(a)	7,313,628	7,260,098
Distributable reserves	29(b)	<u>1,137,495</u>	<u>1,123,216</u>
Total equity		<u>8,679,178</u>	<u>8,611,369</u>
Non-current liabilities			
Deferred tax liability	30	468,193	415,638
Post-employment benefits	31	20,019	20,055
Lease liability	22	<u>-</u>	<u>17,698</u>
		<u>488,212</u>	<u>453,391</u>
Current liabilities			
Amounts due to related parties	26	111,276	12,913
Trade and other payables	32	113,355	135,202
Lease liability	22	17,697	15,953
Post-employment benefits	31	1,365	979
Tax payable	15	<u>16,467</u>	<u>-</u>
		<u>260,160</u>	<u>165,047</u>
TOTAL EQUITY AND LIABILITIES		<u>9,427,550</u>	<u>9,229,807</u>

The consolidated and separate financial statements set out on pages 73 to 142 were approved and authorised for issue by the Board of Directors on 11 January 2022 and signed on its behalf by:


Dr. J.B. McFie, PhD
Chairman


Mr. Martin R. Ochieng
Group Managing Director

The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

SASINI PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

2021:	Share capital KShs'000	Capital reserve KShs'000	Revaluation reserve KShs'000	Biological assets fair value reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total attributable to owners KShs'000	Non controlling interest KShs'000	Total equity KShs'000
Balance as at 1 October 2020	228,055	98,530	9,833,774	159,401	112,725	2,316,442	-	12,748,927	304,138	13,053,065
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	567,844	-	567,844	5,356	573,200
Other comprehensive income										
Impact of change in tax rate	-	-	(92,745)	-	5,950	-	-	(86,795)	(2,329)	(89,124)
Fair value on biological asset after tax	-	-	-	129,778	-	(129,778)	-	-	-	-
Remeasurement of post employment benefits net of tax	-	-	-	-	20,752	-	-	20,752	126	20,878
Total comprehensive income for the year	-	-	(92,745)	129,778	26,702	438,066	-	501,801	3,153	504,954
Transactions with owners of the company recorded directly in equity										
First interim 2021 dividend paid	-	-	-	-	-	(114,028)	-	(114,028)	-	(114,028)
Proposed dividend 2021	-	-	-	-	-	(114,028)	114,028	-	-	-
Total distribution to owners of the company	-	-	-	-	-	(228,056)	114,028	(114,028)	-	(114,028)
At 30 September 2021	<u>228,055</u>	<u>98,530</u>	<u>9,741,029</u>	<u>289,179</u>	<u>139,427</u>	<u>2,526,452</u>	<u>114,028</u>	<u>13,136,700</u>	<u>307,291</u>	<u>13,443,991</u>

The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

SASINI PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	Share capital KShs'000	Capital reserve KShs'000	Revaluation reserve KShs'000	Biological assets fair value reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total attributable to owners KShs'000	Non controlling interest KShs'000	Total equity KShs'000
2020:										
Balance as at 1 October 2019	228,055	98,530	9,742,812	195,370	50,839	2,264,204	-	12,579,810	305,245	12,885,055
Total comprehensive income for the year										
Profit/(loss) for the year	-	-	-	-	-	16,269	-	16,269	(3,664)	12,605
Other comprehensive income										
Impact of change in tax rate	-	-	92,956	-	3,631	-	-	96,587	2,343	98,930
Revaluation adjustment	-	-	(1,994)	-	-	-	-	(1,994)	-	(1,994)
Fair value on biological assets after tax	-	-	-	(35,969)	-	35,969	-	-	-	-
Remeasurement of post employment benefits net of tax	-	-	-	-	58,255	-	-	58,255	214	58,469
Total comprehensive income for the year	-	-	90,962	(35,969)	61,886	52,238	-	169,117	(1,107)	168,010
Transactions with owners of the company recorded directly in equity										
First interim 2020 dividend paid	-	-	-	-	-	-	-	-	-	-
Total distribution to owners of the company	-	-	-	-	-	-	-	-	-	-
At 30 September 2020	228,055	98,530	9,833,774	159,401	112,725	2,316,442	-	12,748,927	304,138	13,053,065

The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

SASINI PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital KShs'000	Capital reserve KShs'000	Revaluation reserve KShs'000	Biological assets fair value reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total equity KShs'000
2021:								
Balance as at 1 October 2020	228,055	40,594	7,078,272	132,414	8,818	1,123,216	-	8,611,369
Profit for the year	-	-	-	-	-	212,630	-	212,630
Other comprehensive income								
Fair value changes on biological assets after tax	-	-	-	84,323	-	(84,323)	-	-
Impact of change in tax rate	-	-	(31,801)	-	(228)	-	-	(32,029)
Remeasurement of post employment benefits, net of tax (Note 31)	-	-	-	-	1,766	-	-	1,766
Deferred tax on remeasurement	-	-	-	-	(530)	-	-	(530)
Total comprehensive income for the year	-	-	(31,801)	84,323	1,008	128,307	-	181,837
Transactions with owners of the company recorded directly in equity								
Interim 2021 dividend paid	-	-	-	-	-	(114,028)	-	(114,028)
Proposed dividend 2021	-	-	-	-	-	(114,028)	114,028	-
Total distribution to owners of equity	-	-	-	-	-	(228,056)	114,028	(114,028)
At 30 September 2021	228,055	40,594	7,046,471	216,737	9,826	1,023,467	114,028	8,679,178

The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

SASINI PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	Share capital KShs'000	Capital reserve KShs'000	Revaluation reserve KShs'000	Biological assets fair value reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total equity KShs'000
2020:								
Balance as at 1 October 2019	228,055	40,594	7,046,471	73,179	5,714	1,124,739	-	8,518,752
Profit for the year	-	-	-	-	-	57,712	-	57,712
Other comprehensive income								
Fair value changes on biological assets after tax	-	-	-	59,235	-	(59,235)	-	-
Impact of change in tax rate	-	-	31,801	-	408	-	-	32,209
Remeasurement of post employment benefits, net of tax (Note 31)	-	-	-	-	3,595	-	-	3,595
Deferred tax on remeasurement	-	-	-	-	(899)	-	-	(899)
Total comprehensive income for the year	-	-	31,801	59,235	3,104	(1,523)	-	92,617
Transactions with owners of the company recorded directly in equity								
Final 2019 dividend paid	-	-	-	-	-	-	-	-
Interim 2020 dividend paid	-	-	-	-	-	-	-	-
Total distribution to owners of equity	-	-	-	-	-	-	-	-
At 30 September 2020	228,055	40,594	7,078,272	132,414	8,818	1,123,216	-	8,611,369

The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

SASINI PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021	2020
Cash flows from operating activities	Note	KShs'000	KShs'000
Net cash flows generated from operations	33	549,606	616,288
Gratuity paid	31	(51,945)	(87,428)
Interest paid on lease liability	22	(2,878)	(4,658)
Income taxes paid	15(b)	(11,686)	(27,845)
Net cash generated from operating activities		<u>483,097</u>	<u>496,357</u>
Cash flows from investing activities			
Interest received	13	29,241	14,100
Purchase of property and equipment	18(a)	(46,141)	(99,919)
Purchase of capital work-in- progress assets	18(c)	(86,757)	(94,964)
Purchase of intangible assets	19	(9,062)	(1,660)
Proceeds from sale of property and equipment		<u>2,004</u>	<u>6,770</u>
Net cash used in investing activities		<u>(110,715)</u>	<u>(175,673)</u>
Cash flows from financing activities			
Interest paid on other borrowings	13	(14,116)	(9,667)
Payment of lease liability	22	(15,954)	(12,860)
Borrowings received	37	969,889	595,350
Borrowings repaid	37	(969,889)	(729,082)
Dividends paid on ordinary shares		<u>(114,028)</u>	<u>-</u>
Net cash used in financing activities		<u>(144,098)</u>	<u>(156,259)</u>
Net increase in cash and cash equivalents		228,284	164,425
Cash and cash equivalents at the beginning of the year	27	<u>593,689</u>	<u>429,264</u>
Cash and cash equivalents at the end of the year		<u>821,973</u>	<u>593,689</u>

The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

SASINI PLC

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021	2020
Cash flows from operating activities	Note	KShs'000	KShs'000
Net cash flows generated from operations	33	99,383	348,558
Gratuity paid	31	(1,736)	(12,536)
Interest paid on lease liability	22	(2,878)	(4,658)
Income taxes paid	15(b)	(4,485)	(5,287)
Net cash generated from operating activities		<u>90,284</u>	<u>326,077</u>
Cash flows from investing activities			
Interest received	13	8,122	15,880
Purchase of property and equipment	18(b)	(10,837)	(3,418)
Purchase of capital work-in-progress	18(c)	(6,520)	(5,114)
Purchase of intangible assets	19	(9,062)	(1,660)
Proceeds from sale of property and equipment		<u>1,832</u>	<u>178</u>
Net cash (used in) / generated from investing activities		<u>(16,465)</u>	<u>5,866</u>
Cash flows from financing activities			
Interest paid on other borrowings	13	(14,116)	(9,667)
Payment of lease liability	22	(15,954)	(12,860)
Borrowings received	37	969,889	595,350
Borrowings repaid	37	(969,889)	(729,082)
Dividends paid on ordinary shares		<u>(114,028)</u>	<u>-</u>
Net cash used in financing activities		<u>(144,098)</u>	<u>(156,259)</u>
Net (decrease)/increase in cash and cash equivalents		(70,279)	175,684
Cash and cash equivalents at the beginning of the year	27	<u>317,603</u>	<u>141,919</u>
Cash and cash equivalents at the end of the year		<u>247,324</u>	<u>317,603</u>

The notes set out on pages 83 to 142 form an integral part of the consolidated and separate financial statements.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. REPORTING ENTITY

Sasini PLC (the “Company”) is a limited liability Company incorporated in Kenya under the Kenyan Companies Act 2015, and is domiciled in Kenya. The consolidated financial statements of the company for the year ended 30 September 2021 comprise the company and its subsidiaries (together referred to as the “Group”).

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

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

3rd Floor, Rivaan Centre
Westlands
PO Box 30151 – 00100
Nairobi

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

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

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated and separate financial statements (the financial statements) are prepared in accordance with and comply with International Financial Reporting Standards (IFRSs) and the Kenya Companies Act, 2015. Details of the Group’s and Company’s significant accounting policies are included in Note 3.

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

(b) Basis of accounting and measurement

The consolidated and separate financial statements have been prepared on the historical cost basis as modified by revaluation of certain items of property, plant and equipment, and biological assets which is measured at fair value and a liability for staff gratuity subjected to actuarial valuation.

(c) Functional and presentation currency

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

(d) Going concern

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

2. BASIS OF PREPARATION (Continued)

(e) Use of estimates and judgments

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) *Subsidiaries*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2021. The subsidiaries are shown in Note 23.

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

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

If the Group loses control over a subsidiary, it:

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (continued)

(i) *Transactions eliminated on consolidation*

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

(b) Foreign currency transactions

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

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

(c) Revenue recognition

Revenue represents the fair value of the consideration received or receivable for sales of goods and services, and is stated net of value-added tax (VAT), rebates and discounts and after eliminating sales within the Group.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer. The Company recognises revenue when it transfers control of a product or service to a customer.

The Company will recognise revenue in accordance with that core principle by applying the following five steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract;
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

(d) Taxation

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

(i) *Current taxation*

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Taxation (continued)

(i) *Current taxation – continued*

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

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

(ii) *Deferred tax*

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

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

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

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

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Investments in subsidiary companies

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

(f) Financial instruments

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognised in the Group and Company's statement of financial position when the Group and Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Classification and subsequent measurement

The Group and Company classify their financial assets in the following categories; amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of financial assets and their subsequent accounting will be determined by the application of dual tests examining the contractual cash flow characteristics of the financial instruments and the Group and Company's business model for managing the assets.

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

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

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

(iii) Offsetting financial instruments

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial instruments (continued)

(iv) *Impairment of financial assets*

The Group and Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The “incurred loss” model is replaced by the “expected credit loss” model in IFRS 9. This applies to all financial assets not held at fair value through profit and loss (FVTPL) – certain investments, loans, trade receivables and other receivables.

For financial assets carried at amortised cost (including loans and other receivables such as trade debtors), impairment losses should be recognised under the “expected loss model”, building up a debtors’ provision / allowance account against credit losses over the life of the financial asset (including an estimate of initial credit risk), rather than the “incurred loss model” used under IAS 39, where a loss was recognised only if there was a specific event (such as default) triggering an impairment review.

