

KAKUZI

Growing Together



Annual Report and Financial
Statements for the year
ended 31 December

2024

KAKUZI

Growing Together

Kakuzi PLC was incorporated in 1927 and is a listed Kenyan agricultural company trading on both the Nairobi Securities Exchange and London Stock Exchange and engaging in the cultivation, processing and marketing of avocados, blueberries, macadamia, tea, livestock and commercial forestry



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Company Information

For the year ended 31 December 2024

COUNTRY OF INCORPORATION

The Company is incorporated in Kenya under the Kenyan Companies Act, 2015.

DIRECTORS

The Directors who held office during the year and at the date of this report were:-



Mr. N Ng'ang'a
Chairman



Mr. C J Flowers*
Managing Director



Mr. G H Mclean*



Mr. K R Shah



Mr. D M Ndonge



Mr. S N Waruhiu



Mr. A N Njoroge



Dr. J K Kimani



Mrs P Ager

* British

REGISTERED OFFICE

Main Office

Punda Milia Road, Makuyu
P O Box 24
01000 THIKA
Telephone (060) 2033012
E-mail: mail@kakuzi.co.ke

SUBSIDIARY COMPANIES

Estates Services Limited	(100% holding)
Kaguru EPZ Limited	(100% holding)

SECRETARY

John L G Maonga
Maonga Ndonge Associates
Jadala Place, Ngong Lane, Ngong Road
P O Box 73248
00200 NAIROBI
Telephone (020) 2149923

ORDINARY SHARES

The Company's ordinary shares are listed on the Nairobi Securities Exchange and the London Stock Exchange.

REGISTRARS

Custody & Registrars Services Limited

IKM Place
Tower B, 1st Floor,
5th Ngong Avenue
P O Box 8484, NAIROBI 00100
Telephone (020) 7608216
Email: info@candrgroup.co.ke

AUDITOR

Deloitte & Touche LLP
Deloitte Place
Waiyaki Way, Muthangari
P O Box 40092
00100 NAIROBI

BANKERS

KCB Bank Kenya Limited
P O Box 30081
00100 NAIROBI

NCBA Bank Kenya Plc
P O Box 44599
00100 NAIROBI

Notice of Annual General Meeting

NOTICE is hereby given that the Ninety Seventh Annual General Meeting of the Members of the Company will be held in the Ballroom at Fairmont The Norfolk Hotel, Nairobi on Wednesday, 14th May 2025 at 12.00 Noon for the following purposes:-

1. To read the notice convening the meeting.
2. To table the proxies received and confirm the presence of a quorum.
3. To approve the minutes of the Ninety Sixth Annual General Meeting held on 14th May 2024.
4. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2024 together with the reports of the Chairman, the Directors and the Independent Auditors thereon.
5. To declare a first and final dividend of Shs 8.00 per ordinary share (2023: Shs. 24.00) for the Financial Year ended 31 December 2024. The dividend shall be paid on or about 16 June 2025 to the shareholders on the members' register at the close of business on Friday, 30 May 2025.
6. To approve the Directors' Remuneration Report as detailed in the Annual Report for the Financial Year ended 31 December 2024.
7. To re-elect Directors:-
 - i. Mr Stephen Njoroge Waruhiu, a Director who has attained the age of seventy years, retires in accordance with the provisions of clause 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015. Special Notice having been received proposing for his re-election pursuant to Section 287 of the Companies Act, 2015, he offers himself for re-election.
 - ii. In accordance with Article 27 of the Company's Articles of Association and subject to approval by the shareholders pursuant to guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, Daniel Mutisya Ndonge, a Director who is over seventy years old, retires by rotation and, being eligible in accordance with Article 28 of the Company's Articles of Association, offers himself for re-election.
 - iii. Mr. Graham Harold Mclean, a Director who retires by rotation in accordance with Article 27 of the Company's Articles of Association and, being eligible in accordance with Article 28 of the Company's Articles of Association, offers himself for re-election.
8. In accordance with provisions of Section 769 of the Kenyan Companies Act, 2015, the following Directors be appointed to serve as members of the Board Audit & Risk Committee :-
 - a. Mr. Daniel Mutisya Ndonge
 - b. Mr. Stephen Njoroge Waruhiu
 - c. Mr. Andrew Ndegwa Njoroge
 - d. Mrs. Pamela Ager
9. To re-appoint Messrs Deloitte & Touche LLP* as Auditors of the Company in accordance with the provisions of Section 721 (2) of the Kenyan Companies Act, 2015 and to authorise the Directors to fix the Auditors' remuneration for the ensuing Financial Year in accordance with the provisions of Section 724 (1) of the Kenyan Companies Act, 2015.
10. To transact any other business of an Annual General Meeting of which due notice has been received.

BY ORDER OF THE BOARD
J L G MAONGA



COMPANY SECRETARY
24 March 2025

Notes: A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his/her behalf and such proxy need not be a member of the Company.

* Messrs Deloitte & Touche LLP were first appointed as Auditors of the Company on 15th May 2017.



03 Chairman's Statement

For the year ended 31 December 2024

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In 2024, Kakuzi continued to deliver strong operational performance despite global market challenges. The Company maintained its focus on sustainable agricultural practices, community engagement, and long-term value creation. Our commitment to responsible business practices and environmental stewardship remains unwavering, positioning Kakuzi for continued growth and resilience.

Chairman's Statement

FINANCIAL PERFORMANCE

The Company recorded a pre-tax loss of Ksh 167 million for the year (2023: pre-tax profit of Ksh 664 million). This was primarily due to:

- 1. Adverse Weather Conditions:** Excessive rainfall significantly reduced avocado production.
- 2. Currency Fluctuations:** The Kenyan Shilling's strong revaluation against the Euro and US Dollar resulting in reduced income as well as incurring exchange losses on foreign currency holdings.
- 3. Geopolitical Tensions:** Conflicts in the Middle East disrupted export routes, extending transit times and impacting quality.

AVOCADO PROFITS: AN EXCEPTIONALLY CHALLENGING YEAR

Profit Decline: In 2024 avocado profits decreased to Ksh 361 million (2023: Ksh 1,373 million). Adverse weather led to a reduction in avocado exports to 2,222,244 cartons (2023: 3,074,105 cartons) which significantly impacted profitability.

Production Challenges: Excessive rainfall in the early part of the year caused waterlogging, hampering fruit production. Consequently, fruit volumes for both Hass and Pinkerton avocados decreased by 23% and 19%, respectively, compared to 2023. The wet weather also had an impact on fruit integrity which ultimately affected quality.

Additionally, the Shilling strengthened by 15% against the Euro during the avocado export season, resulting in lower Shilling revenues compared to the previous year. Avocado sales into Europe are conducted in Euros and, in 2024, the average Shilling exchange rate to the Euro during the export season was Ksh 140 (2023: Ksh 162 during the same period).

Market Conditions: The European market price for avocados remained stable and firm throughout the season, primarily due to reduced supply from Peru. However, we were unable to capitalize on this opportunity because our fruit shelf life, upon arrival in Europe, was negatively impacted by extended transit times. To avoid the Red Sea conflict zones, our shipping lines rerouted around the Cape of

Good Hope, adding over two weeks to voyage times. This extended our average logistics time to 42 days, which is at the technical limits of delivering sound product. In 2024, we exported 446 containers (2023: 562 containers), achieving an average price of Euro 7.64 per carton (2023: Euro 7.54 per carton).

Cost Implications: The reduction in volume significantly impacted production costs. The majority of these costs are fixed, so when volumes are not achieved, the cost per production unit increases.

Your Board has tasked management with developing both short- and long-term mitigation strategies to overcome the longer transit times and reduce dependency on exports through the Suez Canal.

MACADAMIA PROFITS: A YEAR OF RECOVERY

Profit Improvement. Reflecting the recovery of the macadamia industry, the pre-tax profit for the macadamia operations moved to a profit of Ksh 69 Million in 2024 (2023: a loss of Ksh 354 Million).

The macadamia industry continued to recover in 2024 and the fundamentals of the macadamia industry improved substantially from the previous year allowing us to sell all of the 2024 crop and the 364 tons of saleable kernel carried forward from 2023.

However, the strength of the Kenyan Shilling against the US Dollar negatively impacted the Shilling returns. The exchange rate changed dramatically by the end of the first quarter which resulted in us receiving less Shillings for each kilo sold, despite the Dollar sales price being in line with our forecasts. In 2024 the US Dollar average selling price was US\$ 9.00 per kilo (2023: US\$ 7.21 per kilo).

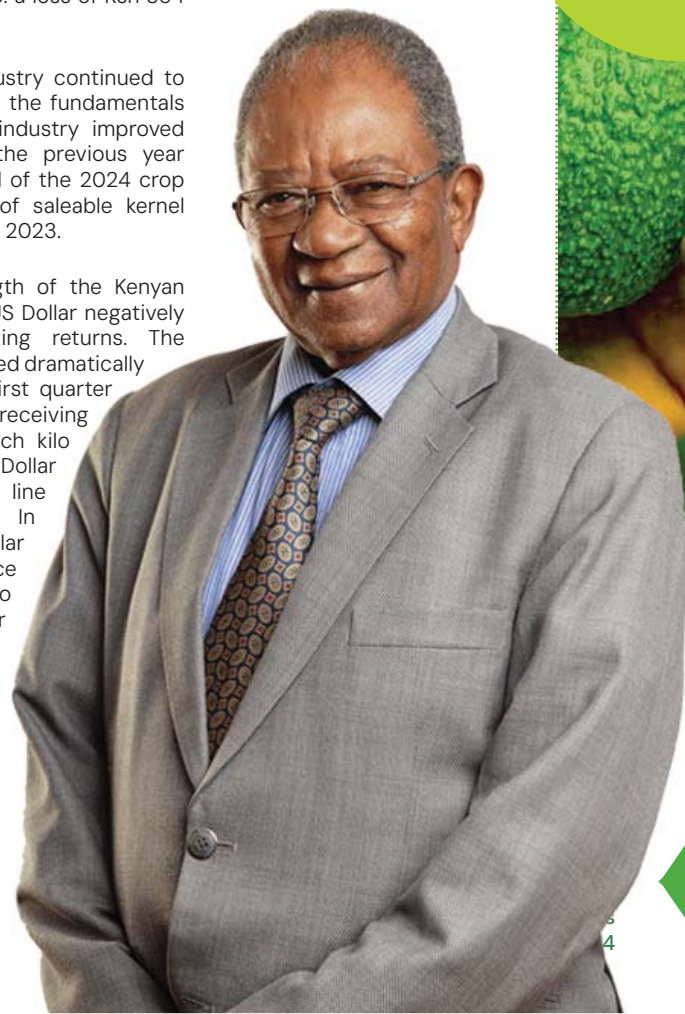
We continue to see a recovery in this market, both in terms of volume and price.

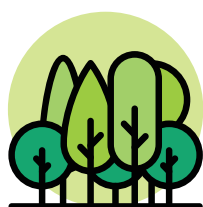


2.2million

Cartons of fruit produced in 2024 against 3.1 million cartons in 2023

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**288
million**

Forestry profits
in 2024 (against
Ksh 149 Million in
2023)

Chairman's Statement (continued)

FORESTRY & LIVESTOCK: A GOOD YEAR OF GROWTH AND PROFITABILITY

Profit Improvement. Forestry profits increased to Ksh 288 Million (2023: Ksh 149 Million) and Livestock profits reached Ksh 31 Million (2023: a loss of Ksh 13 Million).

The demand for sustainably grown wood products continues to increase and we have responded by increasing the land area under commercial forestry. We have also continued to diversify our product range, offering industrial pallets, garden furniture and our standard range of fencing and utility poles. Timber sales remain static but we believe this is still a profitable market for a limited range of plank sizes.

Our Livestock performance was assisted by the arable operations producing good quality feed for local farmers as well as our own herd. An improved herd valuation positively impacted on profits.

TEA: A GOOD YEAR FOR PRODUCTION BUT PROFITS WERE SQUEEZED BY LOWER PRICES AND A STRONGER SHILLING AGAINST THE US DOLLAR

Profit reduction. In 2024 Kaboswa profits reduced to Ksh 15 Million (2023: Ksh 71 Million) despite an increase in production to 2 million kilos (2023: 1.8 million kilos).

The continued over supply of tea in the market resulted in lower US dollar prices compared with

last year. Kaboswa sells green leaf to Kepchomo Tea Factory, owned by Eastern Produce Kenya Ltd. The average price Kepchomo received for its tea in 2024 was US\$ 1.99 (2023: US\$ 2.18). In addition, the strong Shilling also impacted negatively on net returns which were 17% lower at Ksh 186 per kilo of made tea (2023: Ksh 225 per kilo).

We believe that the oversupply situation may begin to balance itself out next year which could result in improved profitability.

BLUEBERRY: EXPORTS MET THE TARGET

Loss reduction: In 2024 blueberry production increased to 53,175 kilos (2023: 11,728 kilos) The increased production, in line with expectations, halved the operating loss to Ksh 19 Million (2023: a loss of Ksh 37 million).

The new varieties are performing well, and production was either sold domestically or exported into the Middle East. In 2024 prices were an average of US\$ 11.54 per kilo (2023: US\$ 9.45 per kilo).

Exchange Losses: The strengthening of the Kenyan Shilling impacting negatively on Foreign Exchange Earnings

The Kenya Shilling strengthened during the year which resulted in the Company incurring additional foreign exchange losses on our US Dollar holdings of Ksh 197 Million compared to foreign exchange gains of Ksh 118 Million in 2023.

Chairman's Statement (continued)

KEY ACHIEVEMENTS

The Company continued its expansion programs in line with its strategic plan, completing the final plantings of macadamia orchards which now cover 1,410 hectares. Further expansions of our avocado orchards will occur in 2025 bringing our total area to 1,117 ha.

Our new blueberry varieties met our expectations for the year, with production reaching 53 tonnes up from 12 tonnes last year.

The recovery of the macadamia markets allowed us to increase our sales to 971 tonnes of edible kernel, up from 563 tonnes in 2023. Through our intensive marketing activities, we were able to sell our products across the globe to the USA, Japan and Europe. Prices averaged US\$ 9.00 which is 25% greater than the US\$ 7.21 achieved in 2023. These levels are still significantly lower than the pre-Covid markets, but we anticipate continued improvement through 2025.

I am pleased to report that our value addition strategy is progressing well. The Boran Barn restaurant is a very popular venue, demand for our macadamia edible oil range has increased significantly and there is a constant flow of customers through our farm market.

We once again hosted shareholders at our Makuyu operations. This was an important event to showcase the growth of your Company over the last few years. We as a Board were exceptionally pleased with the large turnout and the positive feedback received both during and after the visit. We will continue to hold these events biannually. Our success continues to be based on our ability to take a long-term view and to have sufficient diversification to withstand geo-political shocks.

Our fifth ESG report was also published which I will detail later



510 ha
under tea production



10 ha
under blueberry production



1,600 ha
sustainable commercial forestry



963 ha
under avocado production



1,356 ha
under macadamia production



4,506
Livestock

in this report. It is imperative that we continue our work on both environmental and social sustainability.

Our mantra of lifting others as we grow remains fundamental to our philosophy and to that end we continue to provide technical extension services to small scale farmers through our Kakuzi Academy.

CORPORATE GOVERNANCE

The members have also been informed of the CMA inquiry that begun back in June 2021. The Board has taken active steps to protect the interests of the Company. The litigation is now pending at the High Court of Kenya from the decision of the CMA Tribunal that was delivered on 18th September 2024. The court rules do not allow litigants to make comments on pending cases suffice to state that the Board was dissatisfied with the findings of the Tribunal on matters touching on the constitutional rights of the Board members.

In 2022, the Company received an inquiry from the KRA on an allegation concerning the transfer pricing policy. We are happy to report that the KRA, after due investigation, found no breach of the transfer pricing rules.

SUSTAINABILITY INITIATIVES

Our sustainability initiatives remain at the core of our operations. This year, we published our fifth ESG report, highlighting our efforts in various areas such as irrigation water conservation, measuring our carbon footprint, natural forest conservation, educational support, gender equality and embedding the UN Guiding principles on Business and Human Rights.

I am pleased to inform our stakeholders that we expanded our irrigation water conservation by adding a further one million cubic meters of water storage capacity to increase from twelve to thirteen million cubic meters. This key development

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Chairman's Statement (continued)

SUSTAINABILITY INITIATIVES (CONTINUED)

further enhances our self-sufficiency in water, eliminating the need to use river water for our irrigation.

The impact of climate change on our operations cannot be ignored. In 2024 we experienced a significant reduction in avocado production due to the excess rainfall experienced in the early part of the year. Some of the orchards were simply inundated by the heavy rain with approximately 30 hectares being lost to flooding.

Our efforts to transform waste agricultural products into valuable resources continue. The production of biochar from macadamia shells provide a sustainable solution to waste management and also supports our commitment to environmental sustainability and agricultural innovation. If our trials prove successful, the biochar produced will be combined with our other organic compost to improve soil health, sequester carbon and improve the soils water and nutrient holding capacity.

These initiatives demonstrate our commitment to integrating sustainable agricultural practices into our operations which we believe will be fundamental to our future success.

Collaborative conversations and open communication channels with a variety of stakeholders continues to foster sustainable relationships. These relationships assist in shaping our Company-Community

Macadamia shells a byproduct of the processing operation, represent an economically viable option for fueling boilers, potentially reducing operational expenses.



Partnerships and contribute towards creating a sustainable society.

In support of local communities, Kakuzi has consistently invested in high-impact programs guided by the UN Sustainable Development Goals (SDGs). These include Good Health and Well-being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5), Clean Water and Sanitation (SDG 6), Decent Work and Economic Growth (SDG 8), and Climate Action (SDG 13). These initiatives are designed to build capacity, resilience, and independence within surrounding communities and are all detailed in our ESG report which can be seen at our web site.

FUTURE PLANS

Implementing the strategic plan for the Company remains our key focus which is based on five key pillars:

- expanding our production of avocado and macadamia superfoods,
- diversification into new superfoods,
- diversification into new markets,
- value addition through our Kakuzi Farm Market
- the further developments of our sustainability and social performance initiatives.

The need for a fourth commercial, large-scale crop for Kakuzi remains a key priority as we evaluate the business case for blueberries. Not only is this a crop which has the potential to generate large revenue streams, but it also diversifies our market footprint into significantly different geographical markets.

We have appraised the business model for Blueberries and its performance in 2024 gives us confidence that a commercial scale is viable. We shall be able to confirm our position as we move through 2025 as production is set to double.

Macadamia value addition has proven to be an enormous success and we will continue to explore the possibilities of increasing the variety and value of this range.

Maximizing yields through the use of Agricultural Technology is a fundamental part of our future. We are witnessing technology changing at a rapid rate with many international agricultural sectors now embracing AI and the use of autonomous agricultural vehicles, such as drones, in a major way. If we as a Company and country are to remain competitive we need to also follow a similar route.

Chairman's Statement (continued)

MARKET TRENDS & OUTLOOKS

Demand for avocados continues to grow in Europe at around 5% per annum. Demand in China and India is also growing but volumes remain small. The Middle East does have a significant demand but at relatively low sales prices.

The arrival quality into European markets of East African avocados has been negatively impacted by the effective closure of the Red Sea shipping routes. The only alternative route around the Cape adds a further two weeks onto the shipping times which significantly impacted quality of East African fruit.

Mitigation strategies to reduce this impact have been put in place as we adapt to the longer logistics. Whilst we hope that the geopolitical tension in the Middle East will ease, we must plan to continue with the rerouted logistics in 2025. Consequently, your Board is doing all it can to focus on delivering quality products to the Company's customers.

To reduce our dependency on European markets, it is essential for both public and private stakeholders in Kenya's avocado sector to explore high value new markets. While China and India hold potential, their current demand is still relatively low compared to Europe's. The North America region, as the largest consumer of avocados globally, must be considered a future target for Kenya's exports. In 2024 the USA consumed 1.3 million metric tonnes of avocados, compared to 0.9 million metric tonnes in Europe, with over 80% of its avocados sourced from Mexico. The North American market presents a significant opportunity for Kenya.

As Kenyan avocado production continues to grow, it is critical for commercial companies to collaborate with Kenyan Government agencies to gain access to this lucrative market.



A common strategy, focusing on compliance with regulations, market research, and strategic partnerships, will pave the way for successful market entry.

By working together, stakeholders can ensure that Kenyan avocados reach new heights in the global market.

The macadamia markets are showing a positive trend with both demand and price rebounding after the last four disappointing years. Prices are still much lower than they were in 2020 (pre COVID) however we witnessed a strong positive movement in 2024 and we anticipate further strengthening as we move into 2025.

Kenya is the fourth largest producer of macadamias globally. It has great opportunities for growth, however the strategies to increase market demand for Kenyan macadamia nuts must be carefully considered. On one hand the sales of unprocessed nuts in their shell have assisted some farmers to obtain reasonable prices but such sales do little to promote Kenya as a producer of good quality kernel.

Global demand for macadamias is also steadily increasing, driven by their health benefits and versatility in the food and cosmetic range, which we have also witnessed in the Kenyan market through substantial demand for our edible oil.



03

Chairman's Statement (continued)



MARKET TRENDS & OUTLOOKS (CONTINUED)

The new crop of blueberry's was predominantly marketed into the Middle East. Demand for quality berries continues to grow in our key international and domestic markets.

The markets for our forestry and livestock products have also improved in the year. The Boran Barn Nyama Choma spot and our butchery is now the primary outlet for our meat products. The demand for meat with proper 'field to fork' credentials is increasing with many of our loyal customers driving a distance to access our butchery shop.

Sustainable wood products were sold to customers across the country, and we continue to expand our operations to meet the growing demand for good quality fencing posts.

The tea markets continued

to be depressed by the large volumes of tea in the marketplace. We anticipate that prices will only recover once the supply demand equation is rebalanced.

DIVIDEND

Your Board recommends a first and final dividend of Kshs 8 per share.

ACKNOWLEDGEMENTS

As we reflect on the past year, we note with immense gratitude the dedication and unwavering support that our staff have shown throughout 2024. Their commitment and efforts have been instrumental in driving our initiatives and contributing to the sustainable development of our Company and community.

To our stakeholders, including trade union officials, community leaders

and government officials, we extend our heartfelt thanks. Your collaboration and engagement have been crucial in shaping our strategies and ensuring the successful execution of our projects.

We also express our deep appreciation to the local communities who have partnered with us. Your trust and participation have been fundamental in driving our initiatives and creating lasting change. We are committed to continuing our work together to build a brighter and more sustainable future.

As we look forward to the coming year, we remain dedicated to our mission of making a positive impact. Thank you once again for your exceptional efforts and unwavering support.

