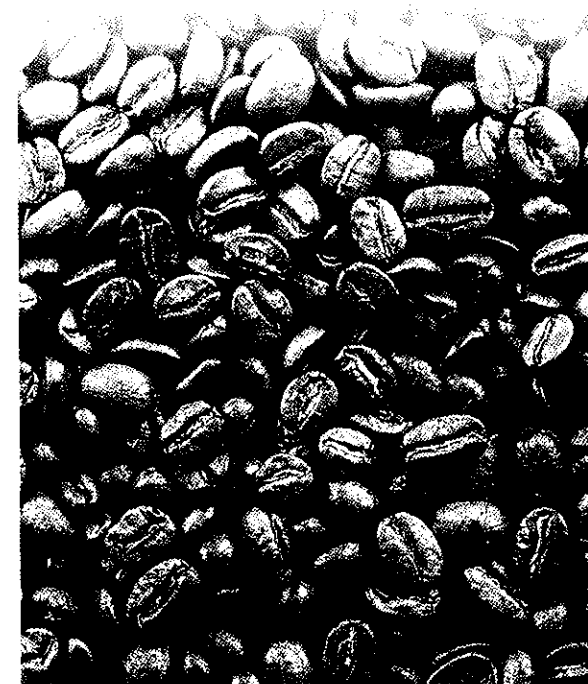


CONTENTS

Company Information	2
Tea Operations	3
Notice of Meeting	4
<i>Ilani ya Mkutano</i>	5
Chairman's Statement	6
<i>Taarifa ya Mwenyekiti</i>	7
Salient Features and Financial Calendar	8
Graphical Highlights	9
Report of the Directors	10
<i>Ripoti ya Wakurugenzi</i>	11
Statement of Directors' Responsibilities	12
Report of the Independent Auditors	13
Consolidated Balance Sheet	14
Company Balance Sheet	15
Consolidated Profit and Loss Account	16
Statement of Changes in Equity - Group	17
Statement of Changes in Equity - Company	18
Consolidated Cash Flow Statement	19
Notes to the Accounts	20 - 31
Five Year Comparative Statement	32



4/1
Aug
2006
C.B.

2007/0069

COMPANY INFORMATION

DIRECTORS

N N Merali C.B.
I A Timamy C.P.S (Kenya)
M N Omar
A H Butt C.B.A (Kenya) F.C.A.
M H Da Gama-Rose B.A.
B M Williams
P W Muthoka
K A Somaya B.A.* (Managing)
*Indian

SECRETARY

I A Timamy C.P.S (Kenya)

ADVOCATES

Shapley Barret and Co.
Advocates
P O Box 40286
NAIROBI

Timamy and Company
Advocates
P O Box 87288
MOMBASA

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Sasini House
Loita Street
P O Box 30151
NAIROBI

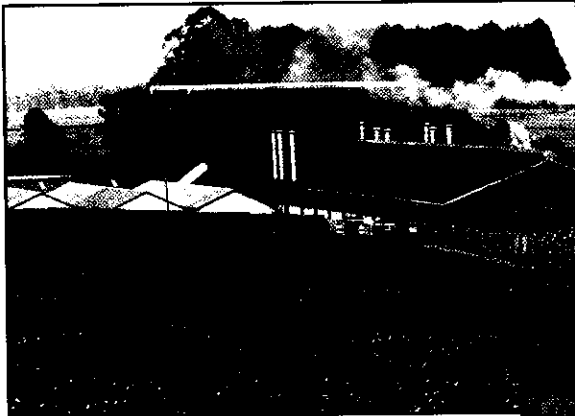
AUDITORS

Ernst & Young
Certified Public Accountants of Kenya
P O Box 44286
NAIROBI

BANKERS

Barclays Bank of Kenya Limited
First American Bank of Kenya Limited
Equatorial Commercial Bank Limited

TEA OPERATIONS



Kipkebe Tea Factory

The Factory

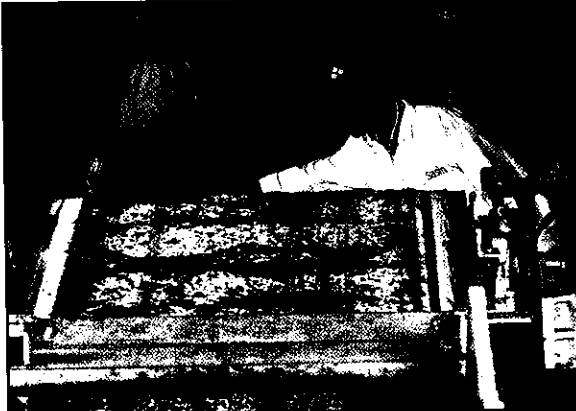
The Produce



Freshly plucked green leaf

Sasini

The Process



CTC processing of green leaf

The Finished Product



A freshly brewed cup of tea



NOTICE OF MEETING

Notice is hereby given that the 50th ANNUAL GENERAL MEETING of the members will be held at the Hotel Inter-Continental, Nairobi on Thursday, 21st February 2002 at 11.00 am for the following purposes:

1. To confirm the minutes of the 49th Annual General Meeting held on 23rd February 2001.
2. To receive, consider and if deemed fit, adopt the annual accounts for the year ended 30th September 2001, together with the reports thereon of the Directors and of the Auditors.
3. To confirm the interim dividend of 15% paid on 22nd June 2001, and declare a final dividend of 5%.
4. a) To elect Directors:
 - i) N N Merali, a director retiring by rotation, who being eligible, offers himself for re-election.
 - ii) M N Omar, a director retiring by rotation, who being eligible, offers himself for re-election.
 - iii) A H Butt, a director retiring by rotation, who being eligible, offers himself for re-election.
 - iv) I A Timamy, a director retiring by rotation, who being eligible, offers himself for re-election.
 - v) B M Williams, a director retiring by rotation, who being eligible, offers himself for re-election.
 - vi) P W Muthoka, a director retiring by rotation, who being eligible, offers himself for re-election.
- b) Special notice is hereby given pursuant to Section 186(5) of the Companies Act, to consider the following resolutions:
 - i) "That Mr. M H Da Gama-Rose, a director who has attained the age of 71 years, be and is hereby re-elected a director of the Company".
 - ii) "That Mr. A P Hamilton, who is 74 years of age, be appointed a director of the Company".
5. To confirm the Directors' emoluments and to fix their remuneration.
6. To appoint Ernst & Young as auditors for the ensuing year and authorise the Directors to fix their remuneration.
7. To transact any other business which may be transacted at an Annual General Meeting.

By order of the Board

I A TIMAMY
Company Secretary
 Nairobi
 11 December 2001

- Notes:**
- A member entitled to attend and vote at this meeting, may appoint a proxy to attend and vote on his/her behalf, and such a proxy need not be a member of the Company.
 - The form of proxy is enclosed.
 - The final dividend, if approved, will be paid on or about 1 March 2002 to the members on the register at the close of business on 15 February 2002.

ILANI YA MKUTANO

Ilani inatolewa hapa kuwa mkutano mkuu wa kila mwaka wa hamsini (50) wa wanachama utafanyika katika hoteli ya Inter-Continental, Nairobi, Alhamisi, tarehe 21 Februari 2002, saa tano asubuhi kwa madhumuni yafuatayo:

1. Kuthibitisha matokeo ya mkutano mkuu wa kila mwaka wa arobaini na tisa (49) uliofanyika tarehe 23 Februari 2001.
2. Kupokea, kuchunguza na ikifikiriwa sawa kuidhinisha taarifa za hesabu za mwaka uliomalizikia tarehe 30 Septemba 2001, pamoja na taarifa za wakurugenzi na wakaguzi wa hesabu kuhusiana na hesabu hizo.
3. Kuthibitisha mgawo wa muda wa asilimia 15 uliolipwa tarehe 22 Juni 2001, na kutangaza mgawo wa mwisho wa asilimia 5.
4. (a) Kuwachagua wakurugenzi :
 - (i) N N Merali, mkurugenzi anayestaafu kwa zamu, ambaye kwa kuwa ana haki ya kuchaguliwa, anajitolea kuchaguliwa tena.
 - (ii) M N Omar, mkurugenzi anayestaafu kwa zamu, ambaye kwa kuwa ana haki ya kuchaguliwa, anajitolea kuchaguliwa tena.
 - (iii) A H Butt, mkurugenzi anayestaafu kwa zamu, ambaye kwa kuwa ana haki ya kuchaguliwa, anajitolea kuchaguliwa tena.
 - (iv) I A Timamy, mkurugenzi anayestaafu kwa zamu, ambaye kwa kuwa ana haki ya kuchaguliwa, anajitolea kuchaguliwa tena.
 - (v) B M Williams, mkurugenzi anayestaafu kwa zamu, ambaye kwa kuwa ana haki ya kuchaguliwa, anajitolea kuchaguliwa tena.
 - (vi) P W Muthoka, mkurugenzi anayestaafu kwa zamu, ambaye kwa kuwa ana haki ya kuchaguliwa, anajitolea kuchaguliwa tena.
- (b) Ilani maalum inatolewa kwa mujibu wa kifungu 186(5) cha sheria za makampuni, kufikiria mapendekezo yafuatayo :
 - (i) "Kwamba Bw. M H Da Gama-Rose, mkurugenzi aliyefikisha umri wa miaka 71, achaguliwe na hapa nachaguliwa tena mkurugenzi wa kampuni".
 - (ii) "Kwamba Bw. A P Hamilton, ambaye ana umri wa miaka 74, achaguliwe mkurugenzi wa kampuni".
5. Kuidhinisha malipo ya wakurugenzi na kuamua ujira wao.
6. Kuwachagua Ernst & Young kama wakaguzi wa hesabu wa mwaka unaofuata na kuwapa wakurugenzi idhini ya kuamua ujira wao.
7. Kushughulikia jambo lingine lolote linaloweza kushughulikiwa katika mkutano mkuu wa kila mwaka.