Under the impairment approach in IFRS 9 it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group and Company will account for expected credit losses, and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

(v) *Derecognition of financial assets*

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

(g) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently at revalued amounts except bearer plants carried at cost on initial and subsequent measurement less accumulated depreciation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

A bearer plant is defined as a plant that:

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment (continued)

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

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

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued amount of the asset and the original cost. Additionally, accumulated depreciation at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any surplus remaining in the revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

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

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

Buildings and improvements	12 – 45 years
Plant, machinery and tools	12.5% p.a
Rolling stock	25.0% p.a
Farm implements and trailers	12.5% p.a
Furniture, fittings and equipment	12.5% p.a
Computers	33.3% p.a
Bearer plants	2.0% p.a

Useful lives, residual values and depreciation methods are reviewed on an annual basis and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is de-recognised.

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Intangible assets

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

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

The intangible assets are amortised on a straight-line basis over their useful lives (5 years).

Amortisation method, useful lives and residual values are reviewed at each reporting date.

(i) Biological assets

Biological assets are measured on initial recognition and at each reporting date at fair value less cost to sell. Costs to sell include all costs that would be necessary to sell the assets including transportation costs. Any changes to the fair value are recognised in profit or loss in the period in which they arise. The fair value net of deferred tax is reserved in equity as a non-distributable reserve.

The fair value of livestock is determined based on the market prices of livestock of similar age, breed and sex. Where meaningful market determined prices do not exist to assess the fair value of the Group's and Company's other biological assets, the fair value is determined based on the net present value of expected future cash flows, discounted at appropriate pre-tax rate.

All costs incurred relating to mature biological assets are recognised in profit or loss in the period in which they are incurred. Costs incurred relating to immature biological assets are factored in the fair value adjustment.

Biological assets that are expected to be realised within 12 months (coffee and tea produce) at the reporting date are classified as current assets.

(j) Share capital

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

(k) Leases

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Leases (continued)

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and Company's incremental borrowing rate. Generally, the Group and Company uses its incremental borrowing rate as the discount rate.

The Group and Company determines its incremental borrowing rate by analysing its bank borrowings and makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

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

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

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

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

Short-term leases and leases of low-value assets

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Work-in-progress

Work-in-progress represents costs incurred in acquisition/installation of an item of property, plant and equipment which is not in use. Work-in-progress is not depreciated until the assets are completed and brought into use but is tested for impairment when there is an indicator for impairment.

(m) Inventories

Tea and coffee inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost. Cost comprises expenditure incurred in the normal course of business, including direct material costs, labour and production overheads, where appropriate, that have been incurred in bringing the stocks to their present location and condition. Net realisable value is the price at which the inventory can be realised in the normal course of business after allowing for costs of realisation. Consumable stores are stated at the weighted average cost less provisions for obsolescence, slow moving and defective stocks.

Agricultural produce is measured at fair value less cost to sell at the point of harvest. Any changes arising on initial recognition of agricultural produce at fair value less cost to sell are recognised in profit or loss. The cost of finished goods and work in progress comprise the fair value less cost to sell of agricultural produce at the point of harvest, raw materials, direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs.

(n) Employee benefit

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

(i) *Defined contribution plan*

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

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

Prepaid contribution is recognised as an asset, to the extent that a cash refund or a reduction in future payments is available.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Employee benefit (continued)

(ii) *Gratuity*

Employee entitlement to gratuity under the collective bargaining agreements with the trade unions and long service awards are recognised when they accrue to employees. A provision is made for the liability for such entitlements as a result of services rendered by employees up to the reporting date.

The liability recognised in the statement of financial position is the present value of the estimated future cash outflows, calculated by an independent actuary using the projected unit credit method. The increase or decrease in the provision is taken to profit or loss.

(iii) *Accrued annual leave*

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

(iv) *Other short term employee benefits*

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

(o) Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of discount is recognised as finance cost.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

(q) Earnings per share

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Finance income and finance costs

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

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

Foreign currency gains and losses are reported on a net basis.

(s) Dividends

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

(t) Related party transactions

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

(u) Operating segments

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

(v) Comparatives

Where necessary, comparative figures have been restated to conform to the changes in presentation in the current year.

(w) Impairment of non- financial assets

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

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Impairment of non- financial assets

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first reduce the carrying amount of any goodwill allocated to the cash generating unit and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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

(x) New standards, amendments and interpretations

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

The Group and Company have adopted the following new standards and amendments during the year ended 30 September 2021, including consequential amendments to other standards with the date of initial application by the Group and Company being 1 October 2020.

New standard or amendments	Effective for annual periods beginning
— IFRS 3 Definition of a Business	1 January 2020
— Amendments to references to the Conceptual Framework in IFRS Standards	1 January 2020
— Amendments to IAS 1 and IAS 8 (Definition of Material)	1 January 2020
— Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 January 2020
— COVID-19-Related Rent concessions (Amendment to IFRS 16)	1 June 2020

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

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(ii) *New standards, amendments and interpretations in issue but not effective for the year ended 30 September 2021*

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 September 2021 and have not been early adopted by the Group and Company. The Group and Company are in the process of assessing the impact of these standards on the Group's and Company's financial statements.

New standard or amendments	Effective for annual periods beginning on or after
— Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	1 January 2021
— Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
— Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
— Annual Improvements to IFRS Standards 2018–2020	1 January 2022
— Amendments to IFRS 3 Reference to the Conceptual Framework	1 January 2022
— Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2023
— IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
— Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
— Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
— Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	1 January 2023
— Sale or contribution of assets between an Investor and its Associate or Company (Amendments to IFRS 10 and IAS 20).	To be determined

All standards and interpretations will be adopted at their effective date except for those standards and interpretations that are not applicable to the Group or Company.

4. USE OF ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

(i) *Biological assets*

In determining the fair value of biological assets, the Group uses the present value of expected future cash flows from the assets discounted at the current market determined pretax rate. The objective of calculating the present value of expected cash flows is to determine the fair value of biological assets in their present location and condition.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (continued)

(i) *Biological assets – continued*

The Group considers this in determining an appropriate discount rate to be used and in estimating net cash flows. Management uses budgeted information relating to production and expected future market prices of tea, coffee, livestock and trees. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed to reduce any differences between estimates and actual experience. The significant assumptions are set out in Note 20 to the financial statements.

(ii) *Property, plant and equipment*

Directors make estimates in determining the depreciation rates for property, plant and equipment. The rates used are set out in the accounting policy for property, plant and equipment.

These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the prevailing circumstances.

The Group measures its property, plant and equipment at revalued amounts with changes in revaluation values being recognised in other comprehensive income. The Group engages independent valuers to determine fair values of property, plant and equipment. The valuation is based on the prevailing market prices which are sensitive to economic conditions. The details of property, plant and equipment and the assumptions applied are disclosed in Note 3(g) and Note 18

(iii) *Income taxes and deferred tax*

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

(iv) *Post-employment benefit obligation*

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

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (continued)

(v) *Allowance for impairment for accounts receivable*

The Group and Company uses an Expected Credit Loss (ECL) model to assess any need for impairment of financial assets. Under the ECL model, the Group and Company calculates the allowance for credit losses using a provisioning matrix by considering on a discounted basis, the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring.

The allowance is the sum of these probability weighted outcomes. For other assets other than financial assets, if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group and Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Details of the allowance for impairment are disclosed in Note 5(b) and Note 25.

(a) Critical accounting judgements

In the process of applying the Group's accounting policies, directors make certain judgements that are continuously assessed based on prior experience and other determinants including expectations of future events that, under the circumstances are deemed to be reasonable as described below:

(i) *Biological assets*

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

(ii) *Going concern*

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

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, investments, receivables, bank loans and payables. These instruments arise directly from its operations. The Group does not speculate or trade in derivative financial instruments.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk. The directors review and agree policies for managing these risks.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by management under policies approved by the board of directors.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Management identifies, evaluates and manages financial risks in close co-operation with various departmental heads. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposure within acceptable levels, while optimising on the return on the risk.

(i) Interest rate risk

Interest rate risk is the risk that the future profitability and/or cash flows of financial instruments will fluctuate because of changes in the market interest rates.

The group's exposure to the risk of changes in market interest rates relates primarily to the group's long and short term obligations with floating interest rates.

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the exposure to interest rate risks. Included in the table are the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Group exposure to interest rate risk is with regards to fluctuation in interest rates in the market which affects the returns on the investments held by the Group.

The interest rate profile of the group's interest bearing financial instruments as at 30 September 2021 and 2020 together with the interest rates on that date was as follows:

The net interest income/(expense) for the year was as follows:

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Interest income	29,241	14,100	8,122	15,880
Interest expense	(14,116)	(14,325)	(14,116)	(14,325)
Net interest income	<u>15,125</u>	<u>(225)</u>	<u>(5,994)</u>	<u>1,555</u>

The interest rate profile of the Group's and Company's fixed interest-bearing financial instruments as reported to management of the Group is as follows:

	Group		Company	
	2021	2020	2021	2020
	KShs '000	KShs '000	KShs '000	KShs '000
<i>Fixed rate instruments</i>				
Financial assets (Note 27)	453,625	238,952	100,971	72,048
Financial liabilities (Note 38)	—	—	—	—
Net exposure	<u>453,625</u>	<u>238,952</u>	<u>100,971</u>	<u>72,048</u>

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk (continued)

(i) Interest rate risk – continued

The following table demonstrates the effect on the group and company's statement of comprehensive income of applying a sensitivity of 10% to the interest rate prevalent during the year, with all other variables held constant.

		← Group →		← Company →	
	Change in currency rate	Effect on profit before tax KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on equity KShs' 000
2021	10.00%	1,513	1,059	(599)	(420)
	(10.00%)	(1,513)	(1,059)	599	420
2020	10.00%	23	17	156	117
	(10.00%)	(23)	(17)	(156)	(117)

(ii) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of Group entities. The currencies in which these transactions primarily are denominated are US Dollar (USD) and Sterling Pound (GBP).

The Group's policy is to record transactions in foreign currencies at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the reporting date. All gains or losses on changes in currency exchange rates are accounted for in profit or loss.

The Group transacts internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and GBP.

The following are the exchange rates that existed at the financial year end for the following significant currencies:

	← Average rates →		← Closing rates →	
	2021 KShs	2020 KShs	2021 KShs	2020 KShs
US Dollar (USD)	109.06	104.73	110.49	108.5
Sterling Pound (GBP)	149.25	133.59	149.64	139.5
Euro	130.36	117.39	129.01	126.9

The Group operates in Kenya and its assets and liabilities are carried in the local currency. The Group's exposure to foreign currency risk was as follows:

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk (continued)

(ii) *Currency risk – continued*

All figures are in thousands of Kenya shillings

(KShs'000) Group:

2021:	USD	GBP	EURO	Total
Assets				
Trade and other receivables	387,671	-	19,027	406,698
Cash and cash equivalents	141,318	101	149	141,568
At 30 September	528,989	101	19,176	548,266
Liabilities				
Trade and other payables	(14,144)	-	-	(14,144)
At 30 September				
Net balance sheet position	514,845	101	19,176	534,122

All figures are in thousands of Kenya shillings (KShs'000)

2020:	USD	GBP	EURO	Total
Assets				
Trade and other receivables	226,880	-	17,277	244,157
Cash and cash equivalents	104,209	1,770	1,080	107,059
At 30 September	331,089	1,770	18,357	351,216
Liabilities				
Trade and other payables	(8,312)	-	-	(8,312)
At 30 September				
Net balance sheet position	322,777	1,770	18,307	342,904

Company:

All figures are in thousands of Kenya shillings (KShs'000)

Assets	2021 USD	2020 USD
Trade and other receivables	130,123	96,279
Cash and cash equivalents	88,944	78,004
At 30 September	219,067	174,283
Liabilities		
Trade and other payables	(13,834)	(7,887)
Net balance sheet position	205,233	166,396

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk (continued)

(ii) Currency risk – continued

The following table demonstrates the effect on the Group and Company's statement of comprehensive income of applying a sensitivity for a reasonable possible change in the exchange rate of the main transaction currencies, with all other variables held constant.