NICHOLAS NG'ANG'A
CHAIRMAN

24th March 2025



Sh8

Per share. Dividend
for the year ended
31 December 2024



04 Corporate Social Investment and Sustainability Report

For the year ended 31 December 2024



At Kakuzi PLC, we are dedicated to managing our businesses sustainably and responsibly. Therefore, we adopted six of the 17 Sustainable Development Goals (SDGs) to help us accelerate development in the decade of action.

Kakuzi dedication to focus on community relations remains unwavering to help build and sustain trust, credibility, and loyalty with the local community for prosperity of both the company and the surrounding communities.

Collaborative conversations and open communication channels with employees, trade union officials, community leaders, community liaison officers, farmers' organizations, National and County government officials as well as local and international civil society organizations continues to promote sustainable relationships based on trust that will shape effective Company Community Partnerships and contribute towards creation of a sustainable society.

In support of the local communities,

Kakuzi has continued to invest in high impact programs and interventions guided by the UN Sustainable Development Goals (SDGs): Good health and Well-being (SDG 3); Quality Education (SDG 4); Gender Equality (SDG 5); Clean water and Sanitation (SDG 6); Decent Work and Economic growth (SDG 8); and Climate Action (SDG 13) designed to build capacity, resilience and independence for surrounding communities.

Corporate Social Investment and Sustainability Report (Continued)



Kakuzi recognizes the importance of community engagement and consultation in forming meaningful and sustainable partnerships, spearheaded by the Community Relations Manager, Community Liaison Officers, supported by other relevant Company Managers. As well as an Independent Human Rights Mechanism (SIKIKI 2) which is in place to address grievances and concerns from the Community.

In 2024, Kakuzi invested in high impact initiatives implemented to address challenges identified through needs assessment and requests documented to the Company.



GOOD HEALTH AND WELL-BEING (SDG 3)

Kakuzi identifies that good health is one of the most important things in a person's life, it affects physical, mental, and emotional well-being of an individual. Consequently, Kakuzi in collaboration with the Ministry of Health organized free Medical camps in three locations; Gikono, Kinyangi and Makuyu areas to enhance access to primary healthcare for the local communities. Over 600 individuals benefited from the range of services offered which included; Health Education, Voluntary

HIV Counselling and testing, Nutritional assessment, Prostate cancer and Cervical cancer screening among others.

The Company continues to invest and create awareness on matters affecting health and wellbeing of individuals and the society at large. Kakuzi supported commemoration of National world TB day through provision of 200 branded t-shirts and partnered with Mbagathi referral hospital, through donation of medication for a two-day medical camp aimed at providing much needed medical services to the underprivileged population in the area. The camp offered free medical checkups, treatment, optical services and treatment for neglected diseases among women, benefitting over 1000 women who attended the camp.

Kakuzi works closely with the local Government health facilities to improve service delivery to the community. In line with this, the Company constructed a 10,000L rainwater harvesting system at Gituamba health facility

and 4 door ablution blocks at Mwania Mbogo dispensary to enhance access to clean water and sanitation for over 400 community members who seek services from these facilities on a daily basis.

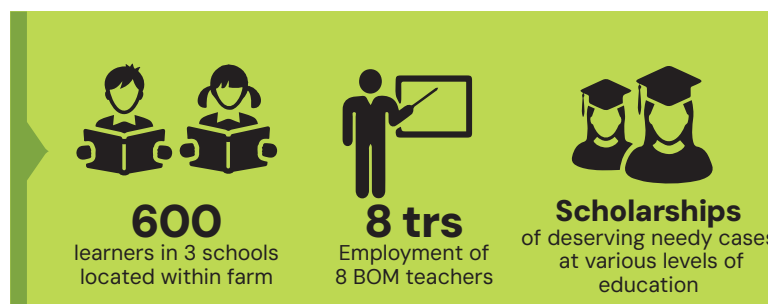
Kakuzi dedication towards menstrual health sensitization is unwavering. Over 3000 employees were issued with absorbents and an additional over 2200 learners from Gatanga, Kiambaa, Percy Davis, Thaara primary and Thaara Secondary schools received 2616 sanitary towels and 1248 bar soaps during sessions conducted in these institutions.



QUALITY EDUCATION (SDG 4)

Education drives the achievement of all the millennium development goals because it equips people with knowledge and skills to break the cycle of poverty and shape their future life chances.

The company awarded scholarships to seven deserving students from the local community in different levels of education, attending various extra county and county schools to enhance retention and transition from primary to secondary school in addition Kakuzi has developed strategies that promote the wholesome development of these individuals and over 600 learners in 3 schools within the farm.



04

Corporate Social Investment and Sustainability Report (Continued)



QUALITY EDUCATION (SDG 4) (CONTINUED)

In an effort to improve the quality of education, reduce pupil teacher ratio and strengthen performance for learners in the neighboring communities, we continued to support eight Board of Management (BOM) teachers (up from six in 2023) at Kakuzi, Kitito, Kinyangi primary schools and Gititu Secondary school.

Kakuzi donated two million Kenya Shillings towards the Murang'a County University Bursary Fund to sustainably provide leadership development opportunities for needy but bright students.

The Kitito Comprehensive school, a public school within the farm was completely rehabilitated to provide a suitable learning environment for over 300 learners in the junior Secondary and Primary sections. This now bring the total number of complete renovations to three with Kinyangi Comprehensive School and Kakuzi Comprehensive School having received their infrastructural facelift in 2023 and 2022 respectively.

5 youths previously running and managing the charcoal kiln in Kinyangi were

sponsored and completed vocational training courses in Motor vehicle mechanics and Masonry at Don Bosco training Centre to acquire them with skills that match labor market demands.

The Company donated 398 classroom furniture (desks, tables and chairs) to 24 local learning institutions to address challenges of inadequate furniture in the institutions which largely impacts academic performance and donated 18 computers, their accessories and 3 printers to 3 local schools; Kitito, Kinyangi and Kakuzi Primary schools, to support computer basic training for the learners and also enhance office operations in these learning institutions.

6 CLEAN WATER AND SANITATION

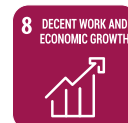


CLEAN WATER AND SANITATION (SDG 6)

Basic sanitation is directly related to good health. In addition to preventing waterborne diseases, proper sanitation promotes health,

improves the quality of the environment and thus, the quality of life in a community.

In an effort to increase access to clean water and sanitation services for the local communities, the company invested in eight 4 – door, one – 2 door sanitation blocks in 8 institutions and 30,000L rain water harvesting systems in 4 institutions; These facilities will increase access to clean water and safe disposal of waste for over 3,000 learners.



DECENT WORK AND ECONOMIC GROWTH (SDG 8)

Community economic development encourages use of local resources in a way that enhances economic opportunities while improving social conditions in a sustainable way.

The Company conducted capacity assessment for 7 bee keeping groups with a membership of over 150 individuals to establish their

Corporate Social Investment and Sustainability Report (Continued)

DECENT WORK AND ECONOMIC GROWTH (SDG 8) (CONTINUED)

level of capacity needs in order to design strategies to support them reach their full potential

Kakuzi invested in the construction of a boda boda shed for double GM self-help group in Mutithi. The shed has created a conducive working environment for the boda boda operators, who are now sheltered from weather elements and have a safe picking and dropping point for passengers.

As part of Kakuzi efforts to support sustainable development and the local community economic growth, the Company donated 50 beehives to be distributed to farmers throughout the 6 sub counties in Murang'a County.

Kakuzi successfully completed implementation of the 4th phase of Jiko Kisasa project, that targeted 500 households for communities neighbouring the farm especially those bordering the forest areas. Besides health benefits, reduced smoke and economic value, Jiko Kisasa is also environment friendly. Cumulatively, in 4 phases of implementing the project, over 1500 households have been fitted with double cook stoves and over 100 local youths trained on

construction and maintenance of the stoves for project sustainability.

Kakuzi remains committed to providing employment and source of sustainable livelihood opportunities for the locals, that involves boosting the local economy and enhance economic self-sufficiency for the surrounding communities. In

13 CLIMATE ACTION



2024, the Company engaged local suppliers in purchases of over 66,900,000 Million Kenya shillings.

CLIMATE ACTION (SDG 13)

Kakuzi has continued to embrace and adapt knowledge, expertise to develop and implement effective conservation as well as resources efficiency initiatives to promote the well-being of both present and future generations.

The Company recognizes that it takes concerted efforts and collaboration with surrounding communities to ensure a sustainable future.

In line with this, the company held a session on nursery operations with 6 youths who are scholarship beneficiaries in an effort to prepare them spear head environmental conservation initiatives in their previous schools and the communities they come from as environmental champions.

Kakuzi donated 600 tree seedlings through the area chiefs to Gathungururu, Athara, Thangira and Kakuzi Hills communities to be planted during the short rains, the initiative aimed to promote partnership and ownership towards environment conservation efforts with the locals. In addition, Kakuzi donated 200 round neck, 100 Polo shirts and 200 tree seedlings towards world environment day celebrations.

COMMUNITY ROADS

The Company has a network of roads which it has constructed for use by local communities. These roads are maintained on a continuous basis. In the period the Company gravelled and constructed culverts on a long section for the Kangangu road as well as undertook further work on the Kakuzi Hills road to maintain these in a good state for use by the surrounding communities.

BY ORDER OF THE BOARD

K R SHAH
24th March 2025

C J FLOWERS
24th March 2025

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05 Report of the Directors For the year ended 31 December 2024

The Directors submit their report together with the audited Financial Statements for the year ended 31 December 2024, which disclose the state of affairs of Kakuzi Plc (the "Group and the "Company"). The Annual Report and Financial Statements have been prepared in accordance with the Kenyan Companies Act, 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Group comprise:

- Growing, packing and selling of avocados
- Growing, cracking and selling of macadamia nuts
- The cultivation and sale of tea green leaf
- Forestry development and sale of forestry products
- Livestock farming, animal feed and sale of beef
- Growing, packing and selling of blueberries

The two subsidiary companies are dormant.

GROUP MISSION AND VISION

The Group's mission is to consistently produce quality products, responsibly, sustainably and ethically. The Group's vision is to be a global leader and the preferred producer and supplier of quality agricultural products.

BUSINESS REVIEW

A review of the business of the Group is incorporated within the Chairman's Statement on pages 6 to 12.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of possible risks and uncertainties that could impact the Group's operations. The Group regularly monitors the risks. The information on the Group's financial risks is disclosed in Note 4 of the Financial Statements. The following risks relating to the Group's principal operations have been identified:

- Climate Change:** level of rainfall affecting crop yields and in extreme cases, crop viability.
- Price volatility:** changes in market prices impact profitability each season.
- Currency fluctuation:** profit volatility arising from sales denominated in foreign currency.
- Cost of labour:** increased cost of production and lower profitability.

RESULTS AND DIVIDEND

The net loss for the year was Shs 131,694,000 (2023: profit of Shs 453,517,000). The Directors recommend the approval of a first and final dividend of Shs 8.00 (2023: Shs 24.00) per ordinary share.

The results for the year are set out on page 46 in the attached Financial Statements.

ANNUAL GENERAL MEETING

The Ninety Seventh Annual General Meeting of the Company will be held in the Ballroom at Fairmont The Norfolk Hotel, Nairobi on Wednesday, 14th May 2025 at 12:00 Noon.

The Directors who held office during the year and at the date of this report are set out on page 4.

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors' interests in the share capital of the company are listed below: –

	At 31 December 2024		At 31 December 2023	
	Beneficial Ordinary shares	Non-Beneficial Ordinary shares	Beneficial Ordinary shares	Non-beneficial Ordinary shares
Mr. N Ng'ang'a	1,000	–	1,000	–
Mr. C J Flowers	–	–	–	–
Mr. G H Mclean	100	–	100	–
Mr. K R Shah	200	–	200	–
Mr. D M Ndonye	–	–	–	–
Mr. S N Waruhiu	–	–	–	–
Mr. A N Njoroge	–	–	–	–
Dr J K Kimani	6,536,523	–	6,525,223	–
Mrs P Ager	–	–	–	–

Mr Stephen Njoroge Waruhiu, a Director who has attained the age of seventy years, retires in accordance with the provisions of clause 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015. Special Notice having been received proposing for his re-election pursuant to Section 287 of the Companies Act, 2015, he offers himself for re-election.

In accordance with Article 27 of the Company's Articles of Association and subject to approval by the shareholders pursuant to guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, Daniel Mutisya Ndonye, a Director who is over seventy years old, retires by rotation and, being eligible in accordance with Article 28 of the Company's Articles of Association, offers himself for re-election.

Mr. Graham Harold Mclean, a Director who retires by rotation in accordance with Article 27 of the Company's Articles of Association and, being eligible in accordance with Article 28 of the Company's Articles of Association, offers himself for re-election.

In accordance with provisions of Section 769 of the Kenyan Companies Act, 2015, the following Directors

be appointed to serve as members of the Board Audit & Risk Committee :-

- Mr. Daniel Mutisya Ndonye
- Mr. Stephen Njoroge Waruhiu
- Mr. Andrew Ndegwa Njoroge
- Mrs. Pamela Ager

DISCLOSURE OF INFORMATION TO AUDITORS

Each Director confirms that, so far as he is aware at the date of approval of this report, there is no relevant audit information of which the Group's and Company's auditor is unaware and that each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's and Company's auditor is aware of that information.

AUDITORS

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

BY ORDER OF THE BOARD



K R SHAH
24th March 2025

05

06 Statement of Directors' Responsibilities

For the year ended 31 December 2024

The Kenyan Companies Act, 2015 requires the Directors 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 at the end of the financial year and of their financial performance for the year then ended. It also requires the Directors to ensure that the Company and its subsidiaries maintain proper accounting records that are sufficient to show and explain the transactions of the Company and its subsidiaries; disclose with reasonable accuracy the financial position of the Group and the Company; and that enables them to prepare Financial Statements of the Group and the Company that comply with prescribed financial reporting standards and the requirements of the Kenyan Companies Act, 2015. The Directors are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and error.

The Directors accept responsibility for the preparation and presentation of these Financial Statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

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

In preparing the Financial Statements, the Directors have assessed the Group's and the Company's ability to continue as going concern and disclosed, as applicable, matters relating to the use of a going concern basis of preparation of the Financial Statements. Nothing has come to the attention of the Directors to indicate that the Group and the Company will not remain a going concern for at least the next twelve months from the date of this statement.

The Directors acknowledge that the independent audit of the Financial Statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 24 March 2025 and signed on its behalf by:

BY ORDER OF THE BOARD



K R SHAH
24th March 2025



C J FLOWERS
24th March 2025

07 Statement on Corporate Governance

For the year ended 31 December 2024

OVERVIEW OF THE CORPORATE GOVERNANCE FRAMEWORK

As a Board, we're committed to applying the highest standards of corporate governance and transparency, ensuring that the business is run in a professional, transparent, just and equitable manner to protect and enhance shareholder value and satisfy the interests of our stakeholders. The principles and standards adhered to by the Board have been developed with close reference to guidelines on corporate governance issued by the Capital Markets Authority, Code of Corporate Governance Practices for Issuers of Securities to The Public 2015 (the Code) and other global best practices. In this statement, we give our investors and other stakeholders an insight into the governance activities of our Board and its Committees during the year ended 31 December 2024.

This Statement describes how the Group applies the main principles of the Code. The Group acknowledges and continues to consider the recommendations of the Code carefully and implement as appropriate. In implementing the Code, the Directors have taken account of the Group's size and structure and the fact that there is a controlling shareholder, which itself is a listed entity in the United Kingdom, Camellia Plc.

The Board, in order to ensure that the Group is compliant, commissions a Governance Audit to be undertaken by an auditor, accredited by the Institute of Certified Public Secretaries of Kenya, every two years. A Governance audit was undertaken in 2023 and the next audit will be conducted in 2025.

This Corporate Governance Statement is current as at 31 December 2024 and has been approved by the Board of Directors.

GOVERNANCE FRAMEWORK

The Group operates within a clearly defined governance framework which provides for delegated authority to strategic Committees with clear lines of responsibility without abdicating the responsibility of the Board. Through the framework, the Board sets out the strategic direction of the Group while entrusting the day-to-day running of the organization to the Executive Management led by the Managing Director. The Board operates through three Committees and one Independent advisory Committee mandated to review specific areas and assist the Board undertake its duties effectively and efficiently. The structure of the relationships between the Board and Board's sub Committees is illustrated below:



Statement on Corporate Governance (Continued)

BOARD COMPOSITION, SIZE AND INDEPENDENCE

The Group is governed by a Board of Directors each of whom is, with the exception of the Managing Director, elected by the shareholders.

At the date of this Annual Report and in line with the Articles of Association, the Board consisted of nine Directors, namely: The Chairperson, two Executive Directors, four Non-Executive Directors and two Independent Non-Executive Directors. The list of the Directors is on page 4 of this Annual Report and their abridged biographies appear on the Group's website, ([Management – Kakuzi](#)). Based on the size, complexity and governance needs of the Company, the current Board size is considered to be sufficient.

The Board has documented in its Board Charter the criteria for determining the independence status of the members of the Board of Directors which is in line with the Code. The Board is cognizant that it is required to at all times have at least one third of its members as Independent Directors and that out of the nine Directors only two are independent. The Board will continue addressing this upon future retirement of Non-Executive Directors. The Chairperson and two Non-Executive Directors have been deemed not independent in view of them exceeding 9 years of service as Directors. The Non-Executive Directors who are seven in total are also independent of Management and have separate and independent access to the senior Management and the Company Secretary at all times. Day-to-day operation of the businesses of the Group is delegated to the Management. They are closely monitored by the Board and are accountable for the performance of the Group as measured against the corporate goals and business targets set by the Board.

An appropriate liability insurance for Directors has been arranged for indemnifying their liabilities arising out of corporate activities. This insurance coverage is reviewed on an annual basis.

BOARD DIVERSITY

Our Board is committed to having a diverse, equitable and inclusive membership which ensures we have the range of perspectives and insight that is key for good decision making. Our Board is well composed in terms of the academic qualifications, technical expertise, experience, industry knowledge and balance of Executive, Non-Executive and Independent Directors. The Board recognizes that opportunities exist to consider gender balance and will endeavour to ensure gender balance is achieved upon future retirement of Non-Executive Directors. Below is a highlight of the current Board diversity.

BOARD APPOINTMENT AND RE-APPOINTMENT

Director's Name	Occupation	Appointment Date
Mr. Nicholas Ng'ang'a – Chairman – Non-Executive Director	Farmer/Businessman	28 November 2002
Mr. Christopher Flowers – Managing Director (Executive Director)	Engineer	28 March 2013
Mr. Graham Mclean – Non-Executive Director	Agriculturist	1 January 2005
Mr. Daniel M Ndonge – Non-Executive Director	Accountant	29 November 2012
Mr. Stephen Waruhiu – Non-Executive Director	Valuer and Estate Agent	29 November 2012
Mr. Andrew Ndegwa Njoroge – Independent Director	Accountant	2 August 2016
Dr John Kibunga Kimani – Non-Executive Director	Agriculturist	1 November 2020
Mr. Ketan Shah – Finance Director (Executive Director)	Accountant	28 August 2007
Ms. Pamella Ager – Independent Director	Lawyer	1 April 2023

Statement on Corporate Governance (Continued)

The Board, assisted by the Board Nominations and Remuneration Committee, is responsible for identifying its members and recommending them for election by the shareholders, who are ultimately responsible for the appointment of Directors to the Board subject to regulatory approvals.

In accordance with the Code and the Company's Articles of Association, all serving Directors excluding the Managing Director, are subject to retirement by rotation and must seek re-election by shareholders at least once every three years. During the 2024 Annual General Meeting Mr. Nicholas Ng'ang'a, Dr. John Kibunga Kimani and Mr. Andrew Ndegwa Njoroge offered themselves up for re-election and were re-elected by the shareholders.

Prior to formal appointment, Directors are required to declare any

Conflict of Interest that may undermine their position or service as Directors. Declaration of interest is a continuous process that is done at every meeting of the Board.

All Directors have received an appointment letter setting out the terms of their appointment.

The Nomination and Remuneration Committee is tasked on an annual basis, to review the structure, size and composition (including the skills, knowledge, experience, gender and diversity) of the Board. Any further re-appointment of a Non-Executive Director, who has served the Board and attained the age of seventy (70) years is subject to a separate resolution that is approved by the shareholders.

SEPARATION OF ROLES AND RESPONSIBILITIES: CHAIRMAN, MANAGING DIRECTOR AND COMPANY SECRETARY

The role of the Chairman is separate from that of the Managing Director and Company Secretary and there are distinct and clearly defined duties and responsibilities set out in writing in the Company's Board Charter. The separation of the functions of the Chairman (a Non-Executive Director) and the Managing Director (Executive Director) support and ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. The roles of the Board are separated from that of the Management.

The Chairman provides overall leadership to the Board without limiting the principles of collective responsibility for Board decisions. The Managing Director is responsible to the Board and takes responsibility for the effective and efficient running of the Group businesses on a day-to-day basis.

The Company Secretary, who is a member of the Institute of Certified Secretaries of Kenya and in good standing, with the assistance of the Finance Director, provides guidance to the Board on its duties and responsibilities and other matters of governance and monitoring and coordinating their completion.

The Board has delegated appropriate authority and limits through various Board approved policies relevant to the tasks to be overseen by Management. In addition, the Board has established Board Committees to assist it to effectively perform its mandate.

A summary of the key responsibilities of each role can be found below:

ROLES AND FUNCTIONS OF THE BOARD

Chairman	Managing Director	Company Secretary
- Setting the style and tone of Board discussions and creating the overall conditions for Board and Director Effectiveness. - Ensuring that the Board as a whole is enabled to play a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives. - Ensuring that the development of the Group's businesses and the protection of the reputation of the Group receive sufficient attention from the Board.	- Directs and controls the work and resources of the Group and ensures the recruitment and retention of the required numbers and types of well-motivated, trained and developed staff to ensure that it achieves its mission and objectives. - Prepares and recommends to the Board, a long-term strategy and annual business plan and budgets and monitor progress against these plans to ensure that the Group attains its objectives as cost-effectively and efficiently as possible. - Provides strategic advice and guidance to the Chairperson and members of the Board, to keep them aware of developments within the industry and ensure that the appropriate policies are developed to meet the Group's mission and objectives and to comply with all relevant statutory and other regulations. - Establishes and maintains valid formal and informal links with major customers, relevant government departments and agencies, local authorities, key decision-makers and other stakeholders generally, to exchange information and views and to ensure that the Group is providing the appropriate range and quality of services.	- The Company Secretary facilitates effective communication between the organization and the shareholders. - Ensures that the Board complies with its obligations under the law and the Company articles of association; - Provides guidance to the Board on its duties and responsibilities and other matters of governance; - Coordinates the governance audit process; and - Maintains and updates the register of conflict of interest.