Kwa Amri ya Halmashauri.

I A TIMAMY

Katibu wa Kampuni

Nairobi

11 Desemba 2001.

Maelezo: • Mwanachama mwenye haki ya kuhudhuria na kupiga kura katika mkutano huu aweza kuchagua mwakilishi kuhudhuria na kupiga kura kwa niaba yake na mwakilishi huyo si lazima awe mwanachama wa kampuni.

• Fomu ya uakilishi ipo kitabuni.

• Ikiidhinishwa, malipo ya mgawo wa mwisho yatalipwa tarehe 1 Machi 2002 au wakati karibu na hapo kwa wanachama walio katika orodha ya majina kufikia wakati wa kufunga biashara tarehe 15 Februari 2002.

SASINI TEA AND COFFEE LIMITED



Sasini



CHAIRMAN'S STATEMENT

I would like to begin my statement by extending sincere thanks, on behalf of the Board, Management and Shareholders of our Company, to Mr. Michael Harley, who retired as Chairman on 24 October 2001 for personal reasons. Mr. Harley served on the Board of Sasini for over 30 years, and the Board, Management and staff are very appreciative of the contribution he made during his tenure.

The Company operated under difficult local as well as international economic conditions during the current financial year. Despite attaining record levels of production, the Company's results for the year show a significant downturn in profitability, due primarily to extremely low international market prices for both tea and coffee. I am, nevertheless, pleased to report that our Company ended the financial year 2000/2001 with a modest profit in the face of adverse global economic conditions.

Tea production across the country was enhanced by the very conducive weather patterns throughout the year, and our own tea operations were no exception. With the power situation restored to almost "normal", we had a much more steady and consistent power supply available for our two factories. Our tea production for the year increased to a record 7.2 million kilograms, boosting tea sales for the year to a record 7.1 million kilograms.

Our average sales price per kilogram of tea was down from an all time high of K.Shs 114.47 for the previous year to K.Shs 95.43 for the current year, a decline of 17%. Whilst the quality of our made tea remained consistent throughout the year, the reduction in the average sales price of our teas, driven primarily by declining international market prices for the commodity based on increased supply levels, had a significant impact on our profitability.

Since the end of our financial year, global market prices for tea continue to remain low, whilst production levels still remain high across the industry due to favourable climatic conditions. Improvement in tea prices in the near future, therefore, seems unlikely. Operating costs within our tea sector were contained during the current financial year and the Company will continue to reduce costs further where possible, so as to meet planned growth and profitability levels for the sector in future.

The scenario for our coffee operations was not significantly different as the depressed international market prices continued to adversely affect our realisations. The production levels achieved during the current financial year were very much in line with expectations and not materially lower than the previous year.

A total production of 1,453 tonnes of coffee was achieved during the year compared to 1,493 tonnes for the previous year. The huge global surplus of arabica coffee, combined with static demand levels for the commodity, saw coffee prices reduce further during the current financial year. Our average sales price per tonne dropped from an already low level of K.Shs 140,000 to K.Shs 124,000 for the year, a further decline of some 11%.

Sadly, the continuing decline in global market prices for coffee over the last few years continues to affect profitability levels within the sector. Our efforts at containing operational costs, whilst maintaining our coffee estates in good condition, still make a return to profitability within the sector a difficult prospect without a marked improvement in the price of our coffee.

Our commitment to the agricultural sector in Kenya, nevertheless, remains strong. This is demonstrated by our investment during the year in a joint venture with Kenyan tea growers to construct a new Tea Factory in the Limuru area with a manufacturing capacity in excess of 2 million kilograms of made tea per annum. The factory is expected to be operational by March 2002 and will offer economic alternatives to tea growers in Limuru.

The future growth and profitability of our Company within the agricultural industry remains the primary objective of our Board. The Board and Management will continue to contain costs and introduce operational efficiencies, but it is imperative that the commodity prices of both tea and coffee improve from their present levels in order to achieve reasonable profit returns.

N N Merali

Sasini

TAARIFA YA MWENYEKITI

Ningependa kuanza taarifa yangu kwa kutoa shukrani za dhiti kwa niaba ya Halmashauri, Usimamizi na Wenye Hisa wa kampuni yetu, kwa Bw. Michael Harley, aliyestaafu kama mwenyekiti tarehe 24 Oktoba, 2001 kutokana na sababu za kibinafsi. Bw. Harley alitumikia Halmashauri ya Sasini kwa zaidi ya miaka 30 na Halmashauri, Usimamizi na Wafanyikazi wanathamini mchango aliofanya wakati alioshikilia cheo chake.