		Group		Company	
	Change in currency rate	Effect on profit before tax KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on equity KShs' 000
USD					
2021	10%	51,485	36,039	20,523	14,366
	(10%)	(51,485)	(36,039)	(20,523)	(14,366)
2020	10%	32,278	24,208	16,640	12,480
	(10%)	(32,278)	(24,208)	(16,640)	(12,480)
GBP	10%	10	7	-	-
2021	(10%)	(10)	(7)	-	-
2020	10%	177	133	-	-
	(10%)	(177)	(133)	-	-
EUR	10%	1,918	1,342	-	-
2021	(10%)	(1,918)	(1,342)	-	-
2020	10%	1,831	1,373	-	-
	(10%)	(1,831)	(1,373)	-	-

(iii) Price risk

Price risk arises from the fluctuation in the prices of the commodities that the Group deals in. Sale and purchase prices are determined by the market forces and other factors that are not within the control of the Group. The Group does not anticipate that tea and coffee prices will decline significantly in the foreseeable future and therefore has not entered into derivative or other contracts to manage the risk of a decline in the prices. The Group reviews its outlook for tea and coffee prices regularly in considering the need for active financial risk management.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk (continued)

(iii) Price risk – continued

The Group and Company has analysed price risk with respect to tea and coffee due to materiality of these two products. The other products do not have a significant price risk impact.

The following are the annual average prices (per kg) for coffee and tea that existed at the financial year end:

	2021 KShs	2020 KShs
Coffee	664	468
Tea	<u>179</u>	<u>175</u>

The following table demonstrates the effect on the group and company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the coffee and tea prices, with all other variables held constant.

		← Group →		← Company →	
	Change in price	Effect on profit before tax KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on Equity KShs' 000
Coffee					
2021	10%	211,265	147,886	203,219	142,253
	(10%)	(211,265)	(147,886)	(203,219)	(142,253)
2020	10%	126,285	94,714	119,795	89,847
	(10%)	(126,285)	(94,714)	(119,795)	(89,847)
Tea					
2021	10%	228,885	160,220	-	-
	(10%)	(228,285)	(160,229)	-	-
2020	10%	228,878	167,158	-	-
	(10%)	(228,878)	(167,158)	-	-

(b) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The largest concentrations of credit exposure within the group arises from deposits held with various service providers, term deposits and cash and cash equivalents held with banks. The group only places significant amounts of funds with recognised financial institutions with strong credit ratings and does not consider the credit risk exposure to be significant.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (continued)

A significant proportion of the group's trading is through established auctions for coffee and tea and a small proportion via direct export contracts with known parties. The receivables are collected within a period of less than one month.

The Group's exposure to credit risk is summarised in the table below:

Group	2021	2020	Company	
	KShs'000	KShs'000	2021 KShs'000	2020 KShs'000
Trade receivables – Net	394,554	201,035	151,519	85,876
Other receivables	126,926	82,933	10,272	43,898
Amounts due from related companies	-	-	118,029	242,014
Bank balances and short term deposits	<u>820,501</u>	<u>591,210</u>	<u>246,835</u>	<u>316,638</u>
	<u>1,341,981</u>	<u>875,178</u>	<u>526,655</u>	<u>688,426</u>

Details of the ageing analysis and impairment of trade receivables is disclosed in Note 25.

(i) *Intercompany receivables*

For Group and Company, the calculated ECL which represents the probability of default was 2.73% which considers historical experience over the last 12 months, current conditions, exchange rates and country risk. This was applied to the gross outstanding amount and resulted in a loss allowance of KShs 4,593 thousands and KShs – Nil for the Group and Company respectively for the year ended 30 September 2021.

(ii) *Cash and cash equivalents*

The Group and Company held cash and bank balances of KShs 822 million and KShs 247 million respectively (2020 – Group – KShs 593 million and Company KShs 317 million). The cash and bank balances are held with banks and financial institution counterparties, which are rated between A1 to Ba1, based on GCR, S&P and Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The COVID -19 pandemic and the lockdown did not place severe stress on the Group's credit position since the cash balances are with credit worth banks, most of the business customers pays within 14 days because of the auction rules, for coffee and tea.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (continued)

(ii) Cash and cash equivalents – continued

Impairment losses movement for cash and bank balances in the year was

	Group		Company	
	2021	2020	2021	2020
	KShs' 000	KShs' 000	KShs' 000	KShs' 000
At 1 October 2020/2019	-	353	-	-
Writeback to profit or loss	—	(353)	—	—
As at 30 September	==	==	==	==

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its obligations from its financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group's management maintains flexibility in funding by maintaining availability under committed credit lines. The maturity analysis of the Group's financial liabilities is as follows:

Group:

	0-1 Month KShs'000	2-3 Months KShs'000	4-12 Months KShs '000	Over 1 year KShs '000	Total KShs'000
2021:					
Trade and other payables	165,345	145,955	60,157	-	371,457
Lease liability	<u>4,635</u>	<u>-</u>	<u>13,807</u>	<u>-</u>	<u>18,442</u>
	<u>169,980</u>	<u>145,955</u>	<u>73,964</u>	<u>-</u>	<u>389,899</u>
2020:					
Trade and other payables	67,918	69,658	180,117	-	317,693
Lease liability	<u>4,679</u>	<u>-</u>	<u>14,153</u>	<u>18,442</u>	<u>37,274</u>
	<u>72,597</u>	<u>69,658</u>	<u>194,270</u>	<u>18,442</u>	<u>354,967</u>

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (continued)

Company:	0-1 month	2-3 months	4-12 months	Over 1 year	Total
2021:	KShs'000	KShs'000	KShs '000	KShs '000	KShs'000
Trade and other payables	50,603	50,781	11,971	-	113,355
Due to related party	111,276	-	-	-	111,276
Lease liability	<u>4,635</u>	<u>-</u>	<u>13,807</u>	<u>-</u>	<u>18,442</u>
	<u>166,514</u>	<u>50,781</u>	<u>25,778</u>	<u>-</u>	<u>243,073</u>
2020:					
Trade and other payables	48,207	41,073	45,922	-	135,202
Due to related party	-	12,913	-	-	12,913
Lease liability	<u>4,679</u>	<u>-</u>	<u>14,153</u>	<u>18,442</u>	<u>37,274</u>
	<u>52,886</u>	<u>53,986</u>	<u>60,075</u>	<u>18,442</u>	<u>185,389</u>

Despite the COVID -19 pandemic the lockdown did not place severe stress on the Group's liquidity position as revenue generating activities were not restricted. The Group has taken and continues to take actions to mitigate the impact, including freezing dividends.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group operations.

The Group objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirement for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Agricultural risk

Agricultural risk is the risk of direct or indirect loss arising from adverse agricultural conditions such as disease outbreaks, floods, droughts and other adverse weather events caused by climatic changes.

The Group's risk management process with respect to agricultural risk focuses on anticipating, avoiding and/or reacting to shocks attributable to adverse agricultural conditions. The Group's objective is to achieve an efficient risk management system for agriculture that preserves the value of agricultural outputs, strengthens the viability of farm businesses, and ensures an environment which supports and sustains continued investment in the farming sector.

(e) Capital management

The primary objectives of the Group's capital management are to ensure that the Group complies with capital requirements and maintains healthy capital ratios in order to support its business and to maximise shareholders' value.

The Capital Management policy as approved by the Board of Directors (the Board) is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends to ordinary shareholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares as circumstances would dictate. There were no changes in the Group's approach to capital management as regards the objectives, policies or processes during the year.

6. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

Below follows required disclosure of fair value measurements, using a three-level fair value hierarchy that reflects the significance of the inputs used in determining the measurements. It should be noted that these disclosures only cover instruments measured at fair value.

Level 1

Included in level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

6. DETERMINATION OF FAIR VALUES (Continued)

Level 2

Included in level 2 category are financial assets and liabilities measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For example, instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are categorised as level 2.

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3

Financial assets and liabilities measured using inputs that are not based on observable market data are categorised as level 3. Nonmarket observable inputs means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset classes in this category are unlisted equity investments and limited partnerships. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations for which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group. Therefore, unobservable inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's own data. However, significant portion of the unquoted shares have been valued at cost and variation in inputs would not have significant fair value change.

There were no financial instruments carried at fair value at the Group and Company level. The fair value of financial instruments approximates to the carrying amount because of their short-term nature.

The following table shows an analysis of non-financial assets held at fair value as at 30 September 2021 and 2020:

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Non-financial assets				
Property, plant and equipment*	11,112,418	11,222,887	7,341,835	7,384,575
Biological assets	<u>1,446,209</u>	<u>1,209,699</u>	<u>416,409</u>	<u>295,948</u>
Total assets	<u>12,558,627</u>	<u>12,432,586</u>	<u>7,758,244</u>	<u>7,680,523</u>

*The carrying amount relates only to classes of property, plant and equipment carried at revalued amounts all property, plant and equipment excluding the bearer plant that is carried at cost.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

6. DETERMINATION OF FAIR VALUES (Continued)

Level 3 (continued)

On 30 September 2020, Knight Frank Valuers Limited, professionally valued the Group's machinery, equipment and furniture while building and freehold land were valued on 30 September 2020. The valuation was on an open market value basis. The Valuers used the Direct Capital Comparison method of valuation for valuation of land. The assumption which is that the value of the appraised property is equal to the value of a known comparable property, with due allowance being given for differences factors between the appraised property and the compared property such as the condition, location, level and amount of services provided, accessibility, plot size, planning and zoning regulations, transacting parties, motive of sale and tenure and the unexpired term. Fully developed properties; for example depots have been valued on the basis of sales of similar developed properties in the particular locations with due regard to their rental income potential. Buildings or any other fixture or improvement on land whose revenue contribution cannot be assessed easily or where the structures are dilapidated, have been valued on depreciated replacement cost basis.

Following the revaluation, the movement in property plant and equipment has been disclosed in note 18.

The fair value of the biological asset is determined based on the present value of expected net cash flows derived from sale of agricultural produce, discounted at the pre-tax discount rate. The details of the valuation inputs of the biological assets have been disclosed in note 20.

The fair value measurement of revalued items of property plant and equipment and the biological assets have been categorized as a level 2 and 3 fair value based on the inputs to the valuation techniques.

7. SEGMENT INFORMATION

The Group is currently organised in three divisions; Tea, Coffee, and Others. These divisions are the basis on which the Group reports its segment information. The principal activities of these divisions are as follows:

Tea - Growing and processing of tea

Coffee - Growing and processing of coffee

Others - Dairy operations, commercial milling and marketing of coffee, value additions of related products, renting of growing land and the leasing of plant and machinery.

The Group is currently organised in three divisions; Tea, Coffee, and Others. These divisions are the basis on which the Group reports its segment information. The principal activities of these divisions are as follows:

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

7. SEGMENT INFORMATION (Continued)

Segment information is as presented below:

	Tea KShs '000	Coffee KShs '000	Others KShs '000	Consolidated KShs '000
30 September 2021:				
Revenue				
Total sales	2,288,843	2,112,652	871,938	5,273,433
Intergroup sales	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>(12,000)</u>
Net sales to external customers	2,288,843	2,112,652	859,938	5,261,433
Other income	<u>122,262</u>	<u>101,371</u>	<u>6,131</u>	<u>229,764</u>
	<u>2,411,105</u>	<u>2,214,023</u>	<u>866,069</u>	<u>5,491,197</u>
Results				
Operating results before tax	<u>363,450</u>	<u>321,047</u>	<u>36,572</u>	<u>721,069</u>
30 September 2021:				
	Tea KShs '000	Coffee KShs '000	Others KShs '000	Consolidated KShs '000
Assets and liabilities				
Segment assets	<u>3,656,845</u>	<u>10,513,018</u>	<u>972,877</u>	<u>15,142,739</u>
Segment liabilities	<u>916,958</u>	<u>609,942</u>	<u>171,848</u>	<u>1,698,748</u>
Other segment information				
Capital expenditure - tangible fixed assets	55,206	60,242	26,512	141,960
Depreciation and amortisation	120,183	37,839	87,794	245,816
Income tax expense	-	-	194,897	194,897
Interest income	-	-	(29,241)	(29,241)
Interest expense	<u>-</u>	<u>-</u>	<u>14,116</u>	<u>14,116</u>
Average number of employees	<u>1,510</u>	<u>854</u>	<u>110</u>	<u>2,475</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

7. SEGMENT INFORMATION (Continued)

	Tea	Coffee	Others	Consolidated
30 September 2020:	KShs '000	KShs '000	KShs '000	KShs '000
Revenue				
Total sales	2,228,776	1,262,854	665,778	4,157,408
Intergroup sales	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>(12,000)</u>
Net sales to external customers	2,228,776	1,262,854	653,778	4,145,408
Other income	<u>14,500</u>	<u>87,916</u>	<u>12,279</u>	<u>114,695</u>
	<u>2,243,276</u>	<u>1,350,770</u>	<u>666,057</u>	<u>4,260,103</u>
Results				
Operating results before tax	<u>(66,560)</u>	<u>79,347</u>	<u>21,537</u>	<u>34,324</u>
30 September 2020:	Tea	Coffee	Others	Consolidated
	KShs '000	KShs '000	KShs '000	KShs '000
Assets and liabilities				
Segment assets	<u>3,278,610</u>	<u>10,412,726</u>	<u>886,419</u>	<u>14,577,755</u>
Segment liabilities	<u>723,907</u>	<u>591,369</u>	<u>209,414</u>	<u>1,524,690</u>
Other segment information				
Capital expenditure - tangible fixed assets	120,449	26,378	49,719	196,545
Depreciation and amortisation	107,322	39,232	81,754	228,308
Income tax expense	-	-	28,887	28,887
Interest income	-	-	(14,100)	(14,100)
Interest expense	-	-	14,325	14,325
Average number of employees	<u>1,683</u>	<u>757</u>	<u>80</u>	<u>2,520</u>

Geographical information

The Group's operations are located in Nyamira, Nyeri, Mombasa, Kiambu and Nairobi counties in Kenya.