Statement on Corporate Governance (Continued)

SEPARATION OF ROLES AND RESPONSIBILITIES: CHAIRMAN, MANAGING DIRECTOR AND COMPANY SECRETARY (CONTINUED)

Chairman	Managing Director	Company Secretary
	- Develops and maintains an effective marketing and public relations strategy to promote the products, services and image of the Group on the broader community. - Represents the Group in negotiations with customers, suppliers, government departments and other key contacts to secure for it the most effective contract terms. - Oversees the preparation of the Annual Report and Accounts of the Group and ensures their approval by the Board. - Develops and directs the implementation of policies and procedures to ensure that the Group complies with relevant statutory regulations.	

The primary role of the Board is to protect and enhance long-term shareholders' value. It sets the overall strategy for the Group and supervises Executive Management. It also ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Group and its shareholders.

Matters reserved for the Board include;

BOARD MEETINGS



Statement on Corporate Governance (Continued)

The Board has in place a schedule of Board meetings, Committee meetings as well as the date of the Annual General meeting. The Board and its Committees meet regularly in accordance with business requirements. It is vital to the proper functioning of our Board and Committees that each Director is able to commit sufficient time to their role in order to discharge their responsibilities effectively. Directors make every effort to attend all Board and Committee meetings as part of their fiduciary duties and all Board and Committee meetings had full attendance during the reporting period. In addition to holding extra meetings when needed, the Board meets routinely at least four times a year at quarterly intervals. Four (4) Board meetings were held during the year 2024.

The Chairman, in conjunction with the Finance Director, works closely with the Managing Director to formulate the annual work plan and an agenda for each meeting. The notice, agenda and detailed Board papers are circulated in advance of the meetings. Directors are

entitled to request for additional information where they consider further information is necessary to support informed decision-making.

The Committee meetings are scheduled around the Board meetings and Board agendas, though they also meet as and when they think it is appropriate. Committee papers and other appropriate information are distributed prior to each meeting to allow the Committees to meet its duties.

Directors of the Company play an active role in participating in these meetings through contribution of their professional opinions and their active participation in discussions. The Chairpersons of the Board Committees report at each meeting of the Board on the activities of the Committees since the previous Board meeting. The Board also receives regular reports and presentations from the Managing Director.

2024 BOARD & BOARD COMMITTEES MEMBERSHIP AND ATTENDANCE

Details of the Board and Board Committee meetings held during the Reporting Period and attendances at those meetings are set out below:

Director	Classification	Designation		Board	Audit and Risk	Nomination and Remuneration	Legal risk	IHRA*
Mr. Nicholas Ng'ang'a	Non-Executive	Chairman of the Board	Membership	✓				
			Attendance	4/4	2/2			
Mr. Christopher Flowers	Executive	Managing Director	Membership	✓		✓		
			Attendance	4/4	2/2	5/5	6/6	
Mr. Graham Mclean	Non-Executive		Membership	✓				
			Attendance	4/4	2/2			
Mr. Daniel Ndonge	Non-Executive	Chairman of the Audit and Risk Committee	Membership	✓	✓			
			Attendance	4/4	2/2			
Mr. Stephen Waruhiu	Non-Executive	Chairman of the Nomination and Remuneration Committee	Membership	✓	✓	✓	✓	
			Attendance	4/4	2/2	5/5	6/6	
Mr. Andrew N. Njoroge	Independent	Chairman of the Legal Risk Committee	Membership	✓	✓	✓	✓	✓
			Attendance	4/4	2/2	5/5	6/6	3/3
Dr John K. Kimani	Non-Executive		Membership	✓				
			Attendance	4/4	2/2			
Mr. Ketan Shah	Executive	Finance Director	Membership	✓				
			Attendance	4/4	2/2			
Mrs. Pamela Ager	Independent		Membership	✓				
			Attendance	4/4	2/2	5/5	6/6	

Statement on Corporate Governance (Continued)

During the course of the year 2024, the Board focused on the following key areas:

Areas of focus	Key Deliberations in 2024
Strategy Development and Capital Planning	
- Overseeing the Group's strategy and any changes and monitoring delivery. - Approving any major capital project, corporate action or investment by the Company including investment in land, joint ventures and development arrangements.	- Continuous review of the strategy for the 2024-2033 - Establishing the Group's strategic objectives for the year, business plans and budgets and advising on implementation thereof - Reviewed implementation of the Group's strategy. - Considered risks and issues arising during the year including impact of regulatory changes and macroeconomic factors on strategic plan. - Discussed strategic opportunities to create value and diversify our products evidenced by Management reports to the Board. - Reviewing comprehensive market updates and recommending actions for implementation against the strategic plans.
Leadership, Governance and Ethics	
- Changing the structure, size and composition of the Board following recommendations from the Nomination and Remuneration Committee. - Making appointments to the Board, following recommendations from the Nomination Committee. - Reviewing the performance of the Board and its Committees, individual Directors and the Group's overall corporate governance framework. - Reviewing the Board's succession planning and diversity status and policies - Reviewing the individual Directors' independence - Facilitating induction and continued development education of the Directors with the aid of the Nomination and Remuneration Committee	- Review and Approval of the succession planning and diversity policies of the Board. - All Board members attended training during the period of review that covered various areas of focus such as ESG among others. - Monitoring compliance with good governance principles and practices and implementing measures for adherence including avoiding of conflict of interest. - Undertaking an evaluation of the Group's Board, its Committees, Chairman's, Managing Director's and the Company Secretary's effectiveness.
Business plan and performance	
Approving annual budget and business plan and regularly reviewing actual performance and latest forecasts against the budget and business plan, including proposed actions by Management to address performance issues.	- Approved 2025 budget and business plan - Received reports on supply chain challenges and steps being taken by Management to manage and mitigate the issues and risks. - Approved the financing facilities - Reviewed and considered Managing Director's reports
Financial reporting	
- Approving final and interim results, trading updates, the Annual Report and the release of price sensitive information. - Approving the dividend policy, determination of any interim dividend and the recommendation (subject to the approval of shareholders in general meeting) of any final dividend to be paid by the Company or any other distributions by the Company or purchase of own shares.	- Approved final results and interim results announcements. - Recommended the first and final dividend following the 2023 financial results. - Approved Annual Report and Notice of AGM. - Reviewed and approved major contracts and tenders awarded.

Statement on Corporate Governance (Continued)

Areas of focus	Key Deliberations in 2024
Internal Controls, Risk Management and Compliance	
Ensuring the Group has effective systems of internal control and risk management in place including approving the Group's risk appetite.	- Reviewed the effectiveness of the Group's risk management and internal control systems. - Reviewed and approved the Group's risk matrix, principal and emerging risks. - Received reports from the Audit and Risk Committee on the process for the management of risks and their associated mitigation plans, and the identification of emerging risks - Received and reviewed internal auditor and external auditor reports
Stakeholder engagement	
- Considering the balance of interests between the Group's stakeholders. - Meeting with stakeholders to receive and consider their views - Receiving and considering the views of the Group's shareholders.	- Received regular reports on engagement with the communities, regulators and suppliers among others. - Monitored and considered stakeholder feedback and continued to actively promote wider engagement.
Sustainability, ESG and Corporate Social Investment	
- Overseeing the Group's sustainability strategy - Reviewing the Group's sustainability strategy and its implementation.	- Reviewed progress against sustainability strategy and targets and agreed priorities for 2024. - Approved the 2023 ESG report - Review Board's oversight of climate-related risks and opportunities. - Review Management's role in assessing and managing climate related risks and opportunities. - Received and reviewed quarterly CSI reports.
External Factors	
Overseeing, reviewing and discussing external matters arising that may significantly affect the company operations	- Effect of climate and weather patterns - Impact of the ongoing conflict between Russia and Ukraine on Kenya's business environment. - Impact of the Red Sea conflict on shipping routes to Europe - Changes in Government policy and the opportunities and threats arising thereof vis-à-vis the Group's business such issues surrounding land rates. - Impact of inflation and the resultant monetary and fiscal policy actions on the economy. - Effect of the extended drought on economic activity and especially on the agricultural sector.

Statement on Corporate Governance (Continued)

BOARD COMMITTEES

The Board, in line with the Code, delegates its powers and authorities from time to time to various Board Committees in order to ensure the operational efficiency and specific issues are being handled with relevant expertise. During the year under review, the existing Board Committees namely the Audit and Risk Committee, Nomination and Remuneration Committee and Legal Risk Committee continued to support the Board. The appointment of the members to these Committees draws on the skills and experience of individual Directors. Each Committee is governed and guided on their specific duties and authorities set out in its own terms of reference which are reviewed from time to time. The Committees are provided with all necessary resources to enable them to undertake their duties effectively.

Board members have access to all Board Committee meeting papers. Following each Board Committee meeting, the minutes are included in the subsequent Board papers and presented to the Board by the respective Committee Chairs.

Management and external service providers and experts attend the Committee meetings by invitation as circumstances dictate. Details of these Committees and Directors' attendance of these Committees is provided on page 25.

The following are the detailed Committee functions and key deliberations for the year ending 31 December 2024:

Committees	Members	Major Functions	Key deliberations during FY2024
Audit and Risk Committee	- Mr. Daniel M Ndonye (Chairperson) - Mr. Stephen Waruhiu - Mr. Andrew Ndegwa Njoroge All the members of the Audit & Risk Committee have the relevant qualifications and expertise in audit, financial management and accounting.	- to monitor the financial reporting process of the Group - to review the Group's financial control, internal control and risk management systems and arrangements under the Group's whistleblowing policy - to review the effectiveness of internal audit activities carried out by the Group's audit function and senior Management - to govern the engagement of external auditor and its performance - to review non-audit services provided by the external auditors.	- review of external auditors 2023 audit findings reports and audit plan for 2024 - review of financial report for the year ended 31 December 2023 - review of the internal audit reports - review of the risk map update reports - review of the external auditor's reports - review of dividend and press announcement of interim and year-end financial results. - met with external auditors without the presence of management
Nomination and Remuneration Committee	- Mr. Stephen Waruhiu (Chairperson) - Mr. Andrew Ndegwa Njoroge - Mr. Christopher Flowers	- to review the structure, size and composition (including the skills, knowledge and experience) of the Board - Annual review of the term limits and independence of the individual Directors. - Board evaluation - continuing professional development - review of the Committee's terms of reference - to oversee the Board's succession planning requirements and identify qualified individuals and to make recommendations to the Board on the appointment or re-appointment of Directors - to review and recommend to the Board on the Group's policy and structure for remuneration of Directors and on the establishment of a formal and transparent procedure for developing policy on such remuneration	- Annual review of the Board composition, term limits and Independence of the individual Directors. - Annual review of Board succession planning and Board diversity for Board Non-Executive Directors. - Finalization of the Board Succession planning Policy - Finalization of the Board Diversity & Inclusion Policy - Facilitated Board evaluation - Oversaw shortlisting of the trainers and Board training. - Review of the Director's sitting allowances - Review of the Board Charter - Review of duties of the Company Secretary - Review of the Terms of reference of the Committee

Statement on Corporate Governance (Continued)

Committees	Members	Major Functions	Key deliberations during FY2024
Legal Risk Committee	- Mr. Andrew Ndegwa Njoroge (Chairperson) - Mr. Stephen Waruhiu	- to understand the nature of any legal claim or process with Management and appraise the Board on the same - to review any material breaches of policy which may expose the Group to a legal risk and advise on adequacy of the proposed remedial action - to be an integral part of the Group's Operational-level Grievance Mechanisms and act as a link between the OGM panel and the Board - to understand advise the Board on any future legal risk mitigation strategy - to review the Group legal audit and advise the Board on the findings, non-compliances and required action plan to remedy such non-compliance	- Oversaw the Group's dispute resolution mechanisms and any resulting claims and legal proceedings and appraised the Board on the progress. - Review of the legal cases and the legal risk register - Review of the CMA findings and recommendations report on the Company's Corporate Governance assessment for 2023. - Review of the Legal Compliance Audit report from the independent legal compliance auditors.

INDEPENDENT HUMAN RIGHTS ADVISORY COMMITTEE

An Independent Human Rights Advisory Committee has been established. The Committee is governed and guided on their duties and responsibilities set out in its own Terms of Reference. The following are the detailed Committee functions and key deliberations for the year ending 31 December 2024:

Committees	Members	Major Functions	Key deliberations during FY2024
Independent Human Rights Advisory Committee	- Professor Githu Muigai (Chairperson) - Grace Madoka - Dr Brenda Achieng - Andrew Ndegwa Njoroge - Gina Din Kariuki	- identifying Human Rights risks to which the Group is exposed and recommend to the Board measures to mitigate these risks, set goals and evaluate results - reviewing Human rights matters raised with the Group to be handled in accordance with the Group Human Rights policies - advise the Board on best practices - has access to Lady Justice – Violet Mavisi (Rtd) an Independent Senior Lawyer in her role as the Independent head of SIKIKA.	Facilitation of the Operational-level Grievance Mechanism and review of the Independent Monitor for SIKIKA Mechanism

MANAGEMENT COMMITTEES

In addition to the Board Committees, the Group has in place several established Management Committees to support its decision-making structures, increase efficiency and allow detailed deliberation on specific areas. The Management Committees deal with particular sets of ongoing issues and work across the Group to promote best practice and information sharing. Each Committee has terms of references that sets out its mandate. The Executive Directors can delegate their responsibilities to these Committees and utilize the areas of expertise contained within them. These Committees report to the Managing Director. In 2024, the Management Committees supporting the Group's activities included:

- Executive Committee
- Tender Committee
- Trainings Committee
- Health and safety Committee
- Company Community Partnership Committee
- Energy Management Committee
- Recruitment Committee
- Grievance Committee
- Data Protection Committee

Statement on Corporate Governance (Continued)

DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

Directors receive operating and financial reports of the Group and have access to Senior Management at Board and Committee meetings. The Board has the authority to retain, terminate and determine the fees and terms of consultants, legal counsel and other advisors to the Board as the Board may deem appropriate.

The Group has employed the expertise of external independent consultants, amongst others, covering Public relations, implementation of the Operational-level Grievance Mechanism (SIKKA), statutory trainings and audits.

DIRECTORS' EXTERNAL ACTIVITIES AND CONFLICTS OF INTEREST

Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Group. The conflict-of-interest requirements is embedded in the Code of Conduct and Ethics policy as well as the Directors' letters of appointment. The Board and Board Committee meetings have a standing agenda item on the declaration of interest, where members declare actual, potential or perceived conflicts of interest. The declared items of interest are part of the minutes and are documented in a conflict-of-interest register.

The Board is working on operationalizing the conflict-of-interest procedures in place into a formal policy.

BOARD POLICIES AND PROCESSES

The Board is committed to ensuring that the business is run in a professional, transparent, just and equitable manner to protect and enhance shareholder value and satisfy the interests of other stakeholders.

The Board has established several processes, policies and procedures to guide the Board and Management in conducting the Group's business. A summary of the Board policies and related governance documents include:

Board Charter

This Board Charter recognizes and aims to adopt related best practices and guidance from the provisions of the Code of Corporate Governance Practices for Issuers of securities to the Public, 2015 (the Code), Kenyan Companies Act, 2015, the Company's Memorandum and Articles of Association and any applicable law or regulatory provision. The document is in no way intended to replace or amend the Company's Memorandum and Articles of Association in any way whatsoever.

The purpose of the Board Charter is to promote the highest standards of Corporate Governance and to set out the role, composition and responsibilities of the Board of Directors. The Board Charter serves not only as a reminder of the Board's roles and responsibilities but also as a general statement of intent and expectation as to how the Board discharges its duties and responsibilities. The Board Charter is periodically reviewed to ensure that it remains current. <https://www.kakuzi.co.ke/documents/normal/board-charter-2024.pdf>

Code of Conduct & Ethics

The Group has established a Code of Conduct and Ethics that binds both the Directors and employees. The Group takes cognizance of the fact that its operations are closely integrated with the local communities and, because the very nature of agriculture is long-term, it is aware that it has an impact on the environment. The Group policy ensures that its activities meet and exceed the social, economic and environmental expectations of its stakeholders. <https://www.kakuzi.co.ke/company-code-of-conduct-and-ethics>

The Code has been integrated into the Company's operations through the development of various policies and reporting mechanisms. Before on-boarding suppliers, the Company requires them to confirm compliance with Company's policy on Anti-Slavery and Human Trafficking, Code of Ethics for doing business in Kenya (KEPSA and KAM) Ethical Purchasing Policy (Supplier Code). The Anti-Bribery Policy is in place to foster an environment that encourages ethical behaviour and compliance. The staff are provided with the code of conduct and ethics upon appointment and must commit to abide by its requirements as part of the employment contract with the Company. Several initiatives are in place to ensure its application. Every year the Managing Director conducts a staff training called 'Kakuzi who we are', highlighting the values and the mission. Every six months the Anti -Bribery (TABO) report, which also covers gifts/entertainment, is presented to the Board. No unethical issues were reported during the course of the year under review.

Environmental, Social and Governance (ESG) Report

ESG considerations have been incorporated into decision-making processes at Kakuzi as we have noted growing interest in our approach to environmental, social and governance (ESG) issues, and in particular our performance on carbon emissions. The Company published its fifth ESG report in 2024. This report covers the key commitments the Company is making to UN SDGs, the UN Guiding Principles on Business and Human Rights and highlights the work being undertaken in key Corporate Social Investment areas. <https://www.kakuzi.co.ke/documents/normal/2024-kakuzi-esg.pdf>

Statement on Corporate Governance (Continued)

Environmental, Social and Governance (ESG) Report	The Board reviewed the Group's climate related risks and opportunities and the related financial impact on the group. In line with the recommendations of the Task force on climate-related financial disclosures, these financial disclosures are in the 2023 ESG report.
Insider Trading	The Board has in place an insider trading policy which was reviewed and approved by the Board in 2023. The company insider trading policy, various laws, regulations and guidelines that regulate the Group's businesses prohibit Directors and employees from dealing in the Group's securities when they have price-sensitive information that is not generally available to the market. Information is considered to be "non-public" unless it has been publicly disclosed, and adequate time has passed for the securities markets to digest the information. The staff are required to adhere to the Group's Insider trading policy, which is on the Group's website https://www.kakuzi.co.ke/insider-trading-policy. In every meeting held in 2024, a list of top 10 shareholders was provided as well as any trades (all buyers and sellers) and transfer transactions. If and when there are any breaches of our insider trading policy the Board notifies the Capital Markets Authority. To the best of the Company's knowledge, there was no insider dealing in the financial year under review.
Related Party Transactions	The Group recognizes that related party transactions arise where there is a relationship by virtue of shareholding, common shareholding or key Management personnel directorship. The Group Related Party Transactions policy, which is on the Group's website, https://www.kakuzi.co.ke/related-party-transactions-policy, gives guidance on related party transactions, which are carried out using the arm's length principle. All transactions with related parties are disclosed in note 27 to the financial statements.
Whistle blowing policy	The Whistleblowing Policy, which is on the Group's website, (https://www.kakuzi.co.ke/whistle-blowing-policy) sets out the Board of Directors', Managements' and staff members' commitment to upholding the highest levels of integrity and observance of the rule of law. The policy applies to all employees of the Group, general public, service providers, customers, Company agents, contractors and any other individuals performing functions in relation to the Group. The Group's website provides an email contact (confidential@kakuzi.co.ke) to report any fraud, misconduct or wrongdoing by employees, Company Agents or Executives of the Group. All reported cases are investigated in a confidential and timely manner, and the required action taken to ensure feedback is provided as appropriate.
Operational Level Grievance Mechanism (SIKIKI)	The Operational-level Grievance Mechanism (OGM) provides a systematic and transparent process for receiving, investigating, and addressing company-related grievances from affected communities, workers, farmers who supply avocados through Kakuzi's economic empowerment program, and other relevant stakeholders. The overall objective of the OGM is to enhance Kakuzi's existing processes to respect human rights, to provide access to remedy through a transparent process of fact finding and respectful dialogue aimed at mutually agreed outcomes, and to strengthen Kakuzi's relationships with all its stakeholders. The OGM has been given a local name, SIKIKA, which means "be heard". Extensive stakeholder engagement has been undertaken in developing the Company's OGM as described on the web site. (https://www.kakuzi.co.ke/business-and-human-rights). The SIKIKA process is annually evaluated by an independent monitor to ensure its fairness, transparency, effectiveness and efficiency and recommendations are reported to the Board (status report of Independent human right. pdf (https://www.kakuzi.co.ke/documents/normal/kakuzi%202024%20independent%20monitor%20report%20reg.pdf)).
Procurement policy	The Group's Procurement Policy which is on the website (https://www.kakuzi.co.ke/procurement-policy) is to ensure fairness and transparency in the process of procurement and awarding of tenders, as far as possible with the ultimate objectives of procuring the required quantity/quality of goods or service at the most competitive price. The policy gives guidance on the principles and tender procedures. In addition, a Management Tender Committee oversees the award of tenders in line with its terms of reference. Every half year a TABO report is tabled to the Board on the procurement process, stating whether the Company followed the processes and adhered to the system of internal controls around supplier selection by reviewing a gift register.

Statement on Corporate Governance (Continued)

ICT policy	The Group has deployed a number of Information Technology (IT) systems and infrastructures for its various activities and leverages on the systems to achieve its objectives. An IT/Security policy administered by the IT Manager is in place. It provides guidelines on proper utilization and safeguarding of Computer hardware, system, application and proprietary software and communications infrastructure whether wired or wireless as well as provision of adequate protection and confidentiality of all corporate data. A data protection policy is in place and the data protection committee continues to monitor its implementation. (https://www.kakuzi.co.ke/data-protection-policy)
Corporate Social Investment (CSI)	The Group has put in place a Community Relations policy to guide the CSI Committee in carrying out its duties. The Board ensures that funds are allocated annually when the budget is approved. The Group as part of the community is committed to enhance its community relations by ensuring that it supports, collaborates and co-exists with the community, employees and other stakeholders as a responsible corporate citizen. Focus areas of our community relations program include but are not limited to economic empowerment, good health and wellbeing, quality education, clean water and sanitation, environmental conservation and climate action. The community relations program is conducted through partnerships with various stakeholders and relevant community linkages. The Group has established a Company Community Partnership Management Committee to facilitate and promote CSI mandates in accordance with the Company strategy, as well as to provide and define goals and metrics for measuring the implementation of corporate citizenship. The Community Stakeholder plan enables the specific departments to assess the necessity of CSI initiatives and appropriately allocate resources which enhances the company Community Partnership program. The CSI Committee reports to the Board on a quarterly basis detailing the projects and initiatives taken each quarter. A highlight of these is contained in the Corporate Social Investment and Sustainability report on pages 37 to 43, within the Group's ESG report and on the Group's web site.
Operational policies	There are broad operational policies that guide Management in executing the Group's operations in an efficient and socially responsible manner. The policies cover various operational functions including: human resource, financial management, sustainability, environment, safety and health, fire and safety, and corporate affairs among others. Some of the key policies which have been updated in line with the amendments of applicable legislations and rules as well as the current market practices are available on the Group's website, (https://www.kakuzi.co.ke/corporate-governance)
Group principal policies (GPPs)	The Holding Company requires each subsidiary to comply with the guiding Group Principal Policies and confirm this to its Board on an annual basis. The Group has in place policies as required by the Holding Company as follows which are also on the website: ▪ Occupational Safety & Health Policy ▪ Whistleblowing Policy ▪ Anti-Slavery and Human Trafficking Policy ▪ Environment Policy ▪ Safety and Health Employee Handbook ▪ Human Rights Policy ▪ Anti-Bribery Policy

BOARD EVALUATION

The Group recognizes the importance of measuring the effectiveness of the Board through a proper Board evaluation process on a regular basis.