Kampuni ilifanya kazi katika hali ngumu za kiuchumi nchini na pia za kimataifa katika mwaka wa kifedha tulionao. Dhidi ya kufikia viwango vya rekodi vya uzalishaji, matokeo ya kampuni ya mwaka yanaonyesha kupungua kwa kiwango kikuu katika faida, hasa kutokana na bei za chini za soko la kimataifa kwa zote chai na kahawa. Hata hivyo, ninafuraha kueleza kuwa kampuni yetu ilimaliza mwaka wa kifedha wa 2000/2001 na faida ndogo katika hali mbaya za kiuchumi ulimwenguni.

Mazao ya chai kote nchini yaliongezeka kutokana na hali nzuri sana ya hewa mwaka mzima, na hata uzalishaji wetu wenyewe wa chai ukiwemo. Hali ya umeme ikiwa karibu imerudia hali yake ya "kawaida"; tulikuwa na umeme imara zaidi na wa kutarajiwa kwa kampuni zetu mbili. Uzalishaji wetu wa chai kwa mwaka uliongezeka kufikia rekodi ya kilo milioni 7.2, na uliongezeka mauzo ya chai kwa mwaka kufikia rekodi ya kilo milioni 7.1.

Bei yetu ya kawaida ya mauzo kwa kilo ya chai ilikwenda chini kutoka kiasi cha juu cha Kshs. 114.47 katika mwaka uliopita na kuwa Kshs. 95.43 kwa mwaka huu, kushuka kwa asilimia 17. Wakati ubora wa chai yetu iliyotengenezwa ukibakia sawa katika mwaka mzima, punguzo hili katika bei ya mauzo ya kawaida ya chai zetu lililotokana hususan na kupungua kwa bei za mauzo za kimataifa za bidhaa hii kutokana na kuongezeka kwa viwango vya ugavi, lilikuwa na athari kubwa kwenye faida yetu.

Kutokea mwisho wa mwaka wetu wa kifedha, bei za soko za kimataifa za chai zimeendelea kubakia chini, wakati viwango vya uzalishaji bado vimebakia juu kote katika biashara hii kutokana na hali nzuri ya hewa. Kwa hivyo, ongezeko katika bei za chai katika siku za usoni za karibuni, halionekani kutokea. Gharama za utenda kazi katika shughuli zetu za sekta ya chai zimeweza kudhibitiwa katika mwaka tulionao wa kifedha, na kampuni itaendelea kupunguza gharama zaidi inapowezekana, ili kutimiza ukuaji uliopangwa na viwango vya faida vya sekta hii siku za usoni.

Picha ya shughuli zetu za kahawa haikuwa tofauti sana kwa vile bei duni za soko la kimataifa ziliendelea kuathiri sana matokeo yetu. Viwango vya uzalishaji vilivyofikiwa katika mwaka wa kifedha tulionao vililingana na matarajio na wala sio chini kimalighafi kuliko mwaka uliopita. Jumla ya uzalishaji wa tani 1453 za kahawa zilizalishwa katika mwaka ikilinganishwa na tani 1493 za mwaka uliopita. Ziada kubwa ulimwenguni ya kahawa ya aina ya Arabica, pamoja na viwango visivyobadilika vya mahitaji ya bidhaa hii, vilifanya bei za kahawa kupungua zaidi katika mwaka wa kifedha tulionao. Bei yetu ya kawaida kwa tani iliteremka kutoka kwa kiwango ambacho tayari kilikuwa chini cha Kshs. 140,000/= na kuwa Kshs. 124,000/= kwa mwaka, upungufu zaidi wa kiasi cha asilimia 11.

Jambo la kusikitisha ni kuwa uteremkaji unaoendelea katika bei za kahawa za soko la kimataifa katika miaka michache iliyopita unaendelea kuathiri viwango vya faida katika sekta hii. Juhudi zetu katika kuhifadhi gharama za uendeshaji kazi na wakati huohuo kuyaweka mashamba yetu katika hali nzuri zinafanya kupatikana kwa faida katika sekta hii kuwa matumaini magumu bila ya ongezeko la maana katika bei ya kahawa yetu.

Juu ya hayo, kujitolea kwetu katika sekta ya ukulima nchini Kenya kunabakia thabiti. Hili linaweza kuonyeshwa na utegaji uchumi wetu wa mwaka huu wa kujenga kwa ushirika na wakuzaji chai wa Kenya kiwanda kipya cha chai katika eneo la Limuru chenye uwezo wa uzalishaji wa zaidi ya kilo milioni 2 za chai iliyotengenezwa kwa mwaka. Kiwanda kinatarajiwa kuanza kazi kufikia mwezi wa Machi 2002 na kitatoa uchaguzi badili wa kiuchumi kwa wakuzaji wa chai Limuru.

Ukuaji wa siku za usoni na faida ya kampuni yetu katika biashara ya ukulima unabakia lengo la msingi la Halmashauri yetu. Halmashauri na Usimamizi zitaendelea kudhibiti gharama na kuanzisha ufanisi katika utenda kazi lakini ni muhimu kwamba bei za zote bidhaa mbili chai na kahawa ziongezeka kutokea viwango vyake vya sasa ili kupata faida ya kiasi.