The Group's tea, rental and leasing operations are located in Nyamira and Mombasa counties. Coffee and dairy operations are located in Nyeri and Kiambu counties. The head office is located in Nairobi County.

Segment information

Segment results include revenue and expenses directly attributable to a segment.

Segment revenue is the revenue that is directly attributable to a segment plus the relevant portion of the Group's revenue that can be allocated to the segment on a reasonable basis. Segment revenue excludes finance income.

Segment expenses are expenses resulting from the operating activities of a segment plus the relevant portion of an expense that can be allocated to the segment on a reasonable basis. Segment expenses exclude finance costs and income taxes.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

7. SEGMENT INFORMATION (Continued)

Segment information (continued)

Segment assets comprise intangible assets, property, plant and equipment, biological assets, inventories, accounts receivable as well as prepaid expenses and accrued income.

Segment liabilities comprise account payables, prepaid income, accrued expenses and provisions as well as those relating to interest and taxes.

Capital expenditure represents the total cost incurred during the year to acquire segment assets (property, plant and equipment and biological assets) that are expected to be used during more than one year.

8. REVENUE

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Tea	2,288,852	2,228,776	-	-
Coffee	2,112,652	1,262,854	2,032,186	1,197,955
Livestock & dairy produce	36,986	34,383	2,751	3,607
Retail- Blended tea and coffee	84,484	91,351	84,484	91,342
Milling and handling income	53,230	39,501	53,230	40,430
Marketing commission	39,596	29,943	39,696	29,943
Avocado	231,237	189,868	-	-
Macademia	402,283	259,491	-	-
Miscellaneous income	12,113	9,241	-	-
	<u>5,261,433</u>	<u>4,145,408</u>	<u>2,212,247</u>	<u>1,363,277</u>

Performance obligations and revenue recognition policies

Revenue from sale of goods is recognised as and when control is transferred to the customer; to the extent that the customer has accepted the good and the collectability of the related receivable is reasonably measured.

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
9. COST OF SALES				
General charges	417,443	301,647	95,043	98,361
Estates maintenance	376,578	543,920	98,465	81,839
Production expenses	462,554	434,491	47,754	36,526
Green leaf purchases	825,984	670,509	-	-
Coffee purchases and other charges	1,508,439	730,851	1,508,439	730,851
Livestock expenses	45,588	42,553	2,190	2,516
Retail trading expenses	47,411	68,344	47,411	68,344
Coffee mill expenses	39,779	37,743	39,779	37,743
Transport and insurance	52,792	50,389	-	-
Inventory adjustments	<u>329,500</u>	<u>455,221</u>	<u>(2,777)</u>	<u>109,488</u>
	<u>4,106,068</u>	<u>3,335,668</u>	<u>1,836,304</u>	<u>1,165,668</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

10. OTHER INCOME

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'00	KShs'000
Net gain on disposal of property, plant and equipment	498	1,223	291	49
Management fees	-	-	91,755	78,229
Rent income	1,079	1,327	7,673	7,885
Trees and nursery sales	128,530	11,284	11,433	7,786
Sundry income	<u>99,657</u>	<u>100,891</u>	<u>94,870</u>	<u>86,324</u>
	<u>229,764</u>	<u>114,725</u>	<u>206,022</u>	<u>180,273</u>

11. ADMINISTRATION AND ESTABLISHMENT EXPENSES

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
(a) Administration and establishment expenses				
Staff costs (Note 11(b))	268,619	225,752	120,888	110,038
Insurance and medical costs	28,379	33,782	7,035	7,935
Depreciation of property, plant and equipment	224,050	207,349	56,434	55,898
Depreciation of right of use assets	15,605	15,605	15,503	15,504
Amortisation of intangible assets	6,161	5,376	3,841	3,405
Auditors' remuneration	13,200	13,200	7,146	7,146
Directors' emoluments	39,621	34,393	39,621	34,393
Legal and professional fees	22,259	23,775	14,116	12,589
Secretarial costs	4,800	5,056	1,800	2,056
Travelling and accommodation	6,283	3,046	6,132	2,681
Office expenses	173,846	160,347	83,872	67,803
Other administration costs	84,305	60,096	68,584	60,096
Bank charges	8,835	5,420	2,875	3,039
Other expenses	<u>37,224</u>	<u>(2,041)</u>	<u>2,829</u>	<u>(23,440)</u>
	<u>933,187</u>	<u>791,156</u>	<u>430,676</u>	<u>359,143</u>
(b) Staff costs				
Salaries and wages	241,810	205,144	106,483	97,398
Pension costs	<u>26,809</u>	<u>20,608</u>	<u>14,405</u>	<u>12,640</u>
	<u>268,619</u>	<u>225,752</u>	<u>120,888</u>	<u>110,038</u>

12. SELLING AND DISTRIBUTION EXPENSES

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Warehousing and storage charges	<u>48,211</u>	<u>51,580</u>	<u>-</u>	<u>-</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

13. NET FINANCE INCOME

(a) Finance income

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Interest income	29,241	14,100	8,122	15,880
Realised foreign exchange	29,527	5,583	23,038	-
Unrealised foreign exchange	<u>4,756</u>	<u>4,779</u>	<u>1,599</u>	<u>3,314</u>
	<u>63,524</u>	<u>24,462</u>	<u>32,759</u>	<u>19,194</u>

(b) Finance cost

Interest expense	(14,116)	(14,325)	(14,116)	(14,325)
Realised foreign exchange loss	(2,381)	(2,956)	(482)	(1,228)
Unrealised foreign exchange loss	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
	<u>(16,497)</u>	<u>(17,294)</u>	<u>(14,598)</u>	<u>(15,553)</u>
Net finance income	<u>47,027</u>	<u>7,168</u>	<u>18,161</u>	<u>3,641</u>

14. PROFIT BEFORE TAXATION

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
The profit before taxation is arrived at after charging/ (crediting): Depreciation	224,050	207,349	56,434	55,898
Amortisation of intangible assets	6,161	5,376	3,841	3,405
Amortisation/depreciation of right of use	15,605	15,605	15,503	15,504
Directors' emoluments:				
- Fees	8,258	8,350	8,258	8,350
- Other remuneration	31,362	26,043	31,362	26,043
Pension costs	26,809	20,608	14,405	12,640
Auditor's remuneration	13,200	13,200	7,146	7,146
Interest expense	14,116	14,325	14,116	14,325
Unrealised exchange losses	-	13	-	-
Realised foreign exchange losses	2,381	2,956	482	1,228
Interest income	(29,241)	(14,100)	(8,122)	(15,880)
Unrealised foreign exchange gain	(4,756)	(4,779)	(1,599)	(3,314)
Realised foreign exchange gain	(29,527)	(5,583)	(23,038)	-
Net gain on disposal of assets	<u>(498)</u>	<u>(1,223)</u>	<u>(291)</u>	<u>(49)</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

15. TAX EXPENSE

(a) Statement of comprehensive income	2021	Group 2020	2021	Company 2020
	KShs'000	KShs'000	KShs'000	KShs'000
Current tax expense/(credit)				
Income tax on the taxable profit for the year at 30% (2020 - 25%)	94,059	22,362	57,284	7,716
Prior year over provision	<u>-</u>	<u>(2,867)</u>	<u>-</u>	<u>(2,867)</u>
Total current tax	<u>94,059</u>	<u>19,495</u>	<u>57,284</u>	<u>4,849</u>
Deferred tax expense/(credit)				
Deferred tax credit arising from operating activities	19,860	43,548	(4,356)	3,203
Deferred tax (credit)/charge on biological assets fair value	70,979	(28,358)	36,164	19,745
Effect of change in tax rate	12,361	(8,100)	(11,811)	13,452
Prior year under/(over) provision	<u>(2,362)</u>	<u>2,302</u>	<u>-</u>	<u>2,399</u>
Total deferred tax charge	<u>100,838</u>	<u>9,392</u>	<u>19,997</u>	<u>38,799</u>
Taxation expense for the year	<u>194,897</u>	<u>28,887</u>	<u>77,281</u>	<u>43,648</u>
Reconciliation of tax expense:				
Accounting profit before taxation	768,096	41,492	281,911	101,360
Tax applicable rate at 30% (2020-25%)	230,428	10,373	86,973	25,340
Tax effects of items not allowed for tax or tax exempt	(28,257)	(13,502)	2,119	5,324
Derecognised deferred tax	7,582	-	-	-
Movement in unrecognized deferred Tax	(24,856)	40,681	-	-
Effect of change in tax rate	12,361	(8,100)	(11,811)	13,452
Prior year under/(over) provision:				
- Deferred tax	(2,362)	2,302	-	2,399
- Current tax	<u>-</u>	<u>(2,867)</u>	<u>-</u>	<u>(2,867)</u>
	<u>194,897</u>	<u>28,887</u>	<u>77,281</u>	<u>43,648</u>

On 25 April 2020, the government of Kenya enacted changes to the Income Tax Act as part of COVID-19 relief measures, including a decrease in the corporate tax rate from 30 to 25%. This change has been incorporated in the current and deferred tax assets and liabilities of the Group and Company in 2020. On 23 December 2020, an increase in the corporate tax rate in the Kenya from 25% to 30% was enacted, effective from 1 January 2021. This increase has been incorporated in the current or deferred income taxes recognised at 30 September 2021.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

15. TAX EXPENSE (Continued)

(b) Statement of financial position

	Group		Company	
	2021	2020	2021	2020
	KShs'00	KShs'000	KShs'000	KShs'000
Balance brought forward	(93,913)	(85,563)	(36,332)	(35,894)
Charge for the year	94,059	19,495	57,284	4,849
Paid during the year	(11,686)	(27,845)	(4,485)	(5,287)
Balance carried forward	(11,540)	(93,913)	16,467	(36,332)
Presented as: Tax recoverable	(28,007)	(93,913)		(36,332)
Tax payable	16,467	-	16,467	-
	(11,540)	(93,913)	16,467	(36,332)

16. EARNINGS PER SHARE

Earnings per share is calculated by dividing profit or loss for the year attributable to ordinary equity holders of the parent by the KShs 228,055,500 (2020 – KShs 228,055,500) ordinary shares outstanding during the year. Basic and diluted earnings per share are the same.

	Group		Company	
	2021	2020	2021	2020
	KShs	KShs	KShs	KShs
Earnings per share on normal operations	1.92	0.32	0.56	(0.01)
Earnings per share on biological assets	0.57	(0.25)	0.37	0.26
Net earnings per share (KShs)	2.49	0.07	0.93	0.25

17. DIVIDEND PER SHARE

An interim dividend of 50% (KShs 0.50 per share) (2020 - Nil) was declared and paid on 15 July 2021. The Directors recommend the payment of a final dividend of 50% (KShs 0.50 per share : 2020 : Nil) payable on or about 15 March 2022 to members on record at the close of business on 22 February 2022. This amounts to a total dividend of 100% (KShs.1.00 per share for the year: 2020 – Nil).