The Nomination and Remuneration Committee is responsible for determining the process for evaluating Board performance. The Board has taken a progressive step of rolling out Board evaluation, in line with the provisions of the Code. In 2023, the Board engaged an external consultant to conduct the evaluation and their evaluation report was finalized in 2024.

The evaluation covered the performance of the Board of Directors as a whole, peer assessment (individual members of the Board), Company Secretary, Chairperson, Managing Director and Board Committees. The process, which involved detailed questionnaires, examined the balance of the skills of the Directors, the operation of the Board in practice, including governance issues, and the content of the Board meetings.

The evaluation identified strengths, weaknesses, opportunities and challenges that will make the Board

Statement on Corporate Governance (Continued)

BOARD EVALUATION (CONTINUED)

more effective. The Board evaluation methodology processes included administering quantitative forms, internal documentation review and structured one on one sessions.

The key points of focus in the evaluation included:

- Strong commitment to corporate governance and decision-making process.
- Structure and functioning of the Board – composition, skills, diversity, meeting practices, Committees, engagement with management
- Appropriate internal control environment and processes e.g. audit, risk management, oversight etc.
- Ethical standards and corporate culture; integrity, transparency and accountability.
- Compliance, legal framework, and corporate social responsibility.
- Protection of minority shareholders/other stakeholder rights

BOARD INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Chairperson is responsible for ensuring that new Directors participate in a full, formal, and tailored induction programme facilitated by the Managing Director. Newly appointed Directors are provided with orientation upon his/her appointment. In addition, as part of their induction, new Directors also meet Senior Management of the Company and undertake visits to the Company's operations. In the year 2024, there were no new Directors appointed to the Board.

The Nomination and Remuneration Committee is responsible for the continuing professional development programs for Directors to develop and maintain the skills and knowledge needed to perform their role effectively. Directors are continually updated on the Group's businesses, the markets in which the Group operates and changes to the competitive and regulatory environments. The Directors visited the Group's operational facilities in Makuyu once during the year in order to meet with the Management and gain better understanding of the business operations as well as the opening of the Macadamia Oil plant.

The Board also approved the training of Directors for 2024 which were conducted by external consultants. The trainings took 12 hours and covered the following topics:

- General Legal Updates and local and International Corporate Governance Trends
- Key trends in the employment space
- Safeguarding issues
- Digital Transformation and Artificial Intelligence
- Data Protection
- Board Evaluations

In addition, the Company Secretary, through the

Finance Director, updates the Board on its duties and responsibilities and latest developments and changes to the Listing Rules and the applicable legal and regulatory requirements.

BOARD REMUNERATION

The Board has put in place a formal Remuneration Policy which sets guidelines and criteria for the Board's compensation, attraction and retention of Directors. All aspects of remuneration, including but not limited to Directors' fees, salaries, benefits-in-kind and short-term and long-term incentives, options, share-based incentives and awards are overseen by the Nomination and Remuneration Committee.

Directors' fees are reviewed annually and submitted to shareholders for approval at each Annual General Meeting.

The Directors' remuneration policy and report, including details of their compensation appears on page 39.

MULTIPLE DIRECTORSHIP

The Board recognizes that it is important for Directors to have a diverse range of experience and the benefit that external appointments in other companies can provide for both the individual Director and to the Board as a whole. In light of this, Directors may be permitted to take up external appointments and directorships in other companies in accordance with the Capital Markets Authority Code.

The Board has clearly determined the maximum number of listed Board representations a Director may hold. The Nomination and Remuneration Committee, having reviewed the Directors' directorships in other companies, their principal commitments, attendance and contributions to the Group, is satisfied that all Directors are able to contribute and have adequately performed their duties as Directors of the Group. A review of the other listed Company Directorships of the Directors indicated that all the Directors have complied with the Code, which limits the number of Directorships in listed companies a member of the Board holds at any given time.

GOVERNANCE AUDIT

The Board is committed to ensuring that the company has sound corporate governance practices and strives for continuous improvement in its governance structures and processes. The Capital Markets Authority (CMA) Code provides that issuers of securities to the public are required to undertake periodic governance audits.

In line with the CMA code, the last Governance audit for the Group was undertaken for the year 2023, and an unqualified audit opinion was issued by the Governance Auditor. The next Governance audit is planned for the year 2025.

LEGAL AND COMPLIANCE AUDIT

Statement on Corporate Governance (Continued)

The Group has identified several local and international laws and regulations and performs regular compliance assessment checks under the various divisions of the Group. A Compliance Register that identifies the areas of compliance and the level of compliance by the Group is presented to the Board regularly.

In accordance with the Code, the Group undertook an independent Legal and Compliance Audit which began in 2023 and was finalised in 2024. The findings from the audit which were presented to the Legal Risk Committee confirmed that the Group was generally in compliance with the applicable laws and regulations.

To ensure full transparency and traceability of products produced in the operations, the Group has certifications and accreditations that assist in ensuring that it meets the necessary standards and regulations. The accreditations which are on the website, include the following self-assessment, and certification programs:

a) Global certifications:

- FSSC 2200
- Rainforest Alliance
- SMETA (Sedex Members Ethical Trade Audit)
- Diamond Mark of Quality
- Global G.A.P. add-ons
- Halal certification
- SPRING
- Kosher

b) Statutory-assessments:

- NEMA- environmental self-assessment
- Fire safety audit
- Occupational and health and safety audit
- Occupational safety and health risk assessment

SHAREHOLDERS RELATIONS

The Group ensures that all shareholders receive full and timely information about its performance. This is achieved through the distribution of a half-yearly interim financial report and the Annual Report and Financial Statements as well as through compliance with the relevant continuing obligations under the Capital Markets Authority Act. The Group's results are advertised in the press and released to the securities exchanges within the prescribed period at each half-year and year-end. The published results and related investor information together with all the relevant information relating to the Company is available on the Group's website, www.kakuzi.co.ke (Company Reports – Kakuzi).

The Group's Annual General Meeting (AGM) is an opportunity for shareholder engagement when the Chairman and the Managing Director explain the Group's full year performance and receive questions from shareholders. The Chairpersons of the Audit and Risk Committee, the Legal Risk Committee and the Nominations and Remuneration Committee are usually available at the AGM to take any relevant questions. All

other Directors also attend.

The Group has engaged the services of a registrar, Custody & Registrar Services (Kenya) Limited, who together with the Finance Director, regularly address issues raised by the shareholders. Shareholders' enquiries, either received by telephone or by email, are properly attended to by the registrar. Through the registrar, the shareholders have a secure central custody and simplified, swift and safe method of transfer and registration of ownership of their shares. Frequently asked questions on share ownership and CDS accounts are answered on the CDSC Website.

In 2024, a shareholder's visit to the Group's farm operations in Makuyu was carried out which was well received by the shareholders who visited. Such visits will be held on a biennial basis.

ANNUAL GENERAL MEETINGS (AGM)

The Board is committed to the constructive use of the AGM as a forum to meet with Shareholders and to hear their views and answer their questions about the Group and its business. In 2024, we provided our Shareholders a valuable opportunity to meet with all Directors and Company Secretary to answer any questions.

Shareholders were able to participate in the AGM and were given the right to ask questions and participate in the AGM and to vote for the resolutions and all resolutions were passed on a poll.

During the last AGM held on 14 May 2024, the shareholders approved the financial statements for 2023, Dividend, Directors' Remuneration Report, re-election of Directors, re-election of the members of the Audit and Risk Committee and re-appointment of Messrs. Deloitte & Touche LLP as Auditors.

STAKEHOLDER ENGAGEMENT

Understanding the perspectives of our stakeholders and building and maintaining strong ties with them enables their views and concerns to be considered in Board and Committee discussions and decision-making. In keeping with our sustainability strategy, which addresses stakeholder concerns as advised by the Global Reporting Initiative (GRI), our Board members and management continue to actively engage with stakeholders and address their concerns. Additionally, the Board continues to seek to identify and facilitate mechanisms for more effective and meaningful dialogue with our stakeholders. The Group is committed to equitable treatment of its stakeholders.

A Stakeholder engagement matrix is in place and it identifies all the key stakeholders, our engagement with them, modes of the engagements, the issues most material to them and how we have responded ([Kakuzi PLC 2023 ESG Report](#)).

The Company has put in place a community relations policy which is on the Company's website covering the key stakeholders. For each of the stakeholders, an effective mode of communication and engagement including education, informing, engagement and collaboration has been developed with timelines. A number of the activities conducted have been captured on the Company's website.

Statement on Corporate Governance (Continued)

STAKEHOLDER ENGAGEMENT (CONTINUED)

The company continually engaged with stakeholders through community partnerships, trade shows, forums and expositions during the period under review.

STAKEHOLDER RELATIONS

The Board recognizes that the Group is accountable to various stakeholders including farmers and suppliers, employees, investors, general public, media, regulators/authorities and the communities in which we operate. In order to promote effective relationships with its stakeholders, the Group has set and expects the highest standards of conduct within its operations, based on our established core values. The Group is committed to building mutually beneficial relationships with all its stakeholders and to ensuring that a balance is maintained between the individual interests of stakeholders and those of the Group. In particular, the Group:

- promotes fair, just and equitable employment policies;
- promotes and is sensitive to the preservation and protection of the natural environment;
- is sensitive to and conscious of gender interests and concerns;
- promotes and protects the rights of children and other vulnerable groups;
- enhances and promotes the rights and participation of host communities; and
- supports staff and customer sensitization.

The Group encourages feedback from all stakeholders via various channels including but not limited to general meetings, surveys, whistleblowing and feedback forms. This feedback in turn informs the Board on the issues that stakeholders are most concerned with, and these are considered when formulating the Group's strategy.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING AND DISCLOSURES

The Group has maintained timely balanced disclosure of all material information concerning the Group. The Group publishes on its website ([News \(kakuzi.co.ke\)](http://News.kakuzi.co.ke)) key Group information including but not limited to; Annual reports, ESG reports, Financial Statements, changes in Board composition, Group Notices and AGM materials, Group Board Charter, Group policies such as the Code of Ethics, Human Rights Policy, Whistleblowing Policy among others.

The Group additionally releases material information to the Capital Markets Authority, the Nairobi Securities Exchange and any other relevant regulators in line with all disclosure requirements prescribed in the Code and listing regulations.

A statement of the Directors' responsibilities in respect of the Annual Report and Financial Statements is set out on page 20 of the Annual Report. A statement on going concern is also given within the statement of corporate governance on page 36 of the Annual Report.

INTERNAL CONTROLS, AND RISK MANAGEMENT SYSTEMS

The Directors acknowledge that they are responsible for maintaining a sound system of internal control. The Board has delegated to the Audit and Risk Committee the responsibility for reviewing the effectiveness of the internal controls and the risk management. During the year, the Audit and Risk Committee, on behalf of the Board, reviewed the effectiveness of the framework of the Group's system of internal control. It does so through reports received from the internal audit function and any reports from the external auditors on internal control matters noted as part of their audit work.

Accountability and delegation of authority are clearly defined with regular communication between the Board and Management.

The Group has an Internal Audit Department, which is an independent function that reports directly to the Audit and Risk Committee and provides independent confirmation on compliance with the Group's business standards, policies and procedures. Where found necessary, corrective action is recommended.

The performance of each division is continually monitored centrally, including a critical review of annual budgets, forecasts and monthly sales, profits and cash reports. The Board has reviewed the Group's internal control policies and procedures and is satisfied that appropriate controls and procedures are in place. The Board has identified all key risks, which are monitored regularly.

Financial results and key business statistics and variances from approved plans are carefully monitored.

The Risk Management Policies, which are reviewed by the Committee, are detailed on Note 4.

INTERNAL AUDIT

The Group has an Internal Audit Department, which is an independent function that reports directly to the Audit and Risk Committee and provides independent confirmation on compliance with the Group's business standards, policies and procedures. The independent Internal Audit Function is headed by the Head of Internal Audit, a member of the Institute of Internal Auditors (IIA) and carries out its functions in accordance with the International Standards for the professional practice of internal auditing and reports and provides independent assurance to the Audit and Risk Committee on a quarterly basis. The internal audit charter which is approved by the Board, outlines the authority and scope of the internal audit function and provides standards, guidelines and procedures for the Internal Audit Department.

The Department has adopted a risk-based approach in its auditing activities, thus providing a systematic method for identifying, prioritizing and scheduling audits while at the same time providing a means by which audit resources can be targeted in areas of high risk.

An annual audit plan is developed using a structured risk and control assessment framework through which the

Statement on Corporate Governance (Continued)

INTERNAL AUDIT (CONTINUED)

inherent risk and control effectiveness is assessed. The assessment also covers emerging risks arising from within and without the organisation. Audit projects are planned based on the results of the assessment, with priority given to auditing higher-risk areas. The Head of Internal Audit submits the annual internal audit plan to the Board Audit and Risk Committee for review and approval.

EXTERNAL AUDITOR

To assess the effectiveness of the external audit process, the external auditor is required to report to the Audit and Risk Committee and confirm their independence in accordance with ethical standards and that they have maintained appropriate internal safeguards to ensure their independence and objectivity.

In addition to the steps taken by the Board to safeguard auditor objectivity, the Committee has reviewed the non-audit services provided by the external auditor and satisfied itself that the scale and nature of those services were such that the external auditors' objectivity and independence were safeguarded.

The Committee confirms that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

The External Auditors attended the two meetings of the Audit and Risk Committee, one to present their 2023 Audit findings report and the second one to present their audit service plan for the year ended 31 December 2024.

The current External Auditors were appointed on 15th May 2017.

GOING CONCERN

The Board confirms the Financial Statements are prepared on a going concern basis, and the Directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. For this reason, it continues to adopt the going concern basis when preparing the Financial Statements.

SHAREHOLDING PROFILES

The Company, through its Registrar, files returns regularly in line with the requirement of the Capital Markets Authority and the Nairobi Securities Exchange under the listing regulations on transactions related to shareholders.

The number of shareholders as at 31st December 2024 was 1,440 (2023 – 1,362).

PRINCIPAL SHAREHOLDERS

The top 10 major shareholders, based on the Group's share register as at 31st December 2024 were as follows: –

	Shareholder name	Number of ordinary shares	%
1.	John Kibunga Kimani	6,536,523	33.35%
2.	Bordure Limited*	5,107,920	26.06%
3.	Lintak Investments Limited*	4,828,714	24.64%
4.	Kakuzi Neighbourhoods Development Foundation	494,498	2.52%
5.	G.H. Kluge & Sons Limited	239,118	1.22%
6.	HSBC Global Custody Nominee (UK) Limited	200,000	1.02%
7.	Joe B.Wanjui	122,004	0.62%
8.	John Okuna Ogango	120,400	0.61%
9.	Lise Larsen & Esther Ebba Aasberg Larsen	48,999	0.25%
10.	Kusumben Ambubhai Amin	47,559	0.24%
		17,745,735	90.53%

* Camellia Plc incorporated in England, by virtue of its interests in Bordure Limited incorporated in England and Lintak Investments Limited incorporated in Kenya, is deemed to be interested in these ordinary shares.

Statement on Corporate Governance (Continued)

DISTRIBUTION SCHEDULE

Ordinary shares range	Number of shareholders	Number of ordinary shares	%
Less than 500	943	134,813	0.69%
501 to 5,000	405	720,511	3.68%
5,001 to 10,000	46	350,248	1.79%
10,001 to 100,000	38	745,250	3.80%
100,001 to 1,000,000	5	1,176,020	6.00%
Over 1,000,000	3	16,473,157	84.05%
Total	1,440	19,599,999	100 %

Category	Number of shareholders	Number of ordinary shares	%
Local Individual Investors	1,198	8,065,384	41.15%
Local Institutional Investors	99	5,581,937	28.48%
Foreign Individual Investors	124	352,585	1.80%
Foreign Institutional Investors	19	5,600,093	28.57%
Total	1,440	19,599,999	100.00%

The following Directors had direct or indirect beneficial equity interests in the ordinary shares of the Group as at 31st December 2024.

	At 31 December 2024		At 31 December 2023	
	Beneficial Ordinary shares	Non-beneficial Ordinary shares	Beneficial Ordinary shares	Non-beneficial Ordinary shares
Mr. Nicholas Ng'ang'a	1,000	-	1,000	-
Mr. Christopher Flowers	-	-	-	-
Mr. Graham Mclean	100	-	100	-
Mr. Ketan Shah	200	-	200	-
Mr. Daniel M Ndonye	-	-	-	-
Mr. Stephen Waruhiu	-	-	-	-
Mr. Andrew Ndegwa Njoroge	-	-	-	-
Dr John Kibunga Kimani	6,536,523	-	6,525,223	-
Mrs. Pamela Ager	-	-	-	-

BY ORDER OF THE BOARD



K R SHAH
24th March 2025



C J FLOWERS
24th March 2025



08 Directors' Remuneration Report

For the year ended 31 December 2024

Directors' Remuneration Report

This report is drawn up in accordance with the Kenyan Companies Act, 2015.

Nomination & Remuneration Committee

Details of the Nomination and Remuneration Committee are set out on page 28.

Policy on Directors Remuneration

The details agreed by the Nomination & Remuneration Committee are as follows:-

- To seek to provide remuneration packages that will attract, retain and motivate the right people for the roles
- So far as is practicable, to align the interests of the Executives with those of shareholders

Service Contracts

The Managing Director and the Finance Director are the only Executive Directors of the Company. They have service contracts with fellow subsidiary companies within the Parent company, Camellia Plc Group, on rolling service contract basis.

Following the initial appointments, Non-Executive Directors and the Finance Director may seek re-election by shareholders on a rotational basis in accordance with the Company's Articles of Association at Annual General Meetings. Non-Executive Directors do not have service agreements.

Directors' Remuneration

The following section has been audited:

The Executive Directors' remuneration (including value of benefits in kind) charged to the Company by a fellow subsidiary company and included in the Related Party transactions (Note 27 (ii)) is as follows:-

	2024	2023
	Shs'000	Shs'000
Managing Director (Mr C J Flowers)	16,571	14,662
Finance Director (Mr K R Shah)	22,096	19,107
	38,667	33,769

Directors' fees are payable after the occurrence of the Board and Committee Meetings. The Directors do not receive any performance based remuneration. Non-Executive Directors are not entitled to any pension contributions.

	2024	2023	2024	2023	2024	2023
	Directors' Fees	Directors' Fees	Benefits in kind	Benefits in kind	Total	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Non-Executive						
Mr N Ng'ang'a	5,504	5,480	124	113	5,628	5,593
Mr G H Mclean	2,941	2,920	-	-	2,941	2,920
Mr D M Ndonye	3,193	3,160	124	113	3,317	3,273
Mr S N Waruhiu	4,447	4,600	124	113	4,571	4,713
Mr A N Njoroge	5,300	5,400	124	113	5,424	5,513
Mrs P Ager	4,148	2,610	124	39	4,272	2,649
Dr J K Kimani	2,941	2,920	124	113	3,065	3,033
	28,474	27,090	741	604	29,215	27,694

BY ORDER OF THE BOARD



K R SHAH

24th March 2025



C J FLOWERS

24th March 2025

08



Independent Auditors' Report To the shareholders of Kakuzi Plc

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our opinion

We have audited the accompanying separate financial statements of Kakuzi Plc (the Company) and the consolidated financial statements of the Company and its subsidiaries (together, the Group) set out on pages 46 to 96 which comprise the consolidated and separate statements of financial position at 31 December 2024 and consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of the Group and of the Company at 31 December 2024 and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of 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 the 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 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 judgement, 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.