N N Merali

Sasini

SALIENT FEATURES AND FINANCIAL CALENDAR

TURNOVER	K.Shs '000	2001	2000
		874,602	1,017,484
Profit attributable to the members	K.Shs '000	13,863	110,772
Dividend per ordinary share	K.Shs	1.00	2.00
Shareholders' Funds	K.Shs '000	2,189,715	2,246,390

Annual Report and Accounts circulated in January 2002

DIVIDENDS

Interim	K.Shs 0.75 per share	paid on 22 June 2001
Final proposed	K.Shs 0.25 per share	payable in March 2002

STATISTICS

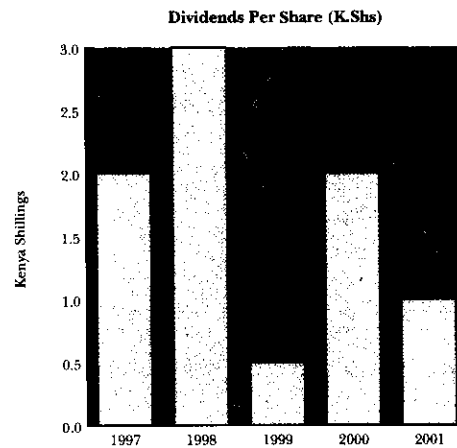
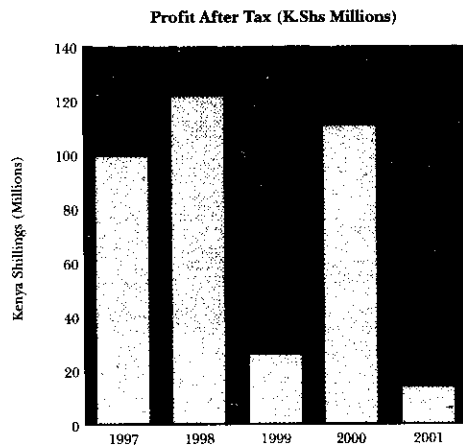
The following statistics relating to the Group's tea and coffee activities give a comparison of the results achieved on the estates during the last two years. A five year comparative statement is given on page 32.

		TEA		COFFEE	
		2001	2000	2001	2000
Area	Hectares	1,301	1,243	906	906
Production	Tonnes	7,240	7,067	1,453	1,493
Sales	Kgs '000/Tonnes	7,149	7,129	1,392	1,380
Net sales proceeds:					
Tea	K.Shs/Kg	95.43	114.47	-	-
Coffee	K.Shs '000/Tonne	-	-	124	140

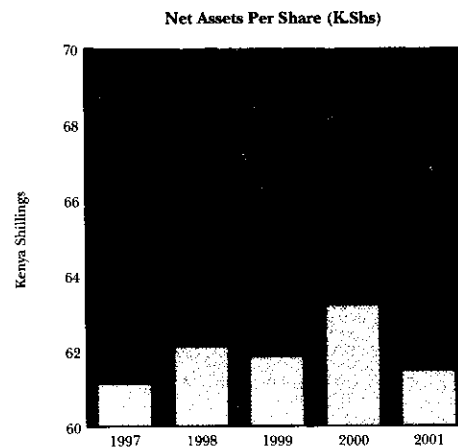
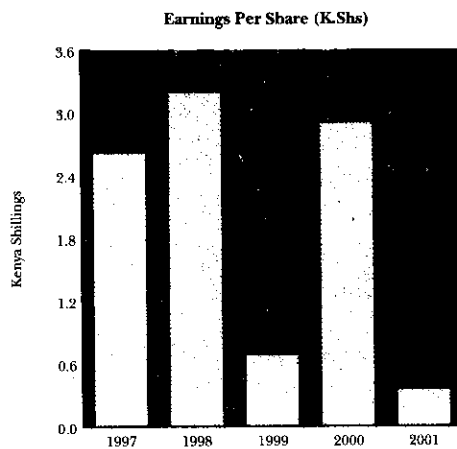
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GRAPHICAL HIGHLIGHTS

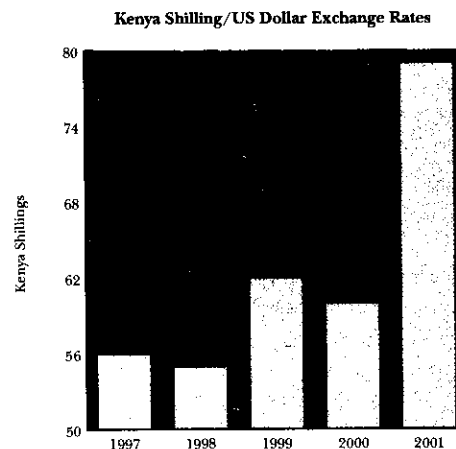
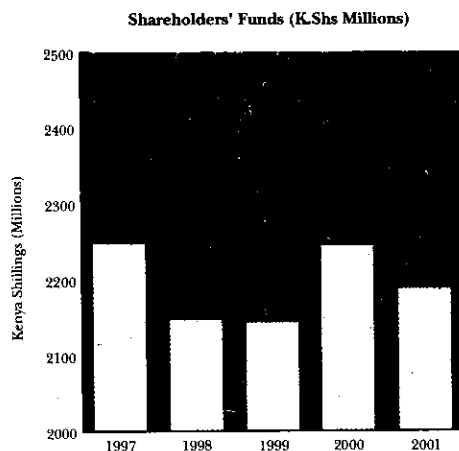
Profits and Dividends



Earnings and Net Assets



Shareholders' Funds and Exchange Rate



Sasini

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report and the audited accounts for the year ended 30 September 2001 which show the state of affairs of the Group and the Company.