	Group		Company	
	2021	2020	2021	2020
	KShs	KShs	KShs	KShs
Dividends per share (KShs)	1.00	-	1.00	-

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

18. PROPERTY, PLANT AND EQUIPMENT

(a) Group

2021	Land and development	Bearer plants	Buildings and improvements	Plant and machinery	Rolling stock and implements	Furniture, fittings and	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Cost or valuation							
At 1 October 2020	8,825,000	756,726	1,193,080	1,112,695	258,806	83,342	12,229,649
Adjustment	-	-	(19)	(4,693)	(470)	(791)	(5,973)
Additions	-	-	-	4,436	26,531	15,174	46,141
Transfer from WIP – Note 18(c)	-	-	4,016	53,520	-	3,760	61,296
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,395)</u>	<u>(61)</u>	<u>(3,456)</u>
At 30 September 2021	<u>8,825,000</u>	<u>756,726</u>	<u>1,197,077</u>	<u>1,165,958</u>	<u>281,472</u>	<u>101,4234</u>	<u>12,327,657</u>
Depreciation							
At 1 October 2020	-	593,014	69,789	102,506	57,854	19,888	843,051
Adjustment	-	746	(1,250)	(4,656)	(1,306)	334	(6,132)
Charge for the Period	-	6,746	61,179	89,180	48,378	18,567	224,050
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,919)</u>	<u>(30)</u>	<u>(1,950)</u>
At 30 September 2021	<u>-</u>	<u>600,506</u>	<u>129,718</u>	<u>187,030</u>	<u>103,007</u>	<u>38,758</u>	<u>1,059,019</u>
Carrying amount as at 30 September 2021	<u>8,825,000</u>	<u>156,220</u>	<u>1,067,359</u>	<u>978,928</u>	<u>178,465</u>	<u>62,666</u>	<u>11,268,638</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Group (continued)

2020	Land and development	Bearer plants	Buildings and improvements	Plant and machinery	Rolling stock and implements	Furniture, fittings and	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Cost or valuation							
At 1 October 2019	8,825,000	756,726	1,192,810	1,059,170	186,883	77,575	12,098,164
Adjustment	-	-	-	-	(9,506)	1,597	(7,909)
Additions	-	-	-	7,644	87,961	4,314	99,919
Transfer from WIP – Note 18(c)	-	-	270	46,086	-	-	46,356
Disposal	-	-	-	(205)	(6,532)	(144)	(6,881)
At 30 September 2020	<u>8,825,000</u>	<u>756,726</u>	<u>1,193,080</u>	<u>1,112,695</u>	<u>258,806</u>	<u>83,342</u>	<u>12,229,649</u>
Depreciation							
At 1 October 2019	-	586,191	8,683	21,805	23,622	1,984	642,285
Adjustment	-	-	31	4	(5,637)	351	(5,251)
Charge for the Period	-	6,823	61,075	80,714	41,158	17,579	207,349
Disposal	-	-	-	(17)	(1,289)	(26)	(1,332)
At 30 September 2020	<u>-</u>	<u>593,014</u>	<u>69,789</u>	<u>102,506</u>	<u>57,854</u>	<u>19,888</u>	<u>843,051</u>
Carrying amount as at 30 September 2020	<u>8,825,000</u>	<u>163,712</u>	<u>1,123,291</u>	<u>1,010,189</u>	<u>200,952</u>	<u>63,454</u>	<u>11,386,598</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Group (continued)

The Group's building and freehold land was revalued on 30 September 2020 by Knight Frank Valuers Limited, a firm of registered independent valuers, on the market value existing use basis.

The Group's plant, equipment, machinery, furniture and fittings were revalued on 30 September 2020 by Knight Frank Valuers Limited, registered valuers, on replacement cost basis.

There were no idle assets at 30 September 2021 and 2020. There was no property given as security as at 30 September 2021 and 2020.

Carrying amount under historical cost

The carrying amount of property, plant and equipment measured under revaluation (*which is all property, plant and equipment excluding bearer plants*) would have been as stated below if property, plant and equipment had been carried under the cost model.

	2021	2020
	KShs '000	KShs '000
Cost	2,188,176	2,084,196
Accumulated depreciation	(529,128)	(298,827)
Net book value	<u>1,659,048</u>	<u>1,785,369</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Company (continued)

2021	Land and development	Bearer plants	Buildings and improvements	Plant and machinery	Rolling stock and implements	Furniture, fittings and equipment	Total
Cost or valuation	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
At 1 October 2020	6,819,000	121,511	334,444	204,424	64,931	29,814	7,574,124
Transfers from WIP - Note 18 (c)	-	-	1,446	-	-	2,440	3,886
Adjustments	-	-	-	(31)	-	31	-
Additions	-	-	-	140	6,840	3,857	10,837
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,820)</u>	<u>(61)</u>	<u>(2,881)</u>
At 30 September 2021	<u>6,819,000</u>	<u>121,511</u>	<u>335,890</u>	<u>204,533</u>	<u>68,951</u>	<u>36,081</u>	<u>7,585,966</u>
Depreciation							
At 1 October 2020	-	110,897	24,201	18,237	17,551	8,050	178,936
Depreciation	-	510	21,168	13,147	13,839	7,770	56,434
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,311)</u>	<u>(31)</u>	<u>(1,342)</u>
At 30 September 2021	<u>-</u>	<u>111,407</u>	<u>45,369</u>	<u>31,384</u>	<u>30,079</u>	<u>15,789</u>	<u>234,028</u>
Carrying amount at 30 September 2021	<u>6,819,000</u>	<u>10,104</u>	<u>290,521</u>	<u>173,149</u>	<u>38,872</u>	<u>20,292</u>	<u>7,351,938</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Company (continued)

2020	Land and development KShs '000	Bearer plants KShs '000	Buildings and improvements KShs '000	Plant and machinery KShs '000	Rolling stock and implements KShs '000	Furniture, fittings and equipment KShs '000	Total KShs '000
Cost or valuation							
At 1 October 2019	6,819,000	121,511	334,444	202,125	68,623	32,136	7,577,839
Transfers	-	-	-	-	(138)	138	-
Adjustments	-	-	-	-	(3,539)	(3,435)	(6,974)
Additions	-	-	-	2,299	-	1,119	3,418
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15)</u>	<u>(144)</u>	<u>(159)</u>
At 30 September 2020	<u>6,819,000</u>	<u>121,511</u>	<u>334,444</u>	<u>204,424</u>	<u>64,931</u>	<u>29,814</u>	<u>7,574,124</u>
Depreciation							
At 1 October 2019	-	110,387	3,048	3,976	7,953	1,703	127,067
Adjustments	-	-	-	-	(3,089)	(910)	(3,999)
Depreciation	-	510	21,153	14,261	12,691	7,283	55,898
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(26)</u>	<u>(30)</u>
	<u>-</u>	<u>110,897</u>	<u>24,201</u>	<u>18,237</u>	<u>17,551</u>	<u>8,050</u>	<u>178,936</u>
Carrying amount at 30 September 2020	<u>6,819,000</u>	<u>10,614</u>	<u>310,243</u>	<u>186,187</u>	<u>47,380</u>	<u>21,764</u>	<u>7,395,188</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Company (continued)

The Company's building and freehold land was revalued on 30 September 2020 by Knight Frank Valuers Limited, a firm of registered independent valuers, on the market value existing use basis.

The Company's plant, equipment, machinery, furniture and fittings were revalued on 30 September 2020 by Knight Frank Valuers Limited, registered valuers, on the replacement cost basis.

There were no idle or fully depreciated assets at 30 September 2021 and 2020. In addition, there was no property given as security as at 30 September 2021 and 2020.

Carrying amount under historical cost

The carrying amount of property, plant and equipment measured under revaluation (*which is all property, plant and equipment excluding bearer plants*) would have been as stated below if property, plant and equipment had been carried under the cost model.

	2021 KShs'000	2020 KShs'000
Cost	577,322	565,480
Accumulated depreciation	(152,188)	(99,857)
Carrying amount	<u>425,134</u>	<u>465,623</u>

(c) Capital work in progress

	Group		Company	
	2021 KShs'000	2020 KShs'000	2021 KShs'000	2020 KShs'000
Balance brought forward	127,243	89,103	42,602	37,488
Additions	86,757	94,964	6,520	5,114
Transfer to intangible assets	-	(10,468)	-	-
Transfer to property, plant and equipment – Note 18(a) and (b)	(61,296)	(46,356)	(3,886)	-
Balance carried forward	<u>152,704</u>	<u>127,243</u>	<u>45,236</u>	<u>42,602</u>

Capital work-in-progress relates to buildings and leasehold improvements under construction and bearer plants that have not gone through full biological transformation.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

19. INTANGIBLE ASSETS

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Cost				
At 1 October 2020/2019	100,682	88,554	44,986	44,926
Transfer to related party	-	-	-	(1,600)
Transfer from WIP – Note 18 (c)	-	10,468	-	-
Additions	<u>9,062</u>	<u>1,660</u>	<u>9,062</u>	<u>1,660</u>
At 30 September	<u>109,744</u>	<u>100,682</u>	<u>54,048</u>	<u>44,986</u>
Amortisation				
At 1 October 2020/2019	81,738	76,362	35,388	33,583
Transfer to related party	-	-	-	(1,600)
Charge for the year	<u>6,161</u>	<u>5,376</u>	<u>3,841</u>	<u>3,405</u>
At 30 September	<u>87,899</u>	<u>81,738</u>	<u>39,229</u>	<u>35,388</u>
Carrying value				
At 30 September	<u>21,845</u>	<u>18,944</u>	<u>14,819</u>	<u>9,598</u>

Intangible assets relate to software costs.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

20. BIOLOGICAL ASSETS

(a) Group

	Current			Non-current			
	Coffee produce KShs'000	Tea produce KShs'000	Sub total KShs'000	Other trees KShs '000	Livestock KShs'000	Sub total KShs'000	Total KShs'000
2021:							
Carrying value at 1 October 2020	186,538	10,281	196,819	998,671	14,209	1,012,880	1,209,699
Gain/(loss) due to biological transformation at fair value	108,791	4,150	112,941	209,698	(5,301)	204,397	317,338
Decreases due to harvest at fair value	-	-	-	(80,828)	-	(80,828)	(80,828)
	108,791	4,150	112,941	20	(5,301)	123,569	236,510
Carrying value as at 30 September 2021	295,329	14,431	309,760	1,127,541	8,908	1,136,449	1,446,209
2020							
Carrying value at 1 October 2019	98,532	13,569	112,101	1,200,660	10,370	1,211,030	1,323,131
Gain/(loss) due to biological transformation at fair value	88,006	(3,288)	84,718	(41,182)	3,839	(37,343)	47,375
Decreases due to harvest at fair value	-	-	-	(160,807)	-	(160,807)	(160,807)
	88,006	(3,288)	84,718	(201,989)	3,839	(198,150)	(113,432)
Carrying value as at 30 September 2020	186,538	10,281	196,819	998,671	14,209	1,012,880	1,209,699

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

20. BIOLOGICAL ASSETS (Continued)

(a) Group (continued)

The Group is involved in the growing, processing and selling of coffee and tea and breeding of dairy cattle. At 30 September 2021, the Group had 76 (2020 – 108) cows able to produce milk 59 (2020 – 65) calves that are raised to produce milk in the future 12 (2020 – 7) bull calves and 219 (2020 – 262) sheep. The Group produced 454,406 (2020 – 533,668) litres of milk with a fair value less cost to sell of KShs 29,372,804 (2020 – KShs 21,157,068) in the year.

The Group has 708 (2020 – 708) hectares of mature coffee bushes. The Group harvested 713,925 (2020 – 513,919) Kgs of coffee.

The Group has 1435 (2020 – 1463) hectares of mature tea bushes and Nil (2020 – Nil) hectares of immature tea bushes. The Group harvested 25,872,912 (2020 – 28,699,942) Kgs of green tea leaves.