Partners: D.M. Mbogho; A.N. Muraya; F. O. Aloo; J. Nyang'aya; B.W. Irungu; I. Karim; F. Okwiri; F.O Omondi; F. Mitambo; P. Seroney; D. Waweru; C Luo.
Deloitte & Touche, a partnership with registration No. 177912, converted to Deloitte & Touche LLP Registration No. LLP-A21DDP effective 14 June 2021
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KAKUZI PLC (CONTINUED)
REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Measurement of biological assets (in the consolidated and separate financial statements) The measurement of biological assets at the end of year involves significant judgements and estimates by the Directors, which could have a material impact on the financial position and financial performance of the Group and the Company. At the end of year, the carrying value of the biological assets amounted to Sh 1,118,962,000 (2023: Sh 935,224,000) as disclosed in Note 6 to the consolidated and separate Financial Statements. As discussed in Note 6 of the Financial Statements, biological assets comprise forestry plantations, livestock and growing agricultural produce on bearer plants. These assets are measured at fair value less costs to sell at the end of each reporting period. The fair value is a level 3 input and the assumptions are based on unobservable inputs hence more susceptible to significant judgment by management. The changes in fair value arise as biological transformation of the assets take place rather than at the time of harvest. The Group carried out the valuation of biological assets using fair valuation methodology discussed in Note 6 and employed the services of external valuers (management experts) in the valuation of forestry and livestock. As disclosed in Note 3(a)(ii), 3(a)(iii) and Note 6 to the consolidated and separate Financial Statements, the key assumptions and estimates used in the valuation include expected yield, future market prices, exchange rate, costs to sell and the age and condition of the assets. The determination of these assumptions and estimates require significant judgment by the Directors and any changes could lead to material adjustments to the consolidated and separate Financial Statements. We therefore identified the measurement of biological assets as a key audit matter. Refer to Note 2 (h) for the accounting policy on biological assets; Note 3 (a) for the significant estimates used in determining the fair values of biological assets; and Note 6, for the disclosure on biological assets.	Our audit procedures to address the key audit matter included the following: We assessed the competence and independence of the management experts and discussed the scope of their work. We obtained a detailed understanding of the processes followed and the data used by management in making the assumptions. We assessed and identified the key controls involved in the valuation process and tested their design and implementation. We engaged our internal valuation specialists to assist with assessing the appropriateness of the methodology and significant judgements and assumptions used by Management and its experts. We obtained the valuation reports and discussed the details with Management and the management experts. The discussions involved the valuation process, valuation models, significant assumptions and judgements applied during the valuation. We performed an analysis of the significant assumptions made in the valuation models and assessed them for reasonableness. Our procedures included comparison with market information, sensitivity analysis, physical verification and retrospective review of the key assumptions and judgements. In addition, we tested a selection of data inputs used against Directors' financial and operational information and external sources, to assess the accuracy, reliability and completeness thereof. We evaluated the sufficiency and accuracy of the disclosures in the notes to the consolidated and separate Financial Statements for compliance with International Accounting Standard (IAS 40) and IFRS 13. We concluded that the assumptions and judgements used in the valuation were reasonable to support the amounts presented in the consolidated and separate Financial Statements. We also found the models used for the valuation of the biological assets to be appropriate. In addition, the disclosures in the consolidated and separate Financial Statements pertaining to the valuation and measurement of biological assets were found to be appropriate in compliance with IAS 40 and IFRS 13.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KAKUZI PLC (CONTINUED)**REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)****REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)****Other information**

The directors are responsible for the other information. The other information comprises the Company Information, Notice of the Annual General Meeting, Chairman's Statement, Corporate Social Investment and Sustainability Report, Report of the Directors, Statement of Directors' Responsibilities, Statement on Corporate Governance, Directors' Remuneration Report, five year record and Major shareholders and distribution schedule which we obtained prior to the date of this auditor's report and the Annual Report. The other information 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 we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015, as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above 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 on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015, and for such internal 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 the 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 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 judgement and maintain professional scepticism 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KAKUZI 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)

transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 safeguards applied.

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

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

Report of the Directors

In our opinion the information given in the report of directors' report on pages 18 to 19 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the directors' remuneration report on page 39 has been properly 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 Fredrick Okwiri, Practising certificate No. 1699**

Fredrick Okwiri

24 March 2025

For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Date of Appointment: 15 May 2017





10 Consolidated and Separate Financial Statements

For the year ended 31 December 2024

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Consolidated and Separate statement of profit or loss and other comprehensive income

Year ended 31 December			
	Notes	2024 Shs'000	2023 Shs'000
Sales	5	4,791,692	5,401,468
Gains arising from changes in fair value less costs to sell of non-current biological assets	6(i)	237,956	126,808
		5,029,648	5,528,276
Cost of sales		(4,137,314)	(3,555,368)
Gross profit		892,334	1,972,908
Other (loss)/ income	7	(173,369)	134,310
Selling and distribution costs		(957,878)	(1,497,963)
Operating (loss)/ profit		(238,913)	609,255
Interest income	8	72,444	54,760
Finance costs	8	(279)	(33)
(Loss)/profit before income tax	5	(166,748)	663,982
Income tax credit/(charge)	11(a)	35,054	(210,465)
(Loss)/profit for the year		(131,694)	453,517
Other comprehensive (loss)/income			
<i>Items that are not reclassified subsequently to profit or loss:</i>			
Remeasurement of post-employment benefit obligations			
Actuarial gain	16	1,887	3,020
Deferred tax charge to other comprehensive income	15	(565)	(906)
		1,322	2,114
Total comprehensive (loss)/income for the year		(130,372)	455,631
Earnings per share (Shs):			
Basic and diluted (loss)/earnings per ordinary share	12	(6.72)	23.14

The notes on pages 52 to 96 are an integral part of these consolidated and separate financial statements.

Consolidated statement of financial position

Year ended 31 December			
	Notes	2024 Shs'000	2023 Shs'000
EQUITY			
Share capital	13	98,000	98,000
Other reserves		36,251	34,929
Retained earnings		5,042,259	5,330,753
Proposed dividend	12(ii)	156,800	470,400
Total equity		5,333,310	5,934,082
Non current liabilities			
Deferred income tax	15	1,115,532	1,189,385
Post employment benefit obligations	16	151,744	109,502
Lease obligations	17	688	326
		1,267,964	1,299,213
Total equity and non current liabilities		6,601,274	7,233,295
Non current assets			
Property, plant and equipment	18	2,981,247	3,064,961
Biological assets	6(i)	1,118,962	935,224
Right of use assets	19	4,099	4,187
Non current receivables	23	53,434	50,763
		4,157,742	4,055,135
Current assets			
Biological assets – growing agricultural produce	6(ii)	539,272	800,486
Inventories	22	369,464	551,635
Receivables and prepayments	23	661,105	628,305
Current tax recoverable	11(d)	81,374	72,420
Financial assets held at amortised cost	21	–	100,000
Cash and cash equivalents	25	1,106,684	1,408,131
		2,757,899	3,560,977
Current liabilities			
Payables and accrued expenses	24	301,029	329,612
Lease obligations	17	55	201
Post employment benefit obligations	16	13,283	53,004
		314,367	382,817
Net current assets		2,443,532	3,178,160
		6,601,274	7,233,295

The notes on pages 52 to 96 are an integral part of these consolidated and separate financial statements.

The consolidated and separate financial statements on pages 46 to 96 were approved for issue by the Board of Directors on 24 March 2025 and signed on its behalf by:



K R SHAH
DIRECTOR



C J FLOWERS
DIRECTOR

Separate statement of financial position

		Year ended 31 December	
	Notes	2024 Shs'000	2023 Shs'000
EQUITY			
Share capital	13	98,000	98,000
Other reserves		36,251	34,929
Retained earnings		5,038,118	5,326,612
Proposed dividend	12(ii)	156,800	470,400
Total equity		5,329,169	5,929,941
Non current liabilities			
Deferred income tax	15	1,115,532	1,189,385
Post employment benefit obligations	16	151,744	109,502
Lease obligations	17	688	326
		1,267,964	1,299,213
Total equity and non current liabilities		6,597,133	7,229,154
Non current assets			
Property, plant and equipment	18	2,981,247	3,064,961
Biological assets	6(i)	1,118,962	935,224
Right of use assets	19	4,099	4,187
Investment in subsidiaries	20	4,295	4,295
Non current receivables	23	53,434	50,763
		4,162,037	4,059,430
Current assets			
Biological assets – growing agricultural produce	6(ii)	539,272	800,486
Inventories	22	369,464	551,635
Receivables and prepayments	23	661,105	628,305
Current tax recoverable	11(d)	81,321	72,367
Financial assets held at amortised cost	21	–	100,000
Cash and cash equivalents	25	1,106,684	1,408,131
		2,757,846	3,560,924
Current liabilities			
Payables and accrued expenses	24	309,412	337,995
Lease obligations	17	55	201
Post employment benefit obligations	16	13,283	53,004
		322,750	391,200
Net current assets		2,435,096	3,169,724
		6,597,133	7,229,154

The notes on pages 52 to 96 are an integral part of these consolidated and separate financial statements.

The consolidated and separate financial statements on pages 46 to 96 were approved for issue by the Board of Directors on 24 March 2025 and signed on its behalf by:



K R SHAH
DIRECTOR



C J FLOWERS
DIRECTOR

Consolidated statement of changes in equity

	Share capital	Other reserves	Retained earnings	Proposed dividend	Total equity
Year ended 31 December 2024	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	98,000	34,929	5,330,753	470,400	5,934,082
Total comprehensive income for the year:					
Loss for the year	-	-	(131,694)	-	(131,694)
Other comprehensive income	-	1,322	-	-	1,322
Total	-	1,322	(131,694)	-	(130,372)
Transactions with owners:					
Dividends:					
- Final paid for 2023	-	-	-	(470,400)	(470,400)
- Proposed for 2024	-	-	(156,800)	156,800	-
Total	-	-	(156,800)	156,800	-
At end of year	98,000	36,251	5,042,259	156,800	5,333,310

Year ended 31 December 2023	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	98,000	32,815	5,347,636	470,400	5,948,851
Total comprehensive income for the year:					
Loss for the year	-	-	453,517	-	453,517
Other comprehensive income	-	2,114	-	-	2,114
Total	-	2,114	453,517	-	455,631
Transactions with owners:					
Dividends:					
- Final paid for 2022	-	-	-	(470,400)	(470,400)
- Proposed for 2023	-	-	(470,400)	470,400	-
Total	-	-	(470,400)	-	(470,400)
At end of year	98,000	34,929	5,330,753	470,400	5,934,082

The notes on pages 52 to 96 are an integral part of these consolidated and separate financial statements.

Other reserves relate to remeasurement of post-employment benefit obligations arising from experience adjustments and changes in actuarial assumptions.

Separate statement of changes in equity

	Share capital	Other reserves	Retained earnings	Proposed dividend	Total equity
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024					
At start of year	98,000	34,929	5,326,612	470,400	5,929,941
Total comprehensive income for the year:					
Loss for the year	-	-	(131,694)	-	(131,694)
Other comprehensive income	-	1,322	-	-	1,322
Total	-	1,322	(131,694)	-	(130,372)
Transactions with owners:					
Dividends:					
- Final paid for 2023	-	-	-	(470,400)	(470,400)
- Proposed for 2024	-	-	(156,800)	156,800	-
Total	-	-	(156,800)	156,800	-
At end of year	98,000	36,251	5,038,118	156,800	5,329,169
Year ended 31 December 2023					
At start of year	98,000	32,815	5,343,495	470,400	5,944,710
Total comprehensive income for the year:					
Profit for the year	-	-	453,517	-	453,517
Other comprehensive loss	-	2,114	-	-	2,114
Total	-	2,114	453,517	-	455,631
Transactions with owners:					
Dividends:					
- Final paid for 2022	-	-	-	(470,400)	(470,400)
- Proposed for 2023	-	-	(470,400)	470,400	-
Total	-	-	(470,400)	-	(470,400)
At end of year	98,000	34,929	5,326,612	470,400	5,929,941

The notes on pages 52 to 96 are an integral part of these consolidated and separate financial statements.

Other reserves relate to remeasurement of post-employment benefit obligations arising from experience adjustments and changes in actuarial assumptions.

Consolidated and separate statement of cash flows

	Notes	Year ended 31 December 2024 Shs'000	2023 Shs'000
Operating activities			
(Loss)/profit before income tax	26	(166,748)	663,982
Adjustment for non-cash items	26	494,778	(118,640)
Changes in working capital	26	122,525	309,753
Cash generated from operations	26	450,555	855,095
Interest received	8	72,444	54,760
Income tax paid	11(d)	(48,318)	(260,563)
Net cash generated from operating activities		474,681	649,292
Investing activities			
Purchase of property, plant and equipment	18	(204,065)	(270,983)
Purchase and development of biological assets	6(i)	(40,171)	(25,747)
Proceeds from disposal of property, plant and equipment		5,480	2,568
Proceeds from maturing financial assets held at amortised cost	21	100,000	-
Net cash used in investing activities		(138,756)	(294,162)
Financing activities			
Dividend paid		(470,400)	(470,400)
Lease payments	17	(63)	-
Net cash used in financing activities		(470,463)	(470,400)
Net decrease in cash and cash equivalents		(134,538)	(115,270)
Movement in cash and cash equivalents			
At start of year		1,408,131	1,408,744
Net decrease in cash and cash equivalents		(134,538)	(115,270)
Effect of exchange rate differences on cash and cash equivalents	7	(166,909)	114,657
At end of year	25	1,106,684	1,408,131

The notes on pages 52 to 96 are an integral part of these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements

1. General information

Kakuzi Plc is incorporated in Kenya under the Kenyan Companies Act, 2015 as a public limited liability company, and is domiciled in Kenya. The address of its registered office is:

Main Office
Punda Milia Road, Makuyu
P O Box 24
01000 THIKA
Kenya

The Company's ordinary shares are listed on the Nairobi Securities Exchange and the London Stock Exchange.

For Kenyan Companies Act, 2015 reporting purposes, the balance sheet is represented by the statement of financial position and the profit or loss account by the statement

of profit or loss and other comprehensive income, in these consolidated and separate financial statements.

Reference to, "the Group," in the consolidated and separate financial statements covers the separate Company financial statements as well. The principal activities of the Group comprise:

- growing, packing and selling of avocados
- growing, cracking and selling of macadamia nuts
- the cultivation and sale of tea green leaf
- forestry development & sale of forestry products
- Livestock farming, animal feed and sale of beef
- Growing, packing and selling of blueberries

2. Material accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The consolidated and separate financial statements are presented in Kenya Shillings (Shs), rounded to the nearest thousand.

The preparation of the consolidated and separate financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated and separate financial statements, are disclosed in Note 3.

b) Adoption of new and revised IFRS Accounting Standards

i) Relevant new standards and amendments to published standards effective for the year ended 31 December 2024

Several new and revised standards and interpretations became effective during the year. The Directors have evaluated the impact of the new standards and interpretations and none of them had material impact on

the Group's financial statements.

The following revised IFRSs were effective in the current year and the nature and the impact of the relevant amendments are described below.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The group has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

b) Adoption of new and revised IFRS Accounting Standards (Continued)

i) *Relevant new standards and amendments to published standards effective for the year ended 31 December 2024 (Continued)*

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

The group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants

The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current — Deferral of Effective Date

The amendments defer the effective date of the amendments to IAS 1 titled Classification of Liabilities as Current or Non-current published in January 2020 (the 2020 amendments) by one year to annual reporting periods beginning on or after 1 January 2024.

Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

ii) *New and revised IFRS Accounting Standards in issue but not yet effective*

Impact of new and amended standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, the Group has not yet applied the following new and revised IFRS Standards that have been issued but are not yet effective.

Notes to the Consolidated and Separate Financial Statements (Continued)
2. Material accounting policies (Continued)
b) Adoption of new and revised IFRS Accounting Standards (Continued)
ii) New and revised IFRS Accounting Standards in issue but not yet effective
Impact of new and amended standards and interpretations in issue but not yet effective (Continued)

New and Amendments to standards	Effective for annual periods beginning on or after
Amendments to IAS 21 – Lack of Exchangeability	Annual periods beginning on or after 1 January 2025 with earlier application permitted
IFRS 18 – Presentation and Disclosures in Financial Statements	Annual periods beginning on or after 1 January 2027 with earlier application permitted
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	Annual periods beginning on or after 1 January 2027 with earlier adoption permitted
Amendments to IFRS 7 and IFRS 9 – amendments to classification and measurements of financial instruments	Annual periods beginning on or after 1 January 2026 with earlier adoption permitted
Annual Improvements to IFRS Accounting Standards	Annual periods beginning on or after 1 January 2026 with earlier adoption permitted

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

The IFRS interpretation committee has in July 2024 published the final agenda decision relating to IFRS 8 (Operating segments) which deals with disclosure of specified amounts related to segment profit or loss for each reportable segment. The Directors are in the process of evaluating the impact of this agenda decision on the group's segmental reporting.

Amendments to IAS 21– The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at

the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

b) Adoption of new and revised IFRS Accounting Standards (Continued)

ii) New and revised IFRS Accounting Standards in issue but not yet effective

Impact of new and amended standards and interpretations in issue but not yet effective (Continued)

Amendments to IAS 21– The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (Continued)

An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the group do not anticipate that the application of these amendments will have an impact on the group's consolidated financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the group anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- It is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion)

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the group do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group on the basis that the group has public accountability.

Amendments to IFRS 7 and IFRS 9 – amendments to classification and measurements of financial instruments

Classification of financial assets

Contractual terms that are consistent with a basic lending arrangement

The application guidance in IFRS 9 is amended to provide guidance on how an entity assesses whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

The IASB specifies that when assessing interest, an entity focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation an entity receives may indicate that the entity is being compensated for something other than basic lending risks and costs.

The amendments clarify that contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost (for example, the value of equity instruments or the price of a commodity) or if they represent a share of the debtor's revenue or profit, even if such contractual terms are common in the market in which the entity operates.

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

b) Adoption of new and revised IFRS Accounting Standards (Continued)

ii) New and revised IFRS Accounting Standards in issue but not yet effective

Impact of new and amended standards and interpretations in issue but not yet effective (Continued)

Amendments to IFRS 7 and IFRS 9 – amendments to classification and measurements of financial instruments (Continued)

In some cases, a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks or costs. For example, the terms of a loan may specify that the interest rate is adjusted by a specified amount if the debtor achieves a contractually specified reduction in carbon emissions. In such a case, the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature. In some circumstances, the entity may be able to make that determination by performing a qualitative assessment; but, in other circumstances, it may be necessary to perform a quantitative assessment. If it is clear, with little or no analysis, that the contractual cash flows are not significantly different, an entity need not perform a detailed assessment

Financial assets with non-recourse features

IFRS 9 is amended to enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets. In other words, the entity is primarily exposed to the specified assets' performance risk rather than the debtor's credit risk. For example, a creditor's ultimate right to receive cash flows may be contractually limited to the cash flows generated by specified assets of a structured entity. Contractually linked instruments. The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches.

The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments; some are instead lending arrangements that are structured to provide enhanced credit protection to a creditor (or group of creditors). For example, a structured entity may be set up to hold the underlying assets that will generate the cash flows to repay the creditor. The structured entity issues senior and junior debt instruments. The creditor holds the senior debt instrument and the entity sponsoring the structured entity that holds the junior debt instrument has no practical ability to sell the junior instrument without the senior debt instrument becoming payable. Under the amendments, the holders of such debt instruments apply the requirements for contractual

cash flows that are solely payments of principal and interest on the principal amount outstanding instead of the contractually linked instruments requirements.

The contractually linked instruments requirements in IFRS 9 apply only if the underlying pool includes one or more instruments that have contractual cash flows that are solely payments of principal and interest. The amendments clarify that this includes financial instruments that are not within the scope of the classification requirements, provided these instruments have contractual cash flows that are equivalent to solely payments of principal and interest on the principal amount outstanding—for example, some lease receivables. The amendments specify that this would not be the case for lease receivables that are subject to residual value risk, or that comprise variable lease payments that are indexed to a variable that is not a basic lending risk or cost (for example, a market rental rate).

Amendments to IFRS 7

Investments in equity instruments designated at FVTOCI

The disclosures requirements in IFRS 7 in respect of investments in equity instruments designated at FVTOCI are amended. In particular, an entity is required to disclose the fair value gain or loss presented in OCI during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period. If an entity derecognises investments in equity instruments measured at FVTOCI during the reporting period, it is now required, under the amendments, to disclose any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

Also, an entity is no longer required to disclose the reporting date fair value of each equity instruments designated at FVTOCI, this information can be provided by class of instruments.

Contractual terms that could change the timing or amount of contractual cash flows

The amendments introduce disclosure requirements for financial instruments that include contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs (such as the time value of money or credit risk). Disclosures include a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows as well as the gross carrying amount of financial assets and the amortised cost of financial liabilities subject to those contractual terms. The entity is required to make these disclosures by class of financial assets measured at amortised cost or FVTOCI and by class of financial liabilities measured at amortised cost.

The directors do not expect that the adoption of the IFRS 9 and IFRS 7 standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

b) Adoption of new and revised IFRS Accounting Standards (Continued)

ii) New and revised IFRS Accounting Standards in issue but not yet effective

Impact of new and amended standards and interpretations in issue but not yet effective (Continued)

Annual Improvements to IFRS Accounting Standards—Volume 11

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11.

The following is a table summarising the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:

IFRS 1 First-time Adoption of International Financial Reporting Standards	Hedge Accounting by a First-time Adopter Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IFRS 7 Financial Instruments: Disclosures	Gain or Loss on Derecognition The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Introduction The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Disclosure of Deferred Difference between Fair Value and Transaction Price Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Credit Risk Disclosures Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
IFRS 9 Financial Instruments	Transaction Price Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

b) Adoption of new and revised IFRS Accounting Standards (Continued)

ii) New and revised IFRS Accounting Standards in issue but not yet effective

Impact of new and amended standards and interpretations in issue but not yet effective (Continued)

IFRS 10 Consolidated Financial Statements	Determination of a 'De Facto Agent' Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IFRS 9 Financial Instruments	Lessee Derecognition of Lease Liabilities Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IAS 7 Statement of Cash Flows	Cost Method Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

iii. Early adoption of standards

The Group did not early-adopt any new or amended standards in the year ended 31 December 2024.

c) Consolidation of subsidiaries

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The

Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

c) Consolidation of subsidiaries (Continued) Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Directors as the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments and making strategic decisions.

e) Revenue recognition

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

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

For the sale of agricultural produce to the export market, revenue is recognised when control of the agricultural produce has been transferred to the final customer by selling agents. A receivable is recognised by the Group upon the agents confirming that the agricultural produce has been delivered to the final customer as this represents the point at which the right to consideration becomes unconditional.

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

Under the Group's standard contract terms, customers do not have a right to return due to the nature of the agricultural produce.

Payment with respect to revenue from agricultural produce is typically due upon acceptance of the products. Contracts with customers do not have a significant financing component and there are no variable considerations.

(f) Functional currency and translation of foreign currencies

i) Functional and presentation currency

Items included in the consolidated and separate financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Kenyan Shillings which is the consolidated and separate functional currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'interest income or finance costs'.

g) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at historical cost and subsequently stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. A bearer plant is defined as a plant that:

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

The cost of bearer plants includes, cost of seedlings, plants and maintaining the bushes until when they become commercially viable.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group or Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement within 'cost of production' during the financial period in which they are incurred.

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

g) Property, plant and equipment (Continued)

Bearer plants that are immature are classified as capital work in progress until the produce can be commercially harvested. At that point they are reclassified to bearer plants and depreciation commences. The periods which are considered immature are based on actual biological transformation. Immature plantations are measured at accumulated cost. The accumulated costs relate to cost of seedlings, planting & maintenance of the immature fields until the biological transformation is complete.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to write cost to their residual values over their estimated useful life as follows:

	Immature period	Estimated useful life
Buildings, dams and improvements		20 – 50 years
Plant and machinery		10 – 13 years
Motor vehicles, tractors, trailers & implements		4 – 10 years
Furniture, fittings and equipment		3 – 8 years
Bearer plants:		
– Avocado trees	4 years	25 years
– Macadamia trees	6 years	30 years
– Blueberries	1 year	5 years
– Tea bushes	4 years	50 years
Capital work in progress is not depreciated		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

(h) Biological assets

Biological assets comprise forestry, livestock and growing agricultural produce on tea, avocado, blueberries and macadamia plantations.