ACTIVITIES

The principal activities of the Company and its subsidiaries continue to be the growing and processing of tea and coffee, investment in equity and property, forestry, dairy operations and breeding of beef cattle.

GROUP RESULTS AND DIVIDENDS

		2001 K.Shs '000	2000 K.Shs '000
Net profit attributable to the members		13,863	110,772
Interim dividend paid:	15% (2000 : 15%)	(28,507)	(28,507)
Final dividend proposed:	5% (2000 : 25%)	(9,502)	(47,512)
Balance transferred (from)/to reserves		(24,146)	34,753

SHARE CAPITAL AND RESERVES

The authorised and issued share capital of the Company at 30 September 2001 and matters relating thereto are set out in note 9 to the accounts.

Full details of the Group and Company reserves and movements therein during the year are shown on pages 17 and 18 of the accounts.

FIXED ASSETS

Details of the movements in fixed assets are shown in note 2(a) to the accounts.

DIRECTORS

Details of the Board of Directors are set out on page 2.

Messrs. N N Merali, M N Omar, A H Butt, I A Timamy, B M Williams and P W Muthoka retire by rotation and, being eligible, offer themselves for re-election.

Mr. M W Harley retired on 24 October 2001.

Mr. M H Da Gama-Rose also retires by rotation and being 71 years of age, seeks re-election under the provisions of Section 186(5) of the Companies Act.

Special notice has also been received by the Company pursuant to Section 142 of the Companies Act (Cap 486) to appoint Mr. A P Hamilton, who is 74 years of age, a director under the provisions of Section 186(5) of the said Act.

SUBSTANTIAL SHAREHOLDINGS

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

	Shareholding %	
	2001	2000
Legend Investments Limited	41.84	41.84
Yana Towers Limited	12.92	12.92
Old Mutual Life Assurance Company Limited	5.19	5.19

AUDIT COMMITTEE

The Company's Audit Committee, appointed in 1999 in accordance with the requirements of the Nairobi Stock Exchange, held its scheduled quarterly meetings on matters relating to the Company's accounts and internal control systems. All matters raised in this regard were appropriately addressed in conjunction with the independent auditors.

AUDITORS

Ernst & Young have expressed their willingness to continue in office in accordance with section 159(2) of the Companies Act.

By order of the Board

I A TIMAMY
Company Secretary
Nairobi
11 December 2001

SASINI TEA AND COFFEE LIMITED

Sasini

RIPOTI YA WAKURUGENZI

Wakurugenzi wanafuraha kuwakilisha taarifa yao ya mwaka na hesabu zilizokaguliwa kwa mwaka ulioishia tarehe 30 Septemba 2001 zinazoonyesha hali ya Kundi na ya Kampuni ilivyo.

SHUGHULI

Shughuli muhimu za Kampuni na kampuni zake ndogo zinaendelea kuwa ukuzaji na utengenezaji wa majani chai na kahawa, uwekaji rasilimali kwenye hisa zisizo na riba ya kudumu na mali nyingine, biashara ya misitu, shughuli za maziwa na ufugaji wa ng'ombe.

MATOKEO YA KUNDI NA MGAWO WA FAIDA

		2001 K.Shs '000	2000 K.Shs '000
Faida ya jumla kwa wanachama		13,863	110,772
Malipo ya ingawo wa muda yaliyolipwa	15% (2000 : 15%)	(28,507)	(28,507)
Malipo ya mgawo wa mwisho yaliyopendekezwa	5% (2000 : 25%)	(9,502)	(47,512)
Faida iliobakishwa na (kutolewa)/kuhamishwa kwenye akiba		(24,146)	34,753

RASILIMALI YA HISA NA AKIBA

Rasilimali ya hisa za Kampuni zilizoidhinishwa na kutolewa kufikia tarehe 30 Septemba 2001 na mambo yanayohusiana nazo yanaonyeshwa katika tanbihi ya 9 ya hesabu.

Maelezo kamili ya Kundi na akiba ya Kampuni na mienendo yake katika mwaka yameonyeshwa katika kurasa za 17 na 18 za hesabu.

MALI THABITI

Maelezo ya maendeleo ya mali thabiti yameonyeshwa katika tanbihi 2(a) ya hesabu.

WAKURUGENZI

Maelezo ya halmashauri ya wakurugenzi yanaonyeshwa ukurasa wa 2.