(b) Company

Company	Current			Non-current		Total
	Coffee produce KShs '000	Sub total KShs '000	Other trees KShs '000	Livestock KShs '000	Sub total KShs '000	
2021:						
Carrying value as at 1 October 2020	166,207	166,207	127,729	2,012	129,741	295,948
Gains/(losses) due to biological transformation at fair value	98,615	98,615	22,864	(1,018)	21,846	120,461
	-	-	-	-	-	-
Carrying value as at 30 September 2021	264,822	264,822	150,593	994	151,587	416,409

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

20. BIOLOGICAL ASSETS (continued)

(b) Company (continued)

Company (continued)

	Current		Non-current			
Coffee produce KShs '000	Sub total KShs '000	Other trees KShs '000	Livestock KShs '000	Sub total KShs '000	Total KShs '000	
2020:						
Carrying value as at 1 October 2019	90,512	90,512	124,605	1,851	126,456	216,968
Gains/(losses) due to biological transformation at fair value	75,695	75,695	4,014	161	4,175	79,870
Adjustments	-	-	(890)	-	(890)	(890)
Carrying value as at 30 September 2020	166,207	166,207	127,729	2,012	129,741	295,948

Where meaningful market-determined prices do not exist to assess the fair value of biological assets, the fair value is determined based on the net present value of the expected future cash flows from those assets, discounted at appropriate pre-tax rates.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

20. BIOLOGICAL ASSETS (Continued)

(b) Company (continued)

In determining the fair value of biological assets where the discounting of expected cash flows has been used, the directors have made certain assumptions and techniques below:

Type	Valuation technique	Key assumptions and significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Tea produce (Level III)	The valuation model considers the fair value of the un-harvested green leaf as at 30 September 2021. Green leaf volumes were determined by assuming a 7 - day plucking cycle for harvested leaf using October 2021 data. This was then valued using the 2021 similar competitors' out-grower average price.	<ul style="list-style-type: none"> – Estimated green leaf price per kilogram of KShs 26 (2020: KShs 23); – Expected yields of the tea brear plants will reasonably compare to the budgeted amounts; – Climatic conditions will remain the same. 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> — The out-grower green leaf prices per kilogram were higher/(lower); — The estimated unharvested volumes were higher/(lower) — The estimated harvest cycle was longer/(shorter)
Coffee produce (Level III)	The valuation model considers the fair value of the un-harvested coffee berries as at 30 September 2021. Coffee berry volumes were determined by assuming an October 2021 – January 2021 harvest cycle for coffee using budget data. This was then valued using the projected auction price per kilogram, adjusted for costs to sell.	<ul style="list-style-type: none"> – The market price for coffee in US\$ per kilogram will be US\$ 6.22 (2020: US\$ 4.46); – Expected yields of the coffee brear plants will reasonably compare to the budgeted amounts; – The exchange rate will be KShs 113.68 to the US\$; – Climatic conditions will remain the same. 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> — The realisation price per kilogram were higher/(lower); — The estimated unharvested volumes were higher/(lower) <p>The estimated exchange rates (USD/KShs) were higher (lower) 3.47</p>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

20. BIOLOGICAL ASSETS (Continued)

(b) Company (continued)

Type	Valuation technique	Key assumptions and significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Livestock (Level II) Livestock comprises cattle and sheep	Market comparison technique: The fair values are based on the market price of livestock of similar age, weight and market values.	Not applicable	Not applicable
Other trees (Level III)	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for periods between 10 and 20 years. The expected net cash flows are discounted using a risk-adjusted discount rate.	— Estimated future trees realisation price per tree of KShs 1,000 to KShs 4,000 (2020: KShs 1,000 to KShs 4,000); and — Risk-adjusted annual discount rate of 8.3% to 12.73%. (2020 - 8.3% to 12.73%). —	The estimated fair value would increase (decrease) if: — The estimated tree prices were higher (lower); and — The risk-adjusted discount rates were lower (higher).

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

21. PREPAID LEASES ON LEASEHOLD LAND

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
At 1 October	-	12,285	-	-
Transfer to right of use asset	-	(12,285)	-	-
At 30 September	-	-	-	-
Amortisation				
At 1 October	-	1,877	-	-
Amortisation during the year	-	-	-	-
Transfer to right of use asset	-	(1,877)	-	-
At 30 September	-	-	-	-
Carrying value				
At 30 September	-	-	-	-

22. LEASES

The Group and Company have a prepaid lease on land and lease for its office premises. The lease on the office premise typically runs for a period of 7 years, without an option to renew the lease after that date.

The Group and Company as a lessee

(a) Right-of-use assets

Right-of-use assets relate to leased head office

	Group		Company	
	2021	2020	2021	2020
	KShs '000	KShs '000	KShs '000	KShs '000
Right of use assets	56,919	46,511	46,511	46,511
Transfer from prepaid leases on leasehold land	-	10,408	-	-
Opening depreciation charge	(15,605)	-	(15,504)	-
Depreciation charge for the year	(15,605)	(15,605)	(15,503)	(15,504)
At 30 September	<u>25,709</u>	<u>41,314</u>	<u>15,504</u>	<u>31,007</u>

As at 30 September 2021, the future minimum lease payments under non-cancellable operating leases for Group and Company were payable as follows:

Maturity analysis – Contractual undiscounted cash flows	2021	2020
	KShs '000	KShs '000
Tenancy		
Less than one year	18,442	18,832
Between one and five years	-	18,442
Total undiscounted lease liability at 31 September	<u>18,442</u>	<u>37,274</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

22. RIGHT OF USE ASSET AND LEASE LIABILITIES (Continued)

(b) Lease liability

	2021 KShs '000	2020 KShs '000
At October 2020/2019	33,651	-
Recognition on initial application	-	46,511
Interest expense	2,878	4,658
Payment in the year	<u>(18,832)</u>	<u>(17,518)</u>
At 30 September	<u>17,697</u>	<u>33,651</u>
Amounts due for settlement within one year	15,954	15,953
Amounts due for settlement after one year	<u>1,743</u>	<u>17,698</u>
At 30 September	<u>17,697</u>	<u>33,651</u>

(c) Amount recognised in profit or loss

	2021 KShs '000	2020 KShs '000
Finance cost on lease liability	<u>2,878</u>	<u>4,658</u>
At 30 September	<u>2,878</u>	<u>4,658</u>

(d) Amount recognised in the statement of cash flows

	2021 KShs '000	2020 KShs '000
Total cash outflow for leases	<u>18,832</u>	<u>17,518</u>

The Group's leasehold land was revalued on 30 September 2021 by Knight Frank Valuers Limited, a firm of independent valuers, on the market value existing basis. The fair value of the land is estimated at KShs 4.2 billion (2020 – KShs 4.2 billion). The revaluation has not been adopted in the financial statements.

The Group and Company as a lessor

The Group and Company Company leases out various properties. The leases are classified as operating leases from a lessor perspective.

(a) Finance lease

The Group and Company has no leases classified under finance leases.

(b) Operating lease

The Group and Company have leased out various properties to related entities. The Group and Company have classified this lease as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets

Rental income recognised by the Group and Company during the year to 30 September 2021 was KShs 1,079,000 and 7,673,000 respectively (2020 – KShs 1,327,000 and KShs 7,885,000).

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

23. INVESTMENT IN SUBSIDIARIES

	Company 2021 KShs'000	2020 KShs'000
As at 1 October 2020 and 2019	589,897	145,797
Increase in shares	<u>227,830</u>	<u>444,100</u>
As at 30 September	<u>817,727</u>	<u>589,897</u>

The details of subsidiary companies which are all incorporated in Kenya are as follows:

Name of subsidiary	← 2021 →		← 2020 →	
	Percentage of equity held	Cost	Percentage of equity held	Cost
	%	KShs'000	%	KShs'000
Kipkebe Limited	100	13,177	100	13,177
Keritor Limited (100% held by Kipkebe Limited)	100	-	100	-
Kipkebe Estates Limited (100% held by Kipkebe Limited)	100	-	100	-
Mweiga Estate Limited	85	101,450	85	101,620
Aristocrats Coffee & Tea Exporters Limited	100	1,000	100	1,000
Sasini Avocado Limited	100	10,000	100	10,000
Sasini Avocado EPZ Limited	100	48,100	100	100
Sasini Nuts EPZ Kenya Limited	100	414,000	100	234,000
Sasini EPZ Park Limited	100	<u>230,000</u>	100	<u>230,000</u>
		<u>817,727</u>		<u>589,897</u>

Consolidated financial statements have been prepared incorporating the financial statements of the Company and its subsidiaries made up to 30 September 2021 and 2020.

24. INVENTORIES

	Group		Company	
	2021 KShs'000	2020 KShs'000	2021 KShs'000	2020 KShs'000
Made tea	135,776	138,802	-	-
Tea and tree nurseries	6,758	6,296	-	-
Coffee	62,638	48,178	61,097	46,985
Estate stores	155,943	186,565	30,555	34,212
Macademia nuts	<u>123,786</u>	<u>191,280</u>	-	-
	484,901	571,121	91,652	81,197
Inventories provision	-	(3,458)	-	-
	<u>484,901</u>	<u>567,663</u>	<u>91,652</u>	<u>81,197</u>

The amount of inventories recognised as an expense is KShs 648,561,593 Group and KShs 149,337,415 Company (2020 – KShs 671,701,097 – Group and KShs 116,730,963 – Company) which was recognised in cost of sales.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Trade receivables	460,170	287,863	194,970	126,657
Allowances for impairment	(65,616)	(86,828)	(43,451)	(40,781)
Net trade receivables	394,554	201,035	151,519	85,876
Prepaid expenses	147,640	105,061	41,481	14,286
Other receivables	126,926	82,933	10,272	43,898
Value Added Tax (VAT) recoverable	<u>240,097</u>	<u>142,081</u>	<u>105,640</u>	<u>44,361</u>
	<u>909,217</u>	<u>531,110</u>	<u>308,912</u>	<u>188,421</u>
	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Allowances for impairment:				
At 1 October 2020/2019	86,828	104,129	40,781	66,771
Impairment (reversal)/loss charge for the year	(21,212)	(17,301)	<u>2,670</u>	(25,990)
At 30 September	<u>65,616</u>	<u>86,828</u>	<u>43,451</u>	<u>40,781</u>
Age analysis of trade receivables:				
Less than 30 days	275,003	182,614	142,622	84,062
31 to 90 days	104,663	14,066	2,164	-
Over 90 days (past due but not impaired)	14,888	4,355	6,733	1,814
Over 90 days (past due and impaired)	<u>65,616</u>	<u>86,828</u>	<u>43,451</u>	<u>40,781</u>
	<u>460,170</u>	<u>287,863</u>	<u>194,970</u>	<u>126,657</u>

26. RELATED COMPANIES BALANCES

(a) Amount due from related companies:

Subsidiaries:

Aristocrats Tea & Coffee Exporters Limited	-	-	37,126	34,502
Sasini Fruits and Nuts EPZ Kenya Ltd	-	-	-	154,494
Sasini EPZ Park Limited	-	-	1,848	28,796
Sasini Avocado Limited	-	-	-	5,970
Sasini Avocado EPZ Limited	-	-	83,648	22,846
Provision for related party receivables	<u>-</u>	<u>-</u>	<u>(4,593)</u>	<u>(4,594)</u>
	<u>-</u>	<u>-</u>	<u>118,029</u>	<u>242,014</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

26. RELATED COMPANIES BALANCES (Continued)

(b) Amount due to related companies:

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Sasini Fruits and Nuts EPZ Kenya Ltd	-	-	17,717	-
Sasini Avocado Limited	-	-	11,092	-
Mweiga Estates Limited	-	-	12,036	6,154
Kipkebe Limited	-	-	70,431	6,759
	<u>-</u>	<u>-</u>	<u>111,276</u>	<u>12,913</u>

The amounts outstanding are unsecured and will be settled in cash. Interest is charged to Sasini Fruits and Nuts EPZ Kenya Limited at 9%. The other balances are interest free.

27. CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Cash on hand	1,472	2,479	489	964
Bank balances	366,876	352,258	145,864	244,591
Short term deposit	<u>453,625</u>	<u>238,952</u>	<u>100,971</u>	<u>72,048</u>
	<u>821,973</u>	<u>593,689</u>	<u>247,324</u>	<u>317,603</u>

Short term deposits relate to deposits with banks with original maturities of three (3) months or less.