Biological assets are measured on initial recognition at cost and subsequently at fair value less costs to sell at each reporting date. Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair value less costs to sell are recognised in the profit or loss in the year in which they arise.

The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit.

The tea bushes, avocado and macadamia trees, and blueberries crops are bearer plants and are therefore presented and accounted for as property, plant and equipment (see note 2(g)). However, the produce growing on these trees is accounted for as biological assets until the point of harvest. Harvested produce is transferred to inventory at fair value less costs to sell.

Management has assessed the fair value of growing agricultural produce on avocado, macadamia, blueberries and tea plantations using estimated market prices less costs to sell based on the biological transformation of the produce at the reporting date.

The fair value of timber plantations and livestock is based on market prices as valued by external independent valuers.

Additions and replanting of timber plantations include the cost of planting and upkeep until they mature. Livestock includes the cost of purchases and additional livestock as a result of breeding.

Subsequently all costs of upkeep and maintenance of mature biological assets are recognised as an expense through profit or loss under cost of sales in the period in which they are incurred.

(i) Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

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

Lease payments included in the measurement of the lease liability comprises of fixed lease payments (including the substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

i) Leases (Continued)

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

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

The Group did not make any such adjustments during the periods presented.

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

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

The right-of-use assets are presented as a separate line in the statement of financial position.

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

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

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its buildings which comprise less than 1% of total buildings.

Leases for which the Group is a lessor are classified as operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

Agricultural produce at the point of harvest is measured at fair value less costs to sell. Any changes arising on initial recognition of agricultural produce at fair value less costs to sell are recognised in the statement of comprehensive income in the year in which they arise.

The cost of other inventory is determined by the weighted average method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

The cost of sales is the accumulated total of all costs used to create our products which have been sold. The various costs of sales fall into the general sub-categories of direct labor, direct materials, depreciation and overheads. The cost of sales does not include selling and distribution expenses.

Provisions for obsolete, damaged and unusable inventories are made based on inventory aged listings.

(k) Payables

Payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Payables are financial instruments as disclosed in note 2(n).

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Share capital

Ordinary shares are classified as equity.

(m) Cash and cash equivalents

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

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

(n) Financial instruments

Financial assets and financial liabilities are recognised on the consolidated and separate statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Treasury bonds

The treasury bonds held by the Group are classified at amortised cost when they meet the following criteria:

- the financial asset is held within 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 are solely payments of principal and interest on the principal amount outstanding.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established using an Expected Credit Losses ("ECL") model in line with the requirements of IFRS 9 as outlined in the next section below. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is charged to profit or loss.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive Income ("FVTOCI"), lease receivables and trade receivables. 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 Group always recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

ii) Definition of default

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

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

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past the due date unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

iii) Measurement and recognition of expected credit losses

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

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

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

(n) Financial instruments (Continued)

iii) Measurement and recognition of expected credit losses (Continued)

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

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

- i. interest income is recognised on a time proportion basis using the effective interest method.
- ii. Dividends are recognised as income in the period in which the right to receive payment is established.

(o) Employee benefits

i) Post employment benefits obligations

For unionised employees, the group has an unfunded obligation to pay terminal gratuities under its Collective Bargaining Agreements with the union. Employees who resign/retire after completing at least twelve years (Nandi Hills employees) or employees who retire/resign and have completed at least five years (Makuyu employees) of service are entitled to twenty days pay (Nandi Hills employees) or nineteen days (Makuyu employees) for each completed year of service respectively.

The liability recognised in the statement of financial position in respect of this defined benefit scheme is the present value of the defined benefit obligation at the reporting date. The obligation is estimated annually using the projected unit credit method by independent actuaries. The present value is determined by discounting the estimated future cash outflows using interest rates of government bonds. The currency and estimated term of these bonds is consistent with the currency and estimated term of the post-employment benefit obligation. The obligation relating to employees who have reached the minimum retirement age and completed the required years of service and are still in employment are classified as payable within the next twelve months.

Remeasurement of post employment benefit obligations arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The Group operates a defined contribution post-employment benefit scheme for management employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in

the current and prior periods.

The assets of the defined contribution post-employment benefit scheme are held in a separate trustee administered fund, which is funded by contributions from both the Group and the employees. The Group and all its employees also contribute to the statutory National Social Security Fund, which is a defined contribution scheme.

The Group's contributions to both these defined contribution schemes are charged to the statement of profit or loss within 'cost of production' in the year in which they fall due.

ii) Other entitlements

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

(p) Current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice. The Group considers each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of uncertainty. Due to the uncertainty associated with such tax items, there is a possibility that on conclusion of open tax matters at a future date, the final outcome may differ differently.

i) Current income tax

The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date. Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Notes to the Consolidated and Separate Financial Statements (Continued)

2. Material accounting policies (Continued)

(p) Current and deferred income tax (Continued)

ii. Deferred income tax (continued)

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when

there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(q) Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared (i.e. proposed dividend).

3 Critical accounting estimates, judgements and assumptions

In applying the accounting policies, which are described in note 2 above, the Directors are required to make judgements that have material impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and associated assumptions are continually evaluated and are based on historical experience and other factors, that are considered to be relevant. Actual results may differ from these estimates.

a) Critical accounting estimates and assumptions

i) Useful life of bearer plants

Critical judgement has been made in determining the useful life and maturity period of the bearer plants. The useful life of the bearer plant is based on experience and expected productivity of the plant and the expected replanting schedules.

ii) Fair values of biological assets

Critical assumptions are made by the Directors and the independent valuers in determining the fair values of biological assets. Changes in these assumptions and inputs are taken into account based on group's expectation of these values in future periods. The key assumptions relate to:

- the market prices of livestock of similar age, breed and genetic merit.
- recent market transaction prices, yields and voids for forestry plantations.

iii) Growing agricultural produce

Critical judgement has been made in determining the fair value of growing agricultural produce on bearer plants. Changes in these assumptions and inputs are taken into account based on group's expectation of these values in future periods. The key assumptions made in determination of fair value are:

- the biological transformation process of the growing agricultural produce.
- the market price.
- the actual costs to sell.
- foreign exchange rate.

iv) Post-employment benefits obligations

Critical assumptions are made by the actuary in determining the present value of the service gratuities to non-management employees. The carrying amount of the provision and the key assumptions made in estimating the provision are set out in Note 16.

v) Climate change

Climate change is especially pertinent to the Group as its primary activity is agriculture. The Group is experiencing the physical and transitional impacts of climate change, to varying degrees, and is aware that without intervention, this will only increase. As science progresses, the group's understanding of the impact of climate change will evolve and influence how the Group mitigates and adapts to these risks. The group continues in its efforts to work collaboratively and dynamically. In determining the assumptions and inputs into the valuation of biological assets, the group considers any impact of climate on the variables.

b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

i) Income taxes

Significant judgement is required in determining the Group's provision for 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 based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) Property, plant and equipment

Significant estimates are made by Directors in determining the useful lives and residual values to property, plant and equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances or prospective

Notes to the Consolidated and Separate Financial Statements (Continued)

3. Critical accounting estimates, judgements and assumptions (Continued)

(b) Key sources of estimation uncertainty (Continued)

ii. Property, plant and equipment (continued)

utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

c) Fair value estimation

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived

from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

4 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk, prices for its agricultural produce, foreign currency exchange rates and interest rates.

The Group's overall risk management programme focuses on the unpredictability of financial and agricultural markets and seeks to minimise potential adverse effects on its financial performance, but the Group does not hedge any risks.

Financial risk management is carried out by the Management under policies approved by the Board of Directors. These policies provide principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk.

The Group monitors closely the returns it achieves from its crops and considers replacing its biological assets when yields decline with age or markets change. Further financial risk arises from changes in market prices of key cost components. Such costs are closely monitored.

a) Market risk

i) Foreign exchange risk

The Group and Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities.

The sensitivity analysis below have been determined based on the exposure to exchange rates for financial assets and liabilities at the reporting date. A 5% increase or decrease is used when reporting exchange rate risk internally to key Management personnel and represents Management's assessment of the reasonably possible change in exchange rates.

At 31 December 2024, if the Shilling was weaker/stronger by 5% (2023: 5%) against the US dollar with all

other variables held constant, the Group and Company post tax (loss)/profit would have been Shs 14,035,000 (2023: Shs 36,529,000) higher/lower mainly as a result of US dollar deposits and trade receivables while the impact on equity would have been Shs 20,050,000 (2023: Shs 52,185,000) higher or lower.

At 31 December 2024 if the Shilling was weaker/stronger by 5% (2023: 5%) against the Euro with all other variables held constant, the Group and Company post tax (loss)/profit would have been Shs 2,864,000 higher/lower (2023: Shs 12,467,000) while the impact on equity would have been Shs 4,091,000 (2023: Shs 17,809,000) higher or lower.

At 31 December 2024 if the Shilling was weaker/stronger by 5% (2023: 5%) against the Sterling Pound with all other variables held constant, the Group and Company post (loss)/profit would have been Shs 164,000 higher/lower (2023: Shs 678,000) while the impact on equity would have been Shs 235,000 (2023: Shs 968,000) higher or lower.

At 31 December 2024 if the Shilling was weaker/stronger by 5% (2023: 5%) against the Australian Dollar with all other variables held constant, the Group and Company post tax (loss)/profit would have been Shs 72,000 lower/ higher (2023: Shs 107,000) while the impact on equity would have been Shs 102,000 (2023: Shs 152,000) higher or lower.

At 31 December 2024 if the Shilling was weaker/stronger by 5% (2023: 5%) against the South African Rand with all other variables held constant, the Group and Company post tax (loss)/profit would have been Shs 10,000 lower/ higher (2023: Shs 1,000) while the impact on equity would have been Shs 15,000 (2023: Shs 2,000) higher or lower.

Notes to the Consolidated and Separate Financial Statements (Continued)
4. Financial risk management objectives and policies (Continued)
(a) Market risk (Continued)
i. Foreign exchange risk (continued)

Below is a summary of the foreign-denominated financial assets and liabilities at their carrying amounts.

	USD	EUR	STG	AUD	ZAR	
Closing rate as at 31 Dec 2024 (to Kenya Shillings)	129.35	133.94	162.00	80.09	6.85	
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Total in Shs'000
Cash and bank balances	184,229	84,198	4,694	-	-	273,121
Trade and other receivables	257,666	-	-	-	-	257,666
Total financial assets	441,895	84,198	4,694	-	-	530,787
Trade and other payables	40,964	2,373	-	2,049	291	45,677
Total financial liabilities	40,964	2,373	-	2,049	291	45,677

	USD	EUR	STG	AUD	ZAR	
Closing rate as at 31 Dec 2023 (to Kenya Shillings)	157.00	173.43	200.14	107.13	8.59	
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Total in Shs'000
Cash and bank balances	934,669	385,252	1,583	-	-	1,321,504
Trade and other receivables	163,470	-	17,775	-	35	181,280
Total financial assets	1,098,139	385,252	19,358	-	35	1,502,784
Trade and other payables	54,442	29,063	-	3,046	-	86,551
Total financial liabilities	54,442	29,063	-	3,046	-	86,551

ii) Interest rate risk

The Group and Company has interest earning deposits that are held at fixed interest rates and are therefore not exposed to interest rate risk.

iii) Commodity price risk

Commodity price risk in the Group primarily arises from price fluctuations and the availability of avocado, tea, macadamia, blueberries, forestry and livestock. The Group has not entered into derivative transactions to limit these risks.

If the commodity prices had been 5% higher/(lower) as of December 2024, (loss)/profit after tax would have been Shs (167,709,000) (2023: Shs 189,059,000) higher/(lower) while the impact on equity would have been Shs 239,584,000 (2023: Shs 270,084,000) higher/lower.

b. Credit risk

Credit risk arises from deposits with banks, financial assets held at amortised cost as well as trade and other receivables.

The Group does not have any significant concentrations of credit risk. The Group and Company has policies in place to ensure that sales are made to customers with an appropriate credit history.

The amount that best represents the Group and Company's maximum exposure to credit risk at 31 December 2024 is the carrying value of the financial assets in the statement of financial position.

The Group holds collateral in form of vehicles log books registered in the name of staff and Group amounting to Shs 48,987,000 (2023: Shs 44,946,000) in respect of staff loans amounting to Shs 50,776,000 (2023: Shs 46,295,000) included in other receivables. The Group and Company does not grade the credit quality of receivables. All receivables that are neither past due or impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

The Group considers bank balances, financial assets measured at amortised cost and related party recoverables to have low credit risk and uses external credit ratings to check if there is increased risk on those assets.

Notes to the Consolidated and Separate Financial Statements (Continued)

4. Financial risk management objectives and policies (Continued)

(b) Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12 – month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit quality of the Group's financial assets, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

31/12/2024	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
					Shs'000	Shs'000	Shs'000
Trade receivables	23	N/A	Performing	Lifetime ECL (simplified approach)	206,690	(5,958)	200,732
Related companies	23	N/A	Performing	Lifetime ECL (simplified approach)	141,678	–	141,678
Staff debtors	23	N/A	Performing	Lifetime ECL (simplified approach)	65,218	(14,442)	50,776
Cash at bank		B	Performing	12-month ECL	1,106,684	–	1,106,684
Financial assets held at amortized cost	21	B2	N/A	12-month ECL	–	–	–
					1,520,270	(20,400)	1,499,870

					Shs'000	Shs'000	Shs'000
Trade receivables	23	N/A	Performing	Lifetime ECL (simplified approach)	159,273	(5,928)	153,345
Related companies	23	N/A	Performing	Lifetime ECL (simplified approach)	211,192	–	211,192
Staff debtors	23	N/A	Performing	Lifetime ECL (simplified approach)	57,665	(11,370)	46,295
Cash at bank		B	Performing	12-month ECL	1,408,005	–	1,408,005
Financial assets held at amortized cost	21	B2	N/A	12-month ECL	100,000	–	100,000
					1,936,135	(17,298)	1,918,837

Notes to the Consolidated and Separate Financial Statements (Continued)
4. Financial risk management objectives and policies (Continued)
c) Liquidity risk

The group's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The group does not hedge any risks.

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

The Directors monitor rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

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

Group	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Shs'000	Shs'000	Shs'000	Shs'000
At 31 December 2024:				
- Trade and other payables	301,029	-	-	-
- Lease liability	55	21	19	648
	301,084	21	19	648

At 31 December 2023:				
- Trade and other payables	329,612	-	-	-
- Post employment benefits	37,470	-	-	-
- Lease liability	201	21	19	286
	367,283	21	19	286

Group	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Shs'000	Shs'000	Shs'000	Shs'000
At 31 December 2024:				
- Trade and other payables	309,412	-	-	-
- Lease liability	55	21	19	648
	309,467	21	19	648

At 31 December 2023:				
- Trade and other payables	337,995	-	-	-
- Post employment benefits	37,470	-	-	-
- Lease liability	201	21	19	286
	375,666	21	19	286

d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may limit the amount of dividends paid to shareholders.

The Group ensures that funds are available for capital developments by capping the dividends payable. The dividends paid and proposed are shown in Note 12.

Notes to the Consolidated and Separate Financial Statements (Continued)

5. Segmental reporting – Group

The Executive Directors are the operating decision makers of the Group. They make decisions based on the review of the operating segments reports.

The Group operates in two geographical areas in Kenya, Makuyu and Nandi Hills, and under several operating segments. The principal operating segments currently consist of Avocados and Macadamia whose reported sales are greater than 10% of combined sales of all operating segments and Tea whose assets are more than 10% of combined assets of all operating segments. The business activities of forestry, livestock, arable and blueberries are included under one segment as they relate to agricultural operations and do not meet any set criteria for individual reportable segments. There is no single customer whose revenue amounts to 10% or more of the Group's revenue.

In monitoring the performance of each segment, the Executive Directors who are the operating decision makers of the segments focus on revenue and profit/(loss) which informs their decision making.

The Group derives all revenues from contracts with customers for the transfer of goods at a point in time.

Segment assets consist primarily of property, plant and equipment, biological assets, inventories, receivables and prepayments. Unallocated assets are cash, financial assets, property, plant and equipment, and inventories relating to Main Office and Engineering Stores. Segment liabilities consist primarily of payables and accrued expenses. Unallocated liabilities are taxes, payables, accrued expenses and non-current liabilities. The segment information for the reportable segments for the year ended 31 December 2024 and 31 December 2023 is as follows:

	2024		2023		2024		2023		2024		2023		2024		2023	
	Tea		Avocados		Macadamia		Forestry, Livestock, Arable & Blueberries		Consolidated		Consolidated		Consolidated		Consolidated	
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Sales																
Sales to external customers	373,032	408,763	2,567,884	3,935,401	1,255,059	621,606	595,717	435,698	4,791,692	4,791,692	5,401,468	5,401,468	5,401,468	5,401,468	5,401,468	5,401,468
Total sales	373,032	408,763	2,567,884	3,935,401	1,255,059	621,606	595,717	435,698	4,791,692	4,791,692	5,401,468	5,401,468	5,401,468	5,401,468	5,401,468	5,401,468
Comprising																
Major external customers sales	373,032	408,763	2,394,668	3,780,172	1,184,560	580,314	51,583	1,105	4,003,843	4,003,843	4,770,354	4,770,354	4,770,354	4,770,354	4,770,354	4,770,354
All other external customers sales	-	-	173,216	155,229	70,499	41,292	544,134	434,593	787,849	787,849	631,114	631,114	631,114	631,114	631,114	631,114
Geographical analysis																
UK & Continental Europe	-	-	2,332,991	3,738,771	455,941	-	-	-	2,788,932	2,788,932	3,738,771	3,738,771	3,738,771	3,738,771	3,738,771	3,738,771
Kenya	373,032	408,763	173,216	155,229	70,499	41,292	544,134	434,593	1,160,881	1,160,881	1,039,877	1,039,877	1,039,877	1,039,877	1,039,877	1,039,877
Others	-	-	61,677	41,401	728,619	580,314	51,583	1,105	841,879	841,879	622,820	622,820	622,820	622,820	622,820	622,820
	373,032	408,763	2,567,884	3,935,401	1,255,059	621,606	595,717	435,698	4,791,692	4,791,692	5,401,468	5,401,468	5,401,468	5,401,468	5,401,468	5,401,468

Notes to the Consolidated and Separate Financial Statements (Continued)

	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
	Tea		Avocados		Macadamia		Forestry, Livestock, Arable & Blueberries		Unallocated		Consolidated	
Profit/(loss)	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Gross profit/(loss) before depreciation and fair value changes in non-current biological assets and intersegmental purchases	25,309 (14,823)	78,957 (14,807)	1,333,791 (123,962)	2,938,458 (122,284)	248,587 (91,882)	(20,545) (93,979)	116,469 (30,865)	15,510 (25,678)	- (21,644)	- (19,143)	1,724,156 (283,176)	2,827,474 (275,891)
Depreciation charge	-	-	-	-	-	-	237,956	126,808	-	-	237,956	126,808
Changes in fair value of non-current biological assets	10,486	64,150	1,209,829	2,816,174	156,705	(299,430)	323,560	116,640	(21,644)	(19,143)	1,678,936	2,678,391
Gross profit/(loss) before unallocated operating expenditure	-	-	(848,805)	(1,442,915)	(88,098)	(54,585)	(20,975)	(463)	-	-	(957,878)	(1,497,963)
Selling and distribution costs	10,486	64,150	361,024	1,373,259	68,607	(354,015)	302,585	116,177	(21,644)	(19,143)	721,058	1,180,428
Segment profit/(loss)	4,577	6,975	-	-	-	-	-	-	(177,946)	127,335	(173,369)	134,310
Other(loss)/ income	-	-	-	-	-	-	-	-	72,444	54,760	72,444	54,760
Interest income	-	-	-	-	-	-	-	-	(279)	(33)	(279)	(33)
Finance costs	-	-	-	-	-	-	-	-	(786,602)	(705,483)	(786,602)	(705,483)
Unallocated operating expenditure	15,063 (3,167)	71,125 (22,544)	361,024 (75,896)	1,373,259 (435,283)	68,607 (14,423)	(354,015) 112,212	302,585 (63,611)	116,177 (36,824)	(914,027)	(542,564)	(166,748)	663,982 (210,465)
Profit/(loss) before income tax	11,896	48,581	285,128	937,976	54,184	(241,803)	238,974	79,353	(721,876)	(370,590)	(131,694)	453,517
Income tax (charge)/credit												
Profit/(loss) for the year												
Intersegmental sales	-	-	-	-	14,275	-	19,473	22,876	-	-	33,748	22,876
Assets (all located in Kenya)												
Segment assets	496,364	632,639	1,687,671	1,847,023	1,632,262	1,984,360	1,064,130	868,410	582,048	600,611	5,462,475	5,933,043
Unallocated assets											1,453,166	1,676,490
											6,915,641	7,616,112
Liabilities												
Segment liabilities	48,837	65,135	-	-	-	-	-	-	276,074	-	324,911	65,135
Unallocated liabilities											1,257,420	1,314,749
											1,582,331	1,682,030
Additions												
Property, plant and equipment	4,759	1,144	48,643	145,991	93,757	61,847	19,443	33,229	37,463	28,772	204,065	270,983
Biological assets	-	-	-	-	-	-	28,764	21,384	11,407	4,363	40,171	25,747
	4,759	1,144	48,643	145,991	93,757	61,847	48,207	54,613	48,870	33,135	244,236	296,730

Notes to the Consolidated and Separate Financial Statements (Continued)

5. Segmental reporting – Group (continued)

*Avocados

Smallholder and Outgrowers Hass Avocados

Included in the segment 'Avocados' information above is trading with smallholders and outgrowers as follows:

	2024	2023
Number of cartons exported	21,372	139,200
Number of cartons sold	<u>21,372</u>	<u>139,200</u>
	2024	2023
	Shs'000	Shs'000
Gross export sales	28,225	140,172
Selling and distribution costs	<u>(10,298)</u>	<u>(61,740)</u>
Net export sales	17,927	78,432
Local sales	3,002	11,916
Packing expenses	<u>(3,008)</u>	<u>(18,623)</u>
Net return	17,921	71,725
Paid to smallholders and outgrowers	(84%) <u>(15,035)</u>	(81%) <u>(58,359)</u>
Trading profit	2,886	13,366
Extension services expenses	<u>(2,762)</u>	<u>(2,502)</u>
Profit before income tax	<u><u>124</u></u>	<u><u>10,864</u></u>

The above information is non-IFRS Accounting Standard measure and has been computed as follows:

The profit before income tax on the trading with smallholders and outgrowers has been arrived at by deducting packaging expenses, payments to farmers for the purchase of the fruit, and extension services expenses from the net income earned from the export and local sales of this fruit.

During the year ended 31 December 2024, Shs 15,035,000 (2023: Shs 58,359,000) was paid out to smallholders and outgrowers from a net return of Shs 17,921,000 (2023: Shs 71,725,000), representing a 84% (2023: 81%) payout.

Notes to the Consolidated and Separate Financial Statements (Continued)
6. Biological assets – Group and Company
i) Non current assets

Changes in carrying amounts of non-current biological assets comprise:

	Livestock	Forestry plantation	Total
	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024			
At start of year	168,424	766,800	935,224
Increase due to purchases and development	9,347	30,824	40,171
Gains arising from changes in fair value less costs to sell due to physical change and price changes	77,892	160,064	237,956
Decrease due to harvest and sales	(47,601)	(46,788)	(94,389)
At end of year	208,062	910,900	1,118,962
	Livestock	Forestry plantation	Total
Year ended 31 December 2023			
At start of year	164,887	692,400	857,287
Increase due to purchases and development	3,013	22,734	25,747
Gains arising from changes in fair value less costs to sell due to physical change and price changes	49,714	77,094	126,808
Decrease due to harvest and sales	(49,190)	(25,428)	(74,618)
At end of year	168,424	766,800	935,224

Livestock is made up of cattle and goats. Forestry plantations are made up of bluegum and pine trees.

The value of bluegum and pine trees as at 31 December 2024 is Shs 808,800,000 and Shs 102,100,000 respectively (2023: Shs 711,200,000 and Shs 55,600,000) respectively.

There are no biological assets whose title is restricted or pledged as security for liabilities as at 31 December 2024 (2023: Nil).

There were no contracted commitments for development or acquisition of biological assets as at 31 December 2024 (2023: Nil).

Notes to the Consolidated and Separate Financial Statements (Continued)

6. Biological assets – Group and Company (Continued)

ii) Current assets

Growing agricultural produce on bearer plants as at the reporting date

	2024	2023
	Shs'000	Shs'000
Avocado – Hass	173,442	304,369
Avocado – Carmen	9,866	–
Avocado – Pinkerton	176,876	244,432
Total Avocado	360,184	548,801
Macadamia	176,978	246,697
Tea	2,110	4,988
At end of year	539,272	800,486

Biological assets are carried at fair value less costs to sell at the end of each reporting period.

Plantations comprise forestry. The fair value of forestry is determined by external independent valuers based on recent market prices, yield, hectareage, voids and maturity of the tree.

The fair value of livestock is determined by external independent valuers based on market prices of livestock of similar age, breed and genetic merit.

The fair value at each reporting date of growing agricultural produce is estimated using the market approach. The key assumptions made in the determination of the fair value are:

- climatic conditions will remain the same and hence productivity will be similar to prior years
- the biological transformation process of the growing agricultural produce will remain consistent to prior produce.
- the market price will remain constant based on estimated future market prices.
- the actual costs to sell will not change significantly from estimated costs.
- exchange rate will remain constant based on forecast exchange rate.

Notes to the Consolidated and Separate Financial Statements (Continued)
6. Biological assets – Group and Company (Continued)

The following table presents Group's biological assets that are measured at fair value:

	Valuation technique	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000	Total Shs'000
Year ended 31 December 2024					
Livestock	Market approach	-	208,062	-	208,062
Forestry	Market approach	-	-	910,900	910,900
Avocado	Market approach	-	-	360,184	360,184
Tea	Market approach	-	2,110	-	2,110
Macadamia	Market approach	-	-	176,978	176,978
		-	210,172	1,448,062	1,658,234

Year ended 31 December 2023					
Livestock	Market approach	-	168,424	-	168,424
Forestry	Market approach	-	-	766,800*	766,800
Avocado	Market approach	-	-	548,801	548,801
Tea	Market approach	-	4,988	-	4,988
Macadamia	Market approach	-	-	246,697	246,697
		-	173,412	1,562,298	1,735,710

*The directors have reclassified the fair value hierarchy of forestry from Level 2 as previously classified to level 3 on the basis that the fair value measurement uses significant unobservable inputs particularly relating to yield estimation

The following unobservable inputs at the respective year ends were used to measure the Group's Hass avocado growing agricultural produce classified as level 3 of fair value hierarchy

Year ended 31 December 2024

Description	Fair value at 31 December Shs'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Avocado Produce	173,442	Market approach	Yield – Kgs per Hectare	16,026 – 16,870	The higher the yield, the higher the value
			Net price per carton	€4.31	The higher the market price, the higher the fair value
			Stage of growth	15%	The higher the stage of growth, the higher the fair value
			Exchange rate	Shs133.94 for 1 Euro	The higher the exchange rate, the higher the fair value

Year ended 31 December 2023

Description	Fair value at 31 December Shs'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Avocado Produce	304,369	Market approach	Yield – Kgs per Hectare	18,880 – 19,880	The higher the yield, the higher the value
			Net price per carton	€4.91	The higher the market price, the higher the fair value
			Stage of growth	15%	The higher the stage of growth, the higher the fair value
			Exchange rate	Shs173.43	The higher the exchange rate, the higher the fair value

Notes to the Consolidated and Separate Financial Statements (Continued)

6. Biological assets – Group and Company (Continued)

The following unobservable inputs at the respective year ends were used to measure the Group's Pinkerton avocado growing agricultural produce classified as level 3 of fair value hierarchy.

Year ended 31 December 2024

Description	Fair value at 31 December Shs'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Avocado Produce	176,876	Market approach	Yield – Kgs per Hectare	16,609 – 17,483	The higher the yield, the higher the value
			Net price per carton	€4.35	The higher the market price, the higher the fair value
			Stage of growth	85%	The higher the stage of growth, the higher the fair value
			Exchange rate	Shs133.94 for 1 Euro	The higher the exchange rate, the higher the fair value

Year ended 31 December 2023

Description	Fair value at 31 December Shs'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Avocado Produce	244,432	Market approach	Yield – Kgs per Hectare	17,510 – 18,430	The higher the yield, the higher the value
			Net price per carton	€4.20	The higher the market price, the higher the fair value
			Stage of growth	85%	The higher the stage of growth, the higher the fair value
			Exchange rate	Shs173.43	The higher the exchange rate, the higher the fair value

The following unobservable inputs at the respective year ends were used to measure the Group's Carmen avocado growing agricultural produce classified as level 3 of fair value hierarchy

Year ended 31 December 2024

Description	Fair value at 31 December Shs'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Avocado Produce	9,866	Market approach	Yield – Kgs per Hectare	15,686 – 16,512	The higher the yield, the higher the value
			Net price per carton	€4.35	The higher the market price, the higher the fair value
			Stage of growth	15%	The higher the stage of growth, the higher the fair value
			Exchange rate	Shs133.94 for 1 Euro	The higher the exchange rate, the higher the fair value

Notes to the Consolidated and Separate Financial Statements (Continued)
6. Biological assets – Group and Company (Continued)

The following unobservable inputs at the respective year ends were used to measure the Group's Carmen avocado growing agricultural produce classified as level 3 of fair value hierarchy (Continued)

Year ended 31 December 2023

Description	Fair value at 31 December Shs'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Avocado Produce	–	Market approach	Yield – Kgs per Hectare	–	The higher the yield, the higher the value
			Net price per carton	–	The higher the market price, the higher the fair value
			Stage of growth	–	The higher the stage of growth, the higher the fair value
			Exchange rate	–	The higher the exchange rate, the higher the fair value

The following unobservable inputs at the respective year ends were used to measure the Macadamia growing agricultural produce classified as level 3 of fair value hierarchy

Year ended 31 December 2024

Description	Fair value at 31 December Shs'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Macadamia Produce	176,978	Market approach	Yield – Kgs per Hectare	902 – 950	The higher the yield, the higher the value
			Net price per kg of Saleable Kernel	USD 9.37	The higher the market price, the higher the fair value
			Stage of growth – Early season crop	56%	The higher the stage of growth, the higher the fair value
			Stage of growth – Late season crop	0%	The higher the stage of growth, the higher the fair value
			Exchange rate	Shs 129.35 for 1 USD	The higher the exchange rate, the higher the fair value

Notes to the Consolidated and Separate Financial Statements (Continued)

6. Biological assets – Group and Company (Continued)

The following unobservable inputs at the respective year ends were used to measure the Macadamia growing agricultural produce classified as level 3 of fair value hierarchy (Continued)

Year ended 31 December 2023

Description	Fair value at 31 December Shs'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Macadamia Produce	246,697	Market approach	Yield – Kgs per Hectare	770 – 810	The higher the yield, the higher the value
			Net price per kg of Saleable Kernel	USD 8.25	The higher the market price, the higher the fair value
			Stage of growth – Early season crop	56%	The higher the stage of growth, the higher the fair value
			Stage of growth – Late season crop	0%	The higher the stage of growth, the higher the fair value
			Exchange rate	Shs 157.00	The higher the exchange rate, the higher the fair value

Changes in carrying amounts of growing agricultural produce as at reporting date comprise:

	Group & Company				
	Avocado Shs'000	Macadamia Shs'000	Tea Shs'000	Blueberries Shs'000	Total Shs'000
Year ended 31 December 2024					
At start of year	548,802	246,696	4,988	–	800,486
Increase due to purchases and development	748,116	409,449	177,319	35,199	1,370,083
Decrease due to harvest and sales	(748,116)	(409,449)	(177,319)	(35,199)	(1,370,083)
Gains/(losses) arising from changes in fair value less estimated point-of-sale costs	(188,618)	(69,718)	(2,878)	–	(261,214)
At end of year	360,184	176,978	2,110	–	539,272
Year ended 31 December 2023					
At start of year	348,483	262,503	3,117	–	614,103
Increase due to purchases and development	706,719	416,563	167,750	32,105	1,323,137
Decrease due to harvest and sales	(706,719)	(416,563)	(167,750)	(32,105)	(1,323,137)
Gains/(losses) arising from changes in fair value less estimated point-of-sale costs	200,318	(15,806)	1,871	–	186,383
At end of year	548,801	246,697	4,988	–	800,486

Gains/ (losses) arising from changes in fair value less estimated point-of-sale costs of growing agricultural produce have been recognised in the statement of profit or loss as part of cost of sales.

	2024	2023
	Hectares	Hectares
Areas planted at the year end:		
Forestry plantations	1,912	1,856
	Head	Head
Livestock (cattle and goats) numbers at the year end	4,290	4,506

Notes to the Consolidated and Separate Financial Statements (Continued)
6. Biological assets – Group and Company (Continued)

	2024 Hectares	2023 Hectares	2024 Metric tonnes	2023 Metric tonnes
Areas planted with various crops and output of agricultural produce during the year:				
Tea (green leaf)	510	510	8,926	8,012
Avocado	1,057	1,056	12,537	14,153
Blueberries	10	10	53	12
Macadamia	1,410	1,242	2,435	2,007
			Cubic metres	Cubic metres
Timber harvested during the year was:			36,555	26,734

Sensitivity Analysis

Agricultural produce of tea bushes is the harvested green leaf which is processed soon after harvest in a factory to make tea. Timber is included under inventory.

Non-current: – Forestry – a 5% increase or decrease in the market price for trees or yield (cubic meter per hectare) assumed would result in a Shs 45,545,000 (2023: Shs 38,340,000) increase or decrease in the fair value of forestry.

Non-current: – Livestock – a 5% increase or decrease in the market price or number of livestock assumed would result in a Shs 10,403,000 (2023: Shs 8,421,000) increase or decrease in the fair value of livestock.

Current: – Macadamia – a 5% increase or decrease in the yield (kilograms per hectare) or the price assumed would result in a Shs 9,566,000 (2023: Shs 21,578,000) or Shs 9,622,000 (2023: Shs 12,958,000) increase or decrease in the fair value of macadamia growing crop respectively.

Hass Avocados – a 5% increase or decrease in the yield (kilograms per hectare) or the price assumed would result in a Shs 10,767,000 (2023: Shs 17,637,000) or Shs 10,772,000 (2023: Shs 17,490,000) increase or decrease respectively in the fair value of growing crop.

Pinkerton Avocados – a 5% increase or decrease in the yield (kilograms per hectare) or the price assumed would result in a Shs 10,865,000 (2023: Shs 14,476,000) or Shs 10,868,000 (2023: Shs 14,357,000) increase or decrease respectively in the fair value of growing crop.

Carmen Avocados – a 5% increase or decrease in the yield (kilograms per hectare) or the price assumed would result in a Shs 604,000 (2023: Shs Nil) or Shs 604,000 (2023: Shs Nil) increase or decrease respectively in the fair value of growing crop.

Agricultural Risks

Agricultural activity is often exposed to climatic, disease and other natural risks. During the year a part from heavy rainfall which affected production of avocado and consequently sales, no other event occurred that gave rise to a material item of income or expense (2023 – Nil). The Group has mitigated the risk of droughts by having dams that are used for irrigation during the dry season. In addition, new forestry plants are planted with significant spacing to allow for the plantation to hold on water for longer periods.

	2024 Shs'000	2023 Shs'000
Fair value of the agricultural produce harvested during the year after deducting costs to sell:		
Tea (green leaf)	373,032	408,763
Avocado	1,698,092	2,401,472
Blueberries	44,658	8,814
Macadamia	1,166,960	567,021
Livestock	110,549	91,798
Forestry	371,240	317,431
	3,764,531	3,795,299

Notes to the Consolidated and Separate Financial Statements (Continued)

7. Other (loss)/income – Group and Company

Net foreign exchange (losses)/gains other than cash and cash equivalents
Net exchange (losses)/ gains on foreign currency cash and cash equivalents
Net profit/(loss) on disposal of property, plant and equipment
Rental income
Sundry

2024	2023
Shs'000	Shs'000
(30,212)	3,577
(166,909)	114,657
877	(13,377)
6,965	5,683
15,910	23,770
(173,369)	134,310

8. Interest income and finance costs – Group and Company

Interest income

Interest income on short term bank deposits
Interest income on infrastructure bonds

2024	2023
Shs'000	Shs'000
59,944	42,260
12,500	12,500
72,444	54,760

Finance costs

Interest on lease liabilities (Note 17)

(279)	(33)
(279)	(33)
72,165	54,727

Net interest income and finance costs

Notes to the Consolidated and Separate Financial Statements (Continued)
9. Expenses by nature – Group and Company

The following items have been charged/ (credited) in arriving at profit before income tax:-

	2024	2023
	Shs'000	Shs'000
Cost of inventories sold	3,270,758	2,824,432
Employee benefits expense (Note 10)	1,092,188	1,179,554
Depreciation on property, plant and equipment (Note 18)	283,176	275,891
Repairs and maintenance expenditure on property, plant and equipment	267,136	249,217
Non-Executive Directors' remuneration (Note 27(iv))	29,215	27,694
Key Management compensation (Note 27(iii))	139,294	125,270
Auditor's remuneration	8,308	7,874
Depreciation of right of use assets (Note 19)	88	49
Expected credit loss allowance (Note 23)	30	-
Gain/(loss) on disposal of property plant and equipment (Note 7)	877	(13,377)
Gains arising from changes in fair value less costs to sell of non-current biological assets (Note 6 (i))	237,956	126,808
Gains/(loss) arising from changes in fair value less costs to sell of current biological assets (Note 6)	261,214	(186,383)

10. Employee benefits expense – Group and Company

The following items are included within employee benefits expense:

	2024	2023
	Shs'000	Shs'000
Salaries, wages, leave pay and medical	1,049,445	1,096,650
Post employment benefits costs:		
– Post employment benefit obligations (Note 16)	21,314	34,007
– Defined contribution pension scheme	2,672	8,554
– National Social Security Fund	18,757	40,343
	1,092,188	1,179,554

The average number of employees during the year was as follows:

	2024	2023
	Shs'000	Shs'000
Management	78	79
Permanent unionisable employees	687	724
Other unionisable employees	2,997	2,723
	3,762	3,526

Notes to the Consolidated and Separate Financial Statements (Continued)

11. Income tax – Group and Company

a) Taxation (credit)/charge

The following items are included within employee benefits expense:

	2024	2023
	Shs'000	Shs'000
<i>Current tax</i>		
Current tax on profit for the year	39,364	119,459
<i>Deferred income tax</i>		
Deferred income tax (credit)/charge for the year	(74,418)	91,006
Prior year under provision	-	-
Total deferred income tax (credit)/charge (Note 15)	(74,418)	91,006
Income tax (credit)/charge	(35,054)	210,465

b) Reconciliation of tax based on accounting profit to tax (credit)/charge

The tax on the Group's and Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2024	2023
	Shs'000	Shs'000
(Loss)/profit before income tax	(166,748)	663,982
Tax calculated at the statutory income tax rate of 30% (2023: 30%)	(50,024)	199,195
Tax effect of:		
Income not subject to income tax	(3,860)	(3,826)
Expenses not deductible for income tax purposes	18,830	15,096
Taxation (credit)/charge	(35,054)	210,465

c) Group and Company tax charge relating to components of other comprehensive income

	2024	2023
Remeasurement of post-employment benefit obligations:		
Actuarial gain (Note 16)	1,887	3,020
Charge to other comprehensive income (Note 15)	(565)	(906)
Net credit to other comprehensive income	1,322	2,114

Notes to the Consolidated and Separate Financial Statements (Continued)
11. Income tax – Group and Company (Continued)
d) Current tax (recoverable)/payable

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	(72,420)	68,684	(72,367)	68,737
Taxation charge (Note 11 (a))	39,364	119,459	39,364	119,459
Paid during the year	(48,318)	(260,563)	(48,318)	(260,563)
At end of year	(81,374)	(72,420)	(81,321)	(72,367)

12. Earnings and dividends – Group
i) Basic and diluted earnings per ordinary share

Basic earnings per ordinary share is calculated on the profit attributable to the members of Kakuzi Plc and on the 19,599,999 ordinary shares in issue at 31 December 2024 and 31 December 2023 as follows

	2024	2023
(Loss)/profit attributable to equity holders of the Group (Shs '000)	(131,694)	453,517
Number of ordinary shares in issue (thousands)	19,600	19,600
Basic and diluted earnings per ordinary share (Shs)	(6.72)	23.14

The Group had no potentially dilutive ordinary shares outstanding at 31 December 2024 and 31 December 2023.

ii) Dividends per ordinary share

At the annual general meeting to be held on 14 May 2025, the Directors will recommend the payment of a first and final dividend of 160% (2023: 480%) of par value equivalent to Shs 8.00 per ordinary share (Shs 156,800,000) in respect of the year ended 31 December 2024 (2023: Shs 24.00 per ordinary share) (Shs 470,400,000)).

13. Share capital
Authorised

At 1 January 2023, 31 December 2023 and 31 December 2024

Issued

At 1 January 2023, 31 December 2023 and 31 December 2024

The par value of the shares is Shs 5.

Number of ordinary shares (Thousands)	Ordinary share capital Shs '000
20,000	100,000
19,600	98,000

14. Borrowing facilities – Group and Company

The Group has the following undrawn committed borrowing facilities:

Floating rate (expiring within one year)

2024	2023
Shs'000	Shs'000
200,000	426,300

The facilities are subject to annual review during the year 2025.

The undrawn bank facilities of Shs 200,000,000 are secured by an undertaking, at any time if and when required by the banks, to execute legal or other mortgages and charges including fixed or floating charges or assigned in favour of the banks.

Notes to the Consolidated and Separate Financial Statements

15. Deferred income tax – Group and Company

Deferred income tax is calculated using the enacted tax rate of 30% (2023: 30%). The net deferred taxation liability is attributable to the following items:

	2024	2023
	Shs'000	Shs'000
Property, plant and equipment	758,808	751,394
Biological assets	435,052	470,186
Unrealised exchange gains	921	32,195
Other temporary differences*	(79,249)	(64,390)
Net deferred income tax liability	1,115,532	1,189,385

*Other temporary differences include gratuity provision, provision for bad and doubtful debts, provision for leave, accrued leave, legal & professional fees – general provision, Vehicle Loan Scheme (VLS) Provision, earth moving equipment provision, RoU asset and lease liability.

The movement on the deferred income tax account is as follows:

	2024	2023
	Shs'000	Shs'000
At start of year	1,189,385	1,097,473
(Credit)/charge to profit or loss (Note 11(a))	(74,418)	91,006
Charge to other comprehensive income (Note 11(c))	565	906
At end of year	1,115,532	1,189,385

The make up of the deferred tax liability shown on the statement of financial position is made up of the following deferred tax assets and liabilities.

	2024	2023
	Shs'000	Shs'000
Deferred income tax assets	(80,478)	(72,413)
Deferred income tax liabilities	1,196,010	1,261,798
	1,115,532	1,189,385

16. Post employment benefit obligations – Group and Company

The amounts recognised in the statement of financial position are determined as follows:

	2024	2023
	Shs'000	Shs'000
Present value of post employment benefit obligations	165,027	162,506
Split as follows:		
Non-current portion	151,744	109,502
Current portion	13,283	53,004

Notes to the Consolidated and Separate Financial Statements (Continued)
16. Post employment benefit obligations – Group and Company (Continued)

The movement in present value of the post employment benefit obligations is as follows:

	2024	2023
	Shs'000	Shs'000
At start of year	162,506	137,094
Net expense recognised in statement of profit or loss and other comprehensive income	11,579	30,987
Benefits paid	(9,058)	(5,575)
At end of year	165,027	162,506

The amounts recognised in the statement of profit or loss within 'cost of sales' for the year are as follows:

	2024	2023
	Shs'000	Shs'000
Current service cost	(7,256)	17,738
Past service cost	(1,253)	69
Interest on obligation	21,975	16,200
Total included in employee benefits expenses (Note 10)	13,466	34,007
Actuarial gain recognised in other comprehensive income (Note 11(c))	(1,887)	3,020

The amounts recognised in the statement of financial position represent the present value of unfunded obligations and are determined as follows:

	31 December 2024			31 December 2023		
	Gratuity (Makuyu)	Gratuity (Nandi Hills)	Total	Gratuity (Makuyu)	Gratuity (Nandi Hills)	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	125,036	37,470	162,506	111,108	25,986	137,094
Current service cost	5,351	(12,607)	(7,256)	5,274	12,464	17,738
Past service cost	-	(1,253)	(1,253)	69	-	69
Interest expense	19,885	2,090	21,975	16,200	-	16,200
	25,236	(11,770)	13,466	21,543	12,464	34,007
Remeasurements:						
(Losses)/gains from change in assumptions	(3,664)	1,777	(1,887)	(3,144)	-	(3,144)
Experience losses/(gains)	-	-	-	124	-	124
	(3,664)	1,777	(1,887)	(3,020)	-	(3,020)
Benefits paid	(7,465)	(1,593)	(9,058)	(4,595)	(980)	(5,575)
At end of year	139,143	25,884	165,027	125,036	37,470	162,506

Notes to the Consolidated and Separate Financial Statements (Continued)

16. Post employment benefit obligations – Group and Company (Continued)

The principal actuarial assumptions used are as follows:

	Gratuity (Makuyu)		Gratuity (Nandi Hills)	
	2024	2023	2024	2023
Discount rate (% p.a.)	13.6%	15.7%	13.6%	N/A
Future salary increases (% p.a.)				
first year	8.0%	8.0%	8.0%	N/A
second year	8.0%	8.0%	8.0%	N/A
Thereafter	8.0%	8.0%	8.0%	N/A

Mortality (pre-retirement)	A 1949 – 1952	A 1949 – 1952	A 1949 – 1952	A 1949 – 1952
Withdrawals	At rates consistent with similar arrangements	At rates consistent with similar arrangements	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Ill-Health	At rates consistent with similar arrangements	At rates consistent with similar arrangements	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Retirement age	55 years	55 years	55 years	55 years

The sensitivity of the defined obligation to changes in the weighted principal assumptions is:

Impact on post employment benefit obligation		
Changes in assumption	Increase/Decrease in assumption	
Discount rate	by 1%	Shs 4,643,000
Salary growth rate	by 1%	Not material

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the post employment benefit obligation to significant actuarial assumptions the same method (present value of the post employment benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

	2024	2023
	Shs'000	Shs'000
Present value of post employment benefit obligations – Group and Company	165,027	162,506
Net charge/(income) recognised in the statement of profit or loss and other comprehensive income – Group and Company		
– within 'cost of sales'	13,466	34,007
– within 'other comprehensive (income)/loss'	(1,887)	(3,020)

Characteristics and Risks of the post-employment benefit obligation:

The post-employment benefit obligation is an unfunded obligation to pay terminal gratuities under its Collective Bargaining Agreements with the union. Therefore, one of the main risks relating to the benefits under the Scheme is the rate of salary growth. As the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid and the present value of the benefit obligation under the scheme. The Company's experience with respect to pre-retirement exit experience, actual ages of retirement and mortality will also impact the benefits payable under the Scheme, when compared with the assumption made.