28. SHARE CAPITAL

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Authorised:				
At 1 October 2019/2020 and 30 September:				
300,000,000 ordinary shares of KShs 1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Issued and fully paid:				
At 1 October 2019/2020 and 30 September:				
228,055,500 ordinary shares of KShs 1 each	<u>228,055</u>	<u>228,055</u>	<u>228,055</u>	<u>228,055</u>

All shares rank equally with regard to the company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the company.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

29. RESERVES

(a) Non-distributable reserves

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Revaluation reserve	9,741,029	9,833,774	7,046,471	7,078,272
Capital reserve	98,530	98,530	40,594	40,594
Defined benefit reserve	139,427	112,725	9,826	8,818
Biological assets fair value reserve	<u>289,179</u>	<u>159,401</u>	<u>216,737</u>	<u>132,414</u>
	<u>10,268,165</u>	<u>10,204,430</u>	<u>7,313,628</u>	<u>7,260,098</u>

(b) Distributable reserves

Retained earnings	2,526,452	2,316,442	1,023,467	1,123,216
Proposed dividends	<u>114,028</u>	<u>-</u>	<u>114,028</u>	<u>-</u>
	<u>2,640,480</u>	<u>2,316,442</u>	<u>1,137,495</u>	<u>1,123,216</u>

(c) Non-controlling interest	<u>307,291</u>	<u>304,138</u>	<u>-</u>	<u>-</u>
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The following table summarises the information relating to each of the Group's subsidiaries that has a material Non-Controlling interest before inter – group eliminations;

30 September 2021	
In KShs'000 NCI percentage	Mweiga Estate Limited 15%
Non-current assets	2,044,000
Current assets	150,331
Non-current liabilities	(146,685)
Current liabilities	958
Net assets underlying NCI	2,048,604
Underlying NCI	307,291
Revenue	115,768
Profit	35,704
OCI	(14,688)
Total comprehensive income	21,015
Profit allocated to NCI	5,356
OCI allocated to NCI	(2,203)
Cash flows from operating activities	21,919
Cash flows from investing activities	-
Cash flows from financing activities	-
Net increase in cash and cash equivalents	21,919

* Wahlenya Limited has since been deregistered

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

29. RESERVES (Continued)

(c) Non-controlling interest (continued)

30 September 2020	Mweiga Estate Limited 15%	Wahenya Limited 15%	Total NCI
In KShs'000			
NCI percentage			
Non-current assets	2,002,887	-	
Current assets	154,325	4,747	
Non-current liabilities	(130,415)	-	
Current liabilities	(2,987)	(968)	
Net assets underlying NCI	2,023,810	3,779	
Underlying NCI	303,571	567	304,138
Revenue	95,675	-	
Profit	12,649	1,343	
OCI	17,051	-	
Total comprehensive income	29,700	1,343	
Profit allocated to NCI	(3,865)	201	(3,664)
OCI allocated to NCI	2,557	-	2,557
Cash flows from operating activities	(25,767)	(2,453)	
Cash flows from investing activities	38,417	-	
Cash flows from financing activities	-	(38,417)	
Net decrease in cash and cash equivalents	(12,650)	(40,870)	

Revaluation reserve

The revaluation reserve for the year ended 30 September 2020 and 2021 relates to increases in the fair value of property, plant and equipment recognized in equity.

Defined benefit reserve

Defined benefit reserve relates to remeasurement of post-employment benefits at the reporting date. The remeasurements comprise of actuarial gains and losses on valuation of the gratuity scheme.

Biological assets fair value

The biological assets fair value relates to increases in the fair value of biological assets and decreases to the extent that such decrease relate to an increase on the same asset previously recognized in equity. The fair value movements are recognized in profit and loss but for purposes of monitoring the distribution of these reserves, the directors have transferred the amounts from retained earnings to equity.

Capital reserve

These capital reserves relates to historical capital redemption reserves that are non-distributable.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

30. DEFERRED TAX ASSET/LIABILITY

Recognised deferred tax assets/liabilities:

Deferred tax liabilities and assets during the year arose from the following:

Group

			Impact of change in → rate ←		Current year movement		
	Balance at 1 October KShs '000	Prior year under/(over) through P&L KShs '000	through P&L KShs '000	through OCI KShs '000	through P&L KShs '000	through OCI KShs '000	Balance at 30 September KShs '000
2021							
Property, plant and equipment	829,020	(5,558)	(13,635)	95,074	(60,562)	-	844,339
Other temporary differences	(97,433)	3,201	(19,779)	(5,950)	(11,709)	8,948	(122,722)
Biological assets	302,425	(1)	60,485	-	70,979	-	433,888
Tax losses	(77,417)	(4)	(14,710)	-	92,131	-	-
	956,595	(2,362)	12,361	89,124	90,839	8,948	1,155,505
2020							
Property, plant and equipment	921,873	(15)	13,281	(95,201)	(10,253)	(665)	829,020
Other temporary differences	(154,962)	(13)	22,441	(3,729)	19,340	19,490	(97,433)
Biological assets	396,940	-	(66,157)	-	(28,358)	-	302,425
Tax losses	(136,543)	2,330	22,335	-	34,461	-	(77,417)
	1,027,308	2,302	(8,100)	(98,930)	15,190	18,825	956,595

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

30. DEFERRED TAX ASSET/LIABILITY (Continued)

Company

			Impact of change in rate		Current year movement		
	Balance at 1 October KShs '000	Prior year under/(over) through P&L KShs '000	through P&L KShs '000	through OCI KShs '000	through P&L KShs '000	through OCI KShs '000	Balance at 30 September KShs '000
2021							
Property, plant and equipment	375,346	-	(17,442)	31,801	(13,636)	-	376,069
Other temporary differences	(17,249)	-	(5,878)	228	(10,455)	530	(32,824)
Biological assets	73,987	-	14,797	-	36,164	-	124,948
Tax losses	(16,446)	-	(3,289)	-	19,735	-	-
	415,638	-	(11,812)	32,029	31,808	530	468,193
	Balance at 1 October KShs '000	Prior year under/(over) through P&L KShs '000	through P&L KShs '000	through OCI KShs '000	through P&L KShs '000	through OCI KShs '000	Balance at 30 September KShs '000
2020							
Property, plant and equipment	400,484	(15)	15,540	(31,801)	(8,862)	-	375,346
Other temporary differences	(37,410)	(199)	5,860	(408)	14,009	899	(17,249)
Biological assets	65,090	-	(10,848)	-	19,745	-	73,987
Tax losses	(20,015)	2,613	2,900	-	(1,944)	-	(16,446)
	408,149	2,399	13,452	(32,209)	22,948	899	415,638

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

30. DEFERRED TAX ASSET/LIABILITY (Continued)

Presented in the statement of financial position as below:

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Entities with net deferred tax asset (3)	(7,582)	-	-	-
Entities with net deferred tax liability	<u>1,155,508</u>	<u>964,177</u>	<u>468,193</u>	<u>415,638</u>
	<u>1,155,505</u>	<u>956,595</u>	<u>468,193</u>	<u>415,638</u>

Unrecognised deferred tax asset arising from tax losses:

Deferred tax assets of KShs 85,409,821 have not been recognised in respect of tax losses relating to subsidiaries (Mweiga Estates Limited – KShs 251,013,578), and Sasini Avocado Limited – KShs 33,685,825) because it is not probable that future taxable profit will be available against which the subsidiaries can use the benefits.

On 1 July 2021, the government of Kenya enacted the Finance Act, 2021 which among other things removed 10-year limit provided to utilize taxable losses. The change will enable the two subsidiaries to offset taxable losses against future profits until they are fully exhausted.

31. POST EMPLOYMENT BENEFITS

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Balance brought forward	209,169	334,280	21,034	32,613
Paid during the year	(51,945)	(87,428)	(1,734)	(12,536)
Charge for the year	26,688	40,275	3,850	4,552
Remeasurements	(29,826)	(77,958)	(1,766)	(3,595)
Balance carried forward	<u>154,086</u>	<u>209,169</u>	<u>21,384</u>	<u>21,034</u>
Non-current portion	145,555	197,101	20,019	20,055
Current portion	<u>8,531</u>	<u>12,068</u>	<u>1,365</u>	<u>979</u>
	<u>154,086</u>	<u>209,169</u>	<u>21,384</u>	<u>21,034</u>
Charged to profit or loss				
Current service costs	6,428	8,630	1,448	1,566
Interest costs	<u>20,259</u>	<u>31,645</u>	<u>2,402</u>	<u>2,986</u>
	<u>26,687</u>	<u>40,275</u>	<u>3,850</u>	<u>4,552</u>
Credited to other comprehensive income (OCI)				
Actuarial gain on obligation	(29,826)	(77,958)	(1,766)	(3,595)
Related tax	<u>8,948</u>	<u>19,490</u>	<u>530</u>	<u>899</u>
Net amount credited to OCI	<u>(20,878)</u>	<u>(58,468)</u>	<u>(1,236)</u>	<u>(2,696)</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

31. POST EMPLOYMENT BENEFITS (Continued)

The post-employment benefit relates to provision for staff gratuity. The Company has entered into collective bargaining agreements with trade unions representing its employees that provide for gratuity payments on age and ill-health, retirement, withdrawal, resignation and death in-service of an employee. The gratuity arrangements are unfunded.

An actuarial valuation was carried out by The Actuarial Services Company Limited, registered actuaries, as at 30 September 2020 and 2021.

The principle assumptions used were as follows:

	2021	2020
Discount rate	11.25%	10.75%
Future salary increases	8.00%	8.00%

Sensitivity analysis

The results of the actuarial valuation are more sensitive to changes in financial assumptions than to changes in demographic assumptions. A 1% change in the discount rate or salary at the reporting date holding other factors constant would have changed the liability to amounts shown below.

	Group		Company	
A 1% increase in discount rate:	Increase	Decrease	Increase	Decrease
Liability at 30 September 2021 (KShs '000)	<u>145,540</u>	<u>163,487</u>	<u>19,608</u>	<u>23,412</u>
Liability at 30 September 2020 (KShs '000)	<u>197,234</u>	<u>222,342</u>	<u>19,126</u>	<u>23,235</u>

Sensitivity analysis (continued)

	Group		Company	
A 1% increase in salaries:	Increase	Decrease	Increase	Decrease
Liability at 30 September 2021 (KShs '000)	<u>162,901</u>	<u>145,903</u>	<u>22,850</u>	<u>20,061</u>
Liability at 30 September 2020 (KShs '000)	<u>221,628</u>	<u>197,643</u>	<u>22,653</u>	<u>19,586</u>

32. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Trade payables	30,814	35,772	39,511	17,902
Other payables	<u>340,643</u>	<u>281,921</u>	<u>73,844</u>	<u>117,300</u>
	<u>371,457</u>	<u>317,693</u>	<u>113,355</u>	<u>135,202</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

33. CASH FLOWS GENERATED FROM OPERATIONS

Reconciliation of profit before tax to cash generated from operations:

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'00	KShs'000	KShs'000
Profit before tax	768,096	41,492	289,911	101,360
Adjustments for:				
Depreciation and amortization	245,816	228,330	75,777	74,807
Realised foreign exchange loss on borrowings and cash	-	19,244	-	19,244
Impairment of work in progress	-	-	-	-
PPE Adjustments	(158)	-	-	-
Impairment of financial assets at FVOCI	-	-	-	-
Interest income	(29,241)	(14,100)	(8,122)	(15,880)
Interest on Lease Liability	2,878	4,658	2,878	4,658
Interest cost	14,116	9,667	14,116	9,667
Gratuity provision	26,688	40,275	3,850	4,552
Gain on disposal of property and equipment	(498)	(1,221)	(291)	(49)
Dividend income	-	-	-	-
Biological assets adjustments	-	-	-	-
Biological asset transformation	(317,338)	(47,375)	(120,461)	(78,980)
Biological assets harvest	<u>80,828</u>	<u>160,807</u>	<u>-</u>	<u>-</u>
Operating profit before working capital changes	<u>791,187</u>	<u>441,777</u>	<u>257,658</u>	<u>119,379</u>
Working capital changes:				
Inventories	82,762	233,126	(10,455)	115,876
Trade and other receivables	(378,107)	(80,500)	(120,491)	(98,684)
Related party balances*	-	1,000	(5,482)	107,546
Trade and other payables	<u>53,764</u>	<u>20,885</u>	<u>(21,847)</u>	<u>104,441</u>
Cash flows generated from operating activities	<u>549,606</u>	<u>616,288</u>	<u>99,383</u>	<u>348,558</u>

* 2020 movements are net of property and equipment transfers at Company level.

* 2020 movements are net off increase in shares as per Note 23.

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

34. RELATED PARTY TRANSACTIONS

The Group shares common directors with some of its subsidiary companies and suppliers, to and from whom goods and services were supplied during the year under review. The following transactions were entered into with these related parties:

(a) Purchase of goods and services

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Ryce East Africa Limited	7,626	2,041	411	1,964
Yansam East Africa Limited	884	913	-	-
Sameer Management Limited	3,368	3,248	-	-
Yana Tyre Centre	<u>212</u>	<u>293</u>	<u>212</u>	<u>239</u>
	<u>12,090</u>	<u>6,495</u>	<u>623</u>	<u>2,203</u>

The above purchases relate to entities under common control

(b) Key management compensation (excluding director's emoluments)

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Short term employee benefits	61,436	56,929	34,233	37,234
Post-employment benefits	<u>5,993</u>	<u>5,290</u>	<u>3,558</u>	<u>3,912</u>
	<u>67,429</u>	<u>62,219</u>	<u>37,781</u>	<u>41,146</u>

(c) Directors' emoluments

Fees and sitting allowances	8,258	8,350	8,258	8,350
Other remuneration	<u>31,362</u>	<u>26,403</u>	<u>31,362</u>	<u>26,403</u>
	<u>39,620</u>	<u>34,753</u>	<u>39,620</u>	<u>34,753</u>

(d) Other details in relation to related party balances are disclosed in Note 26.