Notes to the Consolidated and Separate Financial Statements (Continued)
17. Lease obligations – Group and Company

	2024	2023
	Shs'000	Shs'000
The movement in the lease liabilities is as follows:		
Balance at 1 January	527	494
Interest on lease liabilities (Note 8)	279	33
Lease payments	(63)	-
At 31 December	743	527
Amounts due for settlement within 12 months	55	201
Amounts due for settlement after 12 months	688	326
	743	527
Year 1	55	201
Year 2	21	21
Year 3	19	19
Year 4	18	18
Year 5	16	16
Onwards	614	252
	743	527

The lease liabilities were discounted on initial recognition using the incremental borrowing rates of 8%. In the current year, there were no remeasurements of the lease liabilities and the incremental borrowing rates (IBR) at initial recognition was still deemed appropriate.

The cash outflow for leases for the year ended 31 December 2024 was Shs 63,000 (2023 Shs Nil).

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function. All lease obligations are denominated in Kenya Shillings.

Notes to the Consolidated and Separate Financial Statements (Continued)

18. Property, plant and equipment

Group and Company	Bearer plants	Buildings, dams and improvements	Plant & machinery	Motor vehicles, tractors, trailers and implements	Furniture, fittings and equipment	Capital work in progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024							
Cost							
At start of year	1,858,103	2,247,252	464,410	419,435	184,856	217,303	5,391,359
Transfers	65,910	44,756	1,717	-	1,716	(114,099)	-
Additions	-	83,473	10,836	5,347	23,288	81,121	204,065
Disposals	-	(5,372)	(31,328)	(8,254)	(1,066)	-	(46,020)
At end of year	1,924,013	2,370,109	445,635	416,528	208,794	184,325	5,549,404
Depreciation and impairment							
At start of year	602,269	898,605	399,816	298,499	127,209	-	2,326,398
Charge for the year	91,187	99,888	53,441	25,355	13,305	-	283,176
Eliminated on disposals	-	(5,085)	(30,873)	(4,400)	(1,059)	-	(41,417)
At end of year	693,456	993,408	422,384	319,454	139,455	-	2,568,157
Net book amount	1,230,557	1,376,701	23,251	97,074	69,339	184,325	2,981,247
Depreciation and impairment at year end comprises:							
Depreciation	693,456	993,408	422,384	319,454	139,455	-	2,568,157
Impairment	-	-	-	-	-	-	-
	693,456	993,408	422,384	319,454	139,455	-	2,568,157

Property, plant and equipment stated at cost of Shs 721,272,499 (2023: 619,824,047) have been fully depreciated as at 31 December 2024. There were no items of property, plant and equipment whose title were restricted or pledged as security for liabilities as at 31 December 2024 (2023: none).

Based on an impairment review performed by the Directors at 31 December 2024, no indication of impairment of property, plant and equipment were identified (2023: none).

Capital work-in-progress largely relates to self-constructed assets that had not been brought into use as at year end and bearer plants that have not yet matured.

Notes to the Consolidated and Separate Financial Statements (Continued)
18. Property, plant and equipment (Continued)

Group and Company	Bearer plants	Buildings, dams and improvements	Plant & machinery	Motor vehicles, tractors, trailers and implements	Furniture, fittings and equipment	Capital work in progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2023							
Cost							
At start of year	1,777,737	2,125,935	435,936	409,814	173,199	251,843	5,174,464
Transfers	101,863	10,771	17,863	-	240	(130,737)	-
Additions	-	127,152	12,818	20,919	13,897	96,197	270,983
Disposals	(21,497)	(16,606)	(2,207)	(11,298)	(2,480)	-	(54,088)
At end of year	1,858,103	2,247,252	464,410	419,435	184,856	217,303	5,391,359
Depreciation and impairment							
At start of year	526,005	816,368	346,688	279,495	120,094	-	2,088,650
Charge for the year	85,617	95,522	54,868	30,302	9,582	-	275,891
Eliminated on disposals	(9,353)	(13,285)	(1,740)	(11,298)	(2,467)	-	(38,143)
At end of year	602,269	898,605	399,816	298,499	127,209	-	2,326,398
Net book amount	1,255,834	1,348,647	64,594	120,936	57,647	217,303	3,064,961
Depreciation and impairment at year end comprises:							
Depreciation	602,269	898,605	399,816	298,499	127,209	-	2,326,398
Impairment	-	-	-	-	-	-	-
	602,269	898,605	399,816	298,499	127,209	-	2,326,398

Notes to the Consolidated and Separate Financial Statements (Continued)

19. Right of use assets – Group and Company

The Group has leased land for its use. Information about the leases in which the Group is a lessee is presented below:

	2024	2023
	Shs'000	Shs'000
Cost		
At 1 January and at 31 December	4,791	4,791
Accumulated depreciation		
At 1 January	604	555
Charge for the year	88	49
At 31 December	692	604
At 31 December	4,099	4,187
Amounts recognised in profit and loss		
Depreciation expense of right of use assets	88	49
Interest expenses on lease liabilities (Note 17)	279	33
	367	82

The Group is not committed to any arrangements that are short term as at year end.

All of the land leases in which the Group is the lessee contain only fixed payments.

There are no restrictions or covenants imposed by lessors and the Group did not enter into any sale and leaseback transactions during the year (2023: Nil).

20. Investment in subsidiaries – Company only

The subsidiary companies, Estates Services Limited and Kaguru EPZ Limited, are incorporated in Kenya, have the same year end, are wholly owned and dormant with no transactions during the year.

	Kaguru EPZ Limited	Estates Services Limited	Total
	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024			
At start of year	1,670	2,625	4,295
At end of year	1,670	2,625	4,295
Year ended 31 December 2023			
At start of year	1,670	2,625	4,295
At end of year	1,670	2,625	4,295

There were no restrictions on the Group's ability to access or use assets of the subsidiaries to settle the Group's liabilities at 31 December 2024 and 31 December 2023.

Notes to the Consolidated and Separate Financial Statements (Continued)
21. Financial assets held at amortised cost – Group and Company

Financial assets held at amortised cost were redeemed during the year.

	Maturity rate	Maturity date	2024	2023
	Average Interest Rate		Shs'000	Shs'000
Treasury Infrastructure Bonds	12.50%	18-Nov-24	–	100,000

The movement in financial assets held to maturity is as follows:

	2024	2023
	Shs'000	Shs'000
At start of year	100,000	100,000
Redeemed in the year	(100,000)	–
At end of year	–	100,000
Non current portion	–	–
Current portion	–	100,000
	–	100,000

22. Inventories – Group and Company

	2024	2023
	Shs'000	Shs'000
Spare parts and consumable materials	182,801	159,508
Avocado	82,216	–
Macadamia nuts	23,325	350,474
Blueberries	–	36
Poles and timber	81,122	41,617
Total inventories	369,464	551,635

The cost of inventories recognised as an expense and included in cost of sales amounted to Shs 3,270,758,000 (2023: Shs 2,824,432,000).

Notes to the Consolidated and Separate Financial Statements (Continued)

23. Receivables and prepayments – Group and Company

	2024	2023
	Shs'000	Shs'000
Trade receivables	206,690	159,273
Expected credit loss allowance	(5,958)	(5,928)
Trade receivables – net	200,732	153,345
Due from related companies (Note 27(v))	141,678	211,192
Staff debtors	50,776	46,295
Value Added Tax (VAT) Refunds receivable	239,903	188,736
Other receivables and prepayments	81,450	79,500
	714,539	679,068
Less non current portion	(53,434)	(50,763)
Current receivables and prepayments	661,105	628,305
Staff loans	51,884	49,213
Trade deposits	1,550	1,550
Non current receivables	53,434	50,763

Other receivables comprise trade deposits and a shipping rebate.

Non current receivables are due within five years from reporting date and are secured and are charged interest of 3.5% (2023: 3.5%). None of the amounts were impaired (2023: Nil).

Trade receivables

The Directors of the Group estimate the loss allowance on trade receivables at the end of the reporting period at an amount equal to lifetime expected credit loss ("ECL").

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

Notes to the Consolidated and Separate Financial Statements (Continued)
23. Receivables and prepayments – Group and Company (Continued)

	Trade receivables – days past due					
31/12/2024	Not past due	<30	31 – 60	61 – 90	>90	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Trade receivables – gross	–	200,732	–	–	5,958	206,690
Expected credit loss rate	0%	0%	0%	0%	100%	–
	=====	=====	=====	=====	=====	=====

	Trade receivables – days past due					
31/12/2023	Not past due	<30	31 – 60	61 – 90	>90	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Trade receivables – net	–	153,345	–	–	5,928	159,273
Expected credit loss rate	0%	0%	0%	0%	100%	–
	=====	=====	=====	=====	=====	=====

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	Collectively assessed	Individually assessed	Total
	Shs'000	Shs'000	Shs'000
Balance at 1 January 2023	–	5,928	5,928
Loss allowance charge for the year 2023	–	–	–
Balance as at 31 December 2023	–	5,928	5,928
Loss allowance charge for the year 2024	–	30	30
Balance as at 31 December 2024	–	5,958	5,958

Notes to the Consolidated and Separate Financial Statements (Continued)

24. Payables and accrued expenses

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Trade payables	106,813	138,386	106,813	138,386
Due to related companies (Note 27(v))	2,053	–	10,436	8,383
Accrued expenses	48,999	43,023	48,999	43,023
Leave obligations	42,045	48,338	42,045	48,338
Payroll and statutory deductions	31,059	41,473	31,059	41,473
Legal and professional fees	52,628	36,196	52,628	36,196
Other payables	17,432	22,196	17,432	22,196
	301,029	329,612	309,412	337,995

Other payables relate to provisions for audit, legal and sundry payables.

Leave obligations cover the Group's liability for accrued annual leave. The movement on the leave obligations for Group and Company is as follows:

	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	48,338	40,107	48,338	40,107
Charge for the year	(4,943)	9,581	(4,943)	9,581
Paid during the year	(1,350)	(1,350)	(1,350)	(1,350)
At end of year	42,045	48,338	42,045	48,338

The carrying amounts of the payables and accrued expenses approximate to their fair values.

25 Cash and cash equivalents – Group and Company

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:-

	2024	2023
	Shs'000	Shs'000
Cash at bank and in hand	143,062	733,034
Short term deposits	963,622	675,097
	1,106,684	1,408,131

The short term deposits are denominated in Kenya Shillings (Shs) and United States Dollars (USD) and have a maturity of three months or less from the date of acquisition or are repayable immediately with no loss of interest. The effective interest rates on the short term deposits as at 31 December were as shown below:

	2024	2023
Kenya Shillings deposits (nil as at 31 December 2023)	10.0%	n/a
United States Dollar deposits	3.3%	6.5%

The Directors consider that the carrying amounts of cash and cash equivalents in the consolidated financial statements approximate their fair values. As at the reporting date, the Group and Company had undrawn facilities with local financial institutions amounting to Shs. 200,000,000 (2023: Shs. 426,300,000).

There were no amounts of cash and cash equivalents held by the Group that were not available for use by the Group as at 31 December 2024 (2023: Nil).

Notes to the Consolidated and Separate Financial Statements (Continued)
26. Note to the consolidated and separate statement of cash flows

Reconciliation of profit before income tax to cash generated from operations:

	2024	2023
	Shs'000	Shs'000
(Loss)/profit before income tax	(166,748)	663,982
Adjustments for non-cash items		
Net exchange (loss)/gains on foreign currency cash & cash equivalents (Note 7)	166,909	(114,657)
Interest expense on lease liabilities (Note 8)	279	33
Interest income (Note 8)	(72,444)	(54,760)
Depreciation on property, plant and equipment (Note 18)	283,176	275,891
Depreciation of right of use assets (Note 19)	88	49
Gain/(loss) on disposal of property, plant and equipment	(877)	13,377
Gains arising from changes in fair value less estimated point-sale costs of non-current biological assets (Note 6 (i))	(237,956)	(126,808)
Decrease in the fair value of biological assets due to sales and harvest and disposal (Note 6 (i))	94,389	74,618
Fair value movement in biological assets – growing agricultural produce (Note 6)	261,214	(186,383)
	494,778	(118,640)
Changes in working capital:		
- Decrease in inventories	182,171	318,595
- Increase in receivables and prepayments	(35,471)	(138,047)
- (Decrease)/increase in payables, accrued expenses and lease obligations	(28,583)	100,773
- Increase in post-employment benefit obligations and actuarial gains	4,408	28,432
	122,525	309,753
Cash generated from operations	450,555	855,095

27. Related party transactions – Group and Company

The group is controlled by Camellia Plc, a company incorporated in England. Camellia Plc is the ultimate parent of the Group. There are other Camellia Plc group companies that are related to Kakuzi Plc through common shareholdings. Fellow subsidiaries within the Camellia Plc Group act as brokers and managing agents for certain products and operations of the Group.

The following transactions were carried out with Camellia Plc Group related parties:

	2024	2023
	Shs'000	Shs'000
i) Sale of goods to:		
Eastern Produce Kenya Limited	344,244	408,584
	344,244	408,584

Notes to the Consolidated and Separate Financial Statements (Continued)

27. Related party transactions – Group and Company (continued)

ii) Purchase of goods and services from:

Eastern Produce Kenya Limited
Eastern Produce Regional Services Limited

2024	2023
Shs'000	Shs'000
95,252	124,906
147,685	119,610
242,937	244,516

The purchase of goods and services related to Eastern Produce Regional Services Limited includes a charge for the Executive Directors remuneration amounting to Shs 38,667,000 (2023: Shs 33,769,000).

iii) Key Management compensation

Salaries and other short-term employment benefits
Post employment benefits

2024	2023
Shs'000	Shs'000
137,012	123,168
2,282	2,102
139,294	125,270

iv) Non-Executive Directors' remuneration

Fees for services as a Director
Benefits in Kind

2024	2023
Shs'000	Shs'000
28,474	27,090
741	604
29,215	27,694

v) Outstanding balances arising from sale and purchase of goods and services

	Group		Company	
	2024	2023	2024	2023
	Shs'000	Shs'000	Shs'000	Shs'000
Due from related Companies				
Eastern Produce Kenya Limited	141,678	206,757	141,678	206,757
Eastern Produce Regional Services Limited	-	4,435	-	4,435
Total (Note 23)	141,678	211,192	141,678	211,192
Due to related Companies				
Estates Services Limited	-	-	2,570	2,570
Kaguru EPZ Limited	-	-	5,813	5,813
Eastern Produce Regional Services Limited	2,053	-	2,053	-
Total (Note 24)	2,053	-	10,436	8,383

Notes to the Consolidated and Separate Financial Statements (Continued)
28. Commitments – Group and Company
Capital commitments

Capital expenditure contracted for at the reporting date but not recognised in the financial statements is as follows:

	2024	2023
	Shs'000	Shs'000
Property, plant and equipment	33,488	45,810

Biological assets commitments

There were no commitments for development or acquisition of biological assets as at 31 December 2024 (2023: Nil).

29. Contingent liabilities and guarantees

Various claims have been submitted against the Group in relation to different litigations and inquiries. It is not practical to estimate the potential effect of these claims and inquiries but legal advice indicates that it is not probable that a material liability will arise. The Directors believe that the ultimate resolution of these legal proceedings and inquiries would not have a material effect on the Group's consolidated and separate financial statements. As at the reporting date, the Group and Company had given guarantees in the normal course of business from which they do not anticipate material liabilities to crystallise.

Various parties have lodged claims at the National Land Commission (NLC) against the Group, potentially affecting the land on which it carries out its business. The Group has instructed its legal advisers to represent it in these matters. The Directors, in consultation with professional legal advisers, believe that the Group has a reasonable chance of successfully defending these claims.

In October 2022, the Kenya Revenue Authority (KRA) carried out a tax audit on the operations of Kakuzi Plc and issued an assessment notice under section 31 (1) of the Tax Procedures Act 2015 in relation to withholding taxes paid to sales agents dating back to years 2017 to 2022. The Group objected to these assessments and filed an appeal at the Tax Appeals Tribunal (TAT). On 30th August 2024, the TAT ruled in favour of the Group and set aside the assessments. However, KRA has since filed an appeal from the judgement of the TAT at the High Court. A date for this appeal is yet to be set. The assessment by KRA amounted to Shs 35,662,523, comprising principal withholding tax of Shs. 30,735,064 and penalties and interest amounting to Shs. 1,536,753 and Shs. 3,390,706 respectively.

The Directors, in consultation with professional tax and legal advisers, believe they have sufficient grounds of defence against the KRA appeal and that it is unlikely that the matter will result into a material liability to the Group.

30. Subsequent events

There have been no significant events after the reporting date to the date of issuing these financial statements which have a material financial statement impact at 31 December 2024.

11 Company's five year record

	2024	2023	2022	2021	2020
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Sales	4,791,692	5,401,468	4,434,211	3,296,414	3,608,941
(Loss)/profit before income tax	(166,748)	663,982	1,221,624	471,556	847,532
Income tax	35,054	(210,465)	(375,820)	(151,820)	(225,498)
(Loss)/profit after income tax	(131,694)	453,517	845,804	319,736	622,034
(Loss)/profit attributable to the members of Kakuzi Plc	(131,694)	453,517	845,804	319,736	622,034
Dividends: -					
Proposed final dividend - for the year	156,800	470,400	470,400	431,200	352,800
Capital and reserves: -					
Called up share capital	98,000	98,000	98,000	98,000	98,000
Reserves	5,231,169	5,831,941	5,846,710	5,437,282	5,464,308
Total equity	5,329,169	5,929,941	5,944,710	5,535,282	5,562,308
Basic earnings per ordinary share (Shs)	(6.72)	23.14	43.15	16.31	31.74
Dividends per ordinary share (Shs)	8.00	24.00	24.00	22.00	18.00
Dividend cover	(0.84)	0.96	1.80	0.74	1.76
Total equity per ordinary share (Shs)	271.90	302.55	303.30	282.41	283.79

All amounts are stated in Kenya shillings thousands (shs'000) except where otherwise indicated.

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12 Major shareholders and distribution schedule

MAJOR SHAREHOLDERS

The 10 major shareholders and their holdings at 31 December 2024 were:

	Shareholder name	Number of ordinary shares	%
1	John Kibunga Kimani	6,536,523	33.35%
2	Bordure Limited*	5,107,920	26.06%
3	Lintak Investments Limited*	4,828,714	24.64%
4	Kakuzi Neighbourhoods Development Foundation	494,498	2.52%
5	G.H. Kluge & Sons Limited	239,118	1.22%
6	HSBC Global Custody Nominee (UK) Limited	200,000	1.02%
7	Joe B.Wanjui	122,004	0.62%
8	John Okuna Ogango	120,400	0.61%
9	Lise Larsen & Esther Ebba Aasberg Larsen	48,999	0.25%
10	Kusumben Ambubhai Amin	47,559	0.24%
		17,745,735	90.53%

* Camellia Plc incorporated in England, by virtue of its interests in Bordure Limited incorporated in England and Lintak Investments Limited incorporated in Kenya, is deemed to be interested in these ordinary shares.

DISTRIBUTION SCHEDULE

The distribution of ordinary shares as at 31 December 2024 was:

Ordinary shares range	Number of shareholders	Number of ordinary shares	%
Less than 500	943	134,813	0.69%
501 to 5,000	405	720,511	3.68%
5,001 to 10,000	46	350,248	1.79%
10,001 to 100,000	38	745,250	3.80%
100,001 to 1,000,000	5	1,176,020	6.00%
Over 1,000,000	3	16,473,157	84.05%
	1,440	19,599,999	100.00%

Form of Proxy (97th Annual General Meeting)

I/WE _____

of _____ being a member of the above-named Company,

hereby appoint: _____

of (address) _____ Telephone Number _____

Email Address _____, or failing him/her _____

of (address) _____ Telephone number _____

Email Address _____ or failing him/her the

duly appointed Chairman of the meeting, as my/our proxy, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on **Wednesday 14th May 2025 at 12.00 noon**, and at any adjournment thereof.

As witness my/our hand this.....day of 2025

Signed

Signed

Note:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead and a proxy need not be a member of the Company.
2. In the case of a member being a limited Company, this form must be completed under its common seal or under the hand of an officer or attorney duly authorized in writing.
3. Proxies must be in the hands of the Company's Registrars no later than Monday, 12th May 2025.

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FOLD 2

STAMP

FOLD 1

Kakuzi Plc
P O Box 24
Thika 01000
Kenya

FOLD 3

INSERT FLAP INSIDE

This image shows a full page of white paper with horizontal green dashed lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the page.