(e) Management fees

The holding company earned KShs 91,755,000 (2020 – KShs 78,220,000) from providing services to subsidiaries.

35. CAPITAL COMMITMENTS

	Group		Company	
	2021	2020	2021	2020
	KShs'000	KShs'000	KShs'000	KShs'000
Authorised and contracted for	<u>13,671</u>	<u>40,891</u>	<u>459</u>	<u>5,490</u>

SASINI PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

36. CONTINGENT LIABILITIES

There are certain pending legal claims brought against the Group and Company at 30 September 2021 and 2020. In the opinion of the directors and after taking appropriate legal advice the outcome of the legal claims will not give rise to any significant loss beyond the amounts provided for in these financial statements.

Guarantees with the bankers relate to performance guarantees that were issued by Banks to the Group and Company to guarantee satisfactory completion of the performance obligations in favour of third parties. These amounted to KShs 176,293,301 as at 30 September 2021.

37. BORROWINGS

	Group		Company	
	2021	2020	2021	2020
	KShs '000	KShs '000	KShs '000	KShs '000
Balance as at 1 October 2020/2019	-	114,488	-	114,488
Amount borrowed during year	969,889	595,350	969,889	595,350
Repayment of loan in the year	(966,829)	(729,082)	(966,829)	(729,082)
Exchange (gain)/ loss	(3,060)	19,244	(3,060)	19,244
Balance at 30 September	=====	=====	=====	=====

During the year, Sasini PLC obtained an unsecured short-term loan from Standard Chartered Bank Kenya PLC of USD 8.8 million. The interest rate charged on the loan was 4.00% per annum above 3 months LIBOR on maturity of the facility. The loan has since been fully paid.

38. EVENTS AFTER REPORTING DATE

No material events or circumstances have arisen between the accounting date and the date of this report.

SASINI PLC

FIVE YEAR COMPARATIVE STATEMENTS

PRODUCTION AND SALES

STATISTICS	2021	2020	2019	2018	2017
TEA					
Area – Hectares	1,463	1,463	1,463	1,463	1,463
Production – Tonnes	12,906	12,445	9,318	10,804	11,209
Sales – Tonnes	12,875	12,803	9,200	10,603	11,280
Sales proceeds - KShs/Kg	179	175	165	207	206
COFFEE					
Area – Hectares	708	775	775	775	775
Production – Tonnes	714	514	986	891	851
Sales – Tonnes	747	691	797	873	882
Sales proceeds - KShs'000/tonne	664	468	313	436	532

	2021	2020	2019	2018	2017
RESULTS	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Turnover	<u>5,261,433</u>	<u>4,145,408</u>	<u>2,794,830</u>	<u>3,515,220</u>	<u>4,201,195</u>
Gains/(losses) arising from changes in fair value less costs to sell	<u>317,338</u>	<u>(47,375)</u>	<u>(5,843)</u>	<u>55,559</u>	<u>81,746</u>
Profit/(loss) before taxation and non- controlling interest	768,096	41,492	(361,299)	448,806	520,921
Taxation (charge)/credit	<u>(194,896)</u>	<u>(28,887)</u>	<u>23,562</u>	<u>(155,283)</u>	<u>(181,514)</u>
Profit/(loss) after taxation before non- controlling interests	<u>573,200</u>	<u>12,605</u>	<u>(337,737)</u>	<u>293,523</u>	<u>339,407</u>
Made up as shown below:					
Profit/(loss) arising from operating activities	438,066	74,258	(314,197)	256,606	288,961
(Loss)profit arising from changes in fair value less costs to sell after tax	129,778	(57,989)	(3,232)	38,891	57,222
Non-controlling interest	<u>5,356</u>	<u>(3,664)</u>	<u>(20,308)</u>	<u>(1,974)</u>	<u>(6,776)</u>
	<u>573,200</u>	<u>12,605</u>	<u>(337,737)</u>	<u>293,523</u>	<u>339,407</u>
Dividends	<u>(114,028)</u>	<u>=</u>	<u>(114,028)</u>	<u>(228,056)</u>	<u>(228,056)</u>

SASINI PLC

FIVE YEAR COMPARATIVE STATEMENTS

CAPITAL EMPLOYED	2021	2020	2019	2018	2017
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Property, plant and equipment	11,268,638	11,386,598	11,455,879	8,679,878	8,827,710
Intangible assets	21,845	18,944	12,192	16,030	4,871
Biological assets	1,136,449	1,012,880	1,211,030	1,046,978	1,171,379
Right of use assets	25,709	41,314	10,408	10,509	17,585
Capital work-in-progress	152,704	127,243	89,103	555,032	188,688
Other investments	-	-	-	525	525
Deferred tax asset	3	7,582	8,865	6,997	97
Net current assets	<u>2,139,698</u>	<u>1,637,480</u>	<u>1,443,261</u>	<u>2,186,352</u>	<u>2,281,229</u>
	<u>14,754,046</u>	<u>14,232,041</u>	<u>14,230,738</u>	<u>12,502,301</u>	<u>12,492,084</u>
FINANCED BY					
Share capital	228,055	228,055	228,055	228,055	228,055
Reserves	12,794,617	12,520,872	12,351,755	10,686,577	10,610,693
Non-controlling interests	307,291	304,138	305,245	295,123	306,087
Proposed dividend	<u>114,028</u>	<u>-</u>	<u>-</u>	<u>114,028</u>	<u>171,042</u>
Equity	<u>13,443,991</u>	<u>13,053,065</u>	<u>12,885,055</u>	<u>11,323,783</u>	<u>11,315,877</u>
Non-current liabilities	<u>1,301,055</u>	<u>1,178,876</u>	<u>1,345,683</u>	<u>1,178,518</u>	<u>1,176,207</u>
	<u>14,754,046</u>	<u>14,232,041</u>	<u>14,230,738</u>	<u>12,502,301</u>	<u>12,492,084</u>
RATIOS					
Earnings per share on operating activities (KShs)	1.91	0.33	(1.38)	1.13	1.27
Earnings/(loss) per share on biological assets (KShs)	0.58	(0.25)	(0.01)	0.17	0.25
Dividend per share (KShs)	1.00	-	0.50	1.00	1.00
Dividend cover (times covered)	3.82	-	(1.38)	1.13	1.27
Capital employed per share	64.66	62.48	62.4	54.82	54.78

PROXY FORM FOR SASINI PLC ANNUAL GENERAL MEETING

**THE COMPANY SECRETARY,
SASINI PLC
P. O. BOX 9287 – 00100
NAIROBI**

I/WE.....
of.....

Being a shareholder of SASINI PLC hereby appoint the Chairman of the Meeting or (see notes 3 and 5) (Name of proxy) in respect of my (Number of shares). Please indicate here if you are appointing more than one proxy (see note 5) as my/our proxy to attend, represent and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held electronically on Friday, 4 March 2022 at 11.00am and at any adjournment thereof.

Signed this _____ day of _____, 2022

Signature(s)

NOTE: Unless otherwise directed, a Proxy holder will vote as he thinks fit and in respect of the member's total holding.

I/WE direct my/our proxy to vote on the following resolutions as I/WE have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or withhold his or her vote at his or her discretion and I/WE authorize my/our proxy to vote (or withhold his or her vote) as he or she thinks fit in relation to any other matter which is properly put before the Meeting.



ELECTRONIC COMMUNICATIONS PREFERENCE FORM

Please complete in BLOCK CAPITALS

Full name of member(s):

.....

.....

Address:

.....

.....

CDSC No (if known)

(This can be found on your CDSC Statement)

Mobile Number

Date:

Signature:

Please tick **ONE** of the boxes below and return to Image Registrars at
P.O. Box 9287-00100 Nairobi, 5th floor, Absa Towers (formerly Barclays
Plaza), Loita Street:

Approval of Registration

I/WE approve to register to participate in the virtual Annual General
Meeting to be held on Friday, 5 March 2022

☐

Consent for use of the Mobile Number provided

I/WE would give my/our consent for the use of the mobile number
provided for purposes of voting at the AGM

☐

**Notes:**

1. A completed form of proxy should be emailed to sasinishares@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received not later than Wednesday, 2 March 2021 at 10.00am. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than Wednesday, 2 March 2021. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Wednesday, 2 March 2021 to allow time to address any issues.
2. In case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorized attorney of such corporate body.
3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint as a proxy any other person, delete the words “the Chairman of the Meeting or” and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.
4. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.
5. A proxy form is available on the Company’s website via this link: www.sasini.co.ke / Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street.

A “vote Abstain” option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.



FOMU YA UPENDELEO WA MAWASILIANO YA KIELEKTRONIKI

Tafadhali jaza kwa HERUFI KUBWA

Jina kamili la mwanachama/ wanachama.....

.....

.....

Anwani.....

.....

.....

Nambari ya Akaunti ya CDSC (ikiwa inajulikana)
(Hii inaweza kupatikana kwenye Taarifa ya CDSC)

Nambari ya simu ya mkono

Tarehe:

Sahihi:

Tafadhali weka alama kwenye kisanduku kimojawapo hapa chini na urejeshe kwa Image Registrars limited S.L.P. 9287 – 00100 Nairobi, ghorofa ya 5 Absa Towers (awali Barclays Plaza), barabara ya Loita:

Kibali cha Usajili

MIMI/SISI nakubali/twakubali kujisajili kushiriki katika Mkutano Mkuu wa Mwaka kwa mtandao utakaofanyika Ijumaa, tarehe 4 Machi, 2022.

.....

Idhini ya utumizi wa Nambari ya Simu ya Mkono iliyotolewa

MIMI/SISI nitatoa/tutatoa idhini ya utumizi wa nambari ya simu ya mkono iliotolewa kwa nia ya upigaji kura katika Mkutano Mkuu wa Mwaka



Maelezo:

1. Fomu iliojazwa ya uakilishi itumwe kwa barua pepe au ipelekwe kwa Image Registrars Limited, ghorofa ya 5 Absa Towers (awali Barclays Plaza), barabara ya Loita, S.L.P. 9287-00100 GPO, Nairobi, ili ipokelewe kabla na isipite Jumatano, tarehe 2 Machi 2022 saa tano asubuhi. Mtu yeyote anayechaguliwa kama mwakilishi awasilishe nambari yake ya simu ya mkono kwa Kampuni kabla ya Jumatano, tarehe 2 Machi 2022. Usajili wowote wa uwakilishi utakaokataliwa utajulishwa kwa mwanahisa anayehusika kabla na sio baada ya Jumatano, tarehe 2 Machi 2022 kuruhusu muda kushughulikia maswala yoyote.
2. Katika hali ambapo mwanachama ni shirika, Fomu ya Uakilishi lazima ijazwe chini ya muhuri wa kawaida au kwa idhini ya afisa au mwanasheria wa shirika hilo aliyeidhinishwa kwa maandishi.
3. Kama mwanahisa una haki ya kumteua mwakilishi mmoja au zaidi kutekeleza haki zako zote au zozote za mwanahisa kuhudhuria na kuzungumza na kupiga kura kwa niaba yako katika mkutano. Uteuzi wa Mwenyekiti wa mkutano kama mwakilishi imejumuishwa kurahisisha. Kuteua mtu mwingine yeyote kama mwakilishi, futa maneno “Mwenyekiti wa Mkutano au” na uweke jina kamili la mwakilishi wako katika nafasi iliotolewa. Mwakilishi si lazima awe mwanahisa wa Kampuni.
4. Kujaza na kutuma fomu ya uakilishi hakutokuzuia kuhudhuria mkutano na mwenyewe kupiga kura kwenye mkutano; katika hali hiyo kura zozote zilizopigwa na mwakilishi wako zitaachwa.
5. Fomu ya uwakilishi inapatikana katika mtandao wa Kampuni kupitia kiungo hiki:..... Nakala asili za fomu ya uakilishi zinapatikana pia katika anwani inayofuata: Afisi za Image Registrars Limited, ghorofa ya 5 Absa Towers (awali Barclays Plaza), Barabara ya Loita.

Hiari ya “kuacha kupiga kura” imejumuishwa kwenye fomu ya uakilishi. Athari ya kisheria ya kuchagua hiari hii kwenye azimio lolote ni kuwa utachukuliwa kama hukupiga kura kwa azimio husika. Idadi ya kura kuhusiana na kura zipi zinazuiliwa, hata hivyo zitahesabiwa na kurekodiwa, lakini kupuuzwa katika kujumlisha idadi ya kura za kukubali au kupinga kila azimio.