Mabwana N N Merali, M N Omar, A H Butt, I A Timamy, B W Williams na P W Muthoka wanastaafu kwa zamu, na kwa kuwa wanastahili, wanajitolea kuchaguliwa tena.

Bw. M W Harley alistaafu tarehe 24 Oktoba 2001.

Bw. M H Da Gama-Rose pia anastaafu kwa zamu na kwa kuwa na umri wa miaka 71 anataka kuchaguliwa tena chini ya kipengee cha sehemu 186(5) cha sheria za makampuni.

Ilani maalum pia imepokelewa na kampuni chini ya sehemu 142 ya sheria za makampuni (kifungu486) kumchagua Bw. A P Hamilton, ambaye ana umri wa miaka 74, kuwa mkurugenzi chini ya kipengee cha sehemu 186(5) cha sheria iliyotajwa.

UMILIKAJI WA HISA NYINGI

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

	Umilikaji wa Hisa %	
	2001	2000
Legend Investments Limited	41.84	41.84
Yana Towers Limited	12.92	12.92
Old Mutual Life Assurance Company Limited	5.19	5.19

KAMATI YA UKAGUZI WA HESABU

Kamati ya ukaguzi wa hesabu ya Kampuni, iliyochaguliwa katika mwaka 1999 kulingana na mahitaji ya Soko La Hisa la Nairobi, ilifanya mikutano yake iliyoratibishwa ya baada ya kila miezi minne kuhusu mambo yanayohusiana na hesabu za Kampuni na mifumo ya udhibiti wa ndani. Mambo yote yaliyozuliwa katika hali hii yalishughulikiwa kisawa pamoja na wakaguzi huru wa hesabu.

WAKAGUZI WA HESABU

Ernst & Young wameonyesha ridhaa ya kuendelea na wadhifa huo kwa kufuatana na sehemu 159(2) ya sheria za makampuni (kifungu486).

Kwa Amri ya Halmashauri.

I A TIMAMY

Katibu wa Kampuni

Nairobi

11 Desemba 2001.

Sasini

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the Group and Company as at the end of the financial year, and of the operating results of the Group for that year. It also requires the Directors to ensure the group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company. They are also responsible for safeguarding the assets of the Group and the Company

The Directors accept responsibility for the accounts, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with generally accepted accounting practice and in the manner required by the Companies Act. The Directors are of the opinion that the accounts give a true and fair view of the state of the financial affairs of the Group and the Company and of the operating results of the Group. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the accounts, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least the next twelve months from the date of this statement.

N N Merali }
K A Somaya } Directors

11 December 2001

■ Certified Public Accountants
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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF
SASINI TEA AND COFFEE LIMITED AND SUBSIDIARIES

We have audited the accounts set out on pages 14 to 31 which have been prepared on the basis of the accounting policies set out on pages 20 and 21. We obtained all the information and explanations which we considered necessary for our audit.

Respective Responsibilities of the Directors and the Independent Auditors

As stated on page 12, the Directors are responsible for the preparation of accounts which give a true and fair view of the state of affairs of the Group and Company and the operating results of the Group. Our responsibility is to express an independent opinion on the accounts based on our audit and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. It also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, proper books of account have been kept and the accounts, which are in agreement therewith, give a true and fair view of the state of the financial affairs of the Group and the Company at 30 September 2001 and of the profit and cash flows for the year then ended and comply with International Accounting Standards and the Companies Act (Cap 486).

ERNST & YOUNG

Certified Public Accountants of Kenya

Nairobi

11 December 2001

SASINI TEA AND COFFEE LIMITED



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CONSOLIDATED BALANCE SHEET

30 SEPTEMBER 2001

ASSETS	Note	2001 K.Shs '000	2000 K.Shs '000
NON-CURRENT ASSETS			
Fixed assets	2(a)	1,924,317	1,969,064
Capital work-in-progress	2(c)	4,416	1,157
Investment in subsidiary company	3	55,000	-
Investment in associated company	4	81,318	96,676
Other investments	5	10,860	17,385
		2,075,911	2,084,282
CURRENT ASSETS			
Stocks	6	158,210	122,940
Debtors	7	84,457	95,226
Taxation recoverable	14	6,677	-
Deposits, bank and cash balances		145,035	248,467
		394,379	466,633
TOTAL ASSETS		2,470,290	2,550,915
SHAREHOLDERS' FUNDS AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	9	190,046	190,046
Reserves	10	1,990,167	2,008,832
Proposed dividend	11	9,502	47,512
		2,189,715	2,246,390
MINORITY INTERESTS		64,922	67,652
DEFERRED TAX	12	65,591	83,935
CURRENT LIABILITIES			
Creditors	13	145,535	142,183
Taxation	14	-	7,075
Bank overdraft	15	4,527	3,680
		150,062	152,938
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		2,470,290	2,550,915

The accounts set out on pages 14 to 31 were approved by the Board of Directors on 11 December 2001 and signed on its behalf by:

N N Merali }
K A Somaya } Directors

COMPANY BALANCE SHEET

30 SEPTEMBER 2001

ASSETS	Note	2001 K.Shs '000	2000 K.Shs '000
NON-CURRENT ASSETS			
Fixed assets	2(b)	603,590	623,720
Investment in subsidiary companies	3	14,797	14,797
Investment in associated company	4	12	12
Other investments	5	1,298	1,298
		619,697	639,827
CURRENT ASSETS			
Stocks	6	47,057	31,047
Amount due from subsidiary companies	8	12,680	17,167
Debtors	7	8,812	6,774
Taxation recoverable		-	2,064
Dividend receivable		20,000	50,000
Deposits, bank and cash balances		63,965	79,523
		152,514	186,575
TOTAL ASSETS		772,211	826,402
SHAREHOLDERS' FUNDS AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	9	190,046	190,046
Reserves	10	516,814	540,392
Proposed dividend	11	9,502	47,512
		716,362	777,950
DEFERRED TAX	12	16,295	22,513
CURRENT LIABILITIES			
Creditors	13	26,977	25,482
Amount due to subsidiary companies	8	8,365	-
Bank overdraft	15	1,904	457
Tax payable		2,308	-
		39,554	25,939
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		772,211	826,402

The accounts set out on pages 14 to 31 were approved by the Board of Directors on 11 December 2001 and signed on its behalf by :

N N Merali }
K A Somaya } Directors

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 K.Shs '000	2000 K.Shs '000
TURNOVER	16	874,602	1,017,484
Cost of sales	17	(590,340)	(651,205)
Gross profit		284,262	366,279
Other operating income	18	23,696	30,554
Administration and establishment expenses	19	(237,734)	(224,525)
Selling and distribution expenses	20	(8,032)	(6,489)
Other charges and expenses	21	(3,330)	(3,094)
Profit from operations		58,862	162,725
Finance costs	22	(1,852)	(1,546)
Share of profits of associated company		(22,114)	415
Profit before tax, minority interests and extraordinary item	23	34,896	161,594
Taxation	14	(24,114)	(52,954)
Profit after tax before minority interests and extraordinary item		10,782	108,640
Minority interests		3,081	4,507
Profit from ordinary activities		13,863	113,147
Extraordinary item	24	-	(2,375)
Profit attributable to the members		13,863	110,772
		K.Shs	K.Shs
EARNINGS PER SHARE	25	0.36	2.91

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2001

THE GROUP	Note	Share capital K.Shs '000	Capital reserves K.Shs '000	Revenue reserves K.Shs '000	Proposed dividends K.Shs '000	Total equity K.Shs '000
At 1 October 1999		190,046	1,512,034	433,493	19,005	2,154,578
Prior year adjustment	26	-	-	9,828	-	9,828
As restated		190,046	1,512,034	443,321	19,005	2,164,406
Adjustment on disposal of subsidiary		-	-	1,882	-	1,882
Excess depreciation on revaluation		-	(34,996)	34,996	-	-
Release of depreciation on disposal		-	(866)	866	-	-
Profit attributable to the members		-	-	110,772	-	110,772
Deferred tax	12	-	16,842	-	-	16,842
Final dividend 1999		-	-	-	(19,005)	(19,005)
Interim dividend 2000		-	-	(28,507)	-	(28,507)
Proposed dividend 2000		-	-	(47,512)	47,512	-
At 30 September 2000		190,046	1,493,014	515,818	47,512	2,246,390
At 1 October 2000		190,046	1,493,014	515,818	47,512	2,246,390
Prior year adjustment	26	-	-	(2,553)	-	(2,553)
As restated		190,046	1,493,014	513,265	47,512	2,243,837
Excess depreciation on revaluation		-	(29,176)	29,176	-	-
Release of depreciation on disposal		-	(488)	488	-	-
Profit attributable to the members		-	-	13,863	-	13,863
Deferred tax	12	-	8,034	-	-	8,034
Final dividend 2000		-	-	-	(47,512)	(47,512)
Interim dividend 2001		-	-	(28,507)	-	(28,507)
Proposed dividend 2001		-	-	(9,502)	9,502	-
At 30 September 2001		190,046	1,471,384	518,783	9,502	2,189,715



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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2001

THE COMPANY	Share capital K.Shs '000	Capital reserves K.Shs '000	Revenue reserves K.Shs '000	Proposed dividends K.Shs '000	Total equity K.Shs '000
At 1 October 1999	190,046	510,574	59,007	19,005	778,632
Excess depreciation on revaluation	-	(14,754)	14,754	-	-
Profit attributable to the members	-	-	40,229	-	40,229
Deferred tax	-	6,601	-	-	6,601
Final dividend 1999	-	-	-	(19,005)	(19,005)
Interim dividend 2000	-	-	(28,507)	-	(28,507)
Proposed dividend 2000	-	-	(47,512)	47,512	-
At 30 September 2000	190,046	502,421	37,971	47,512	777,950
At 1 October 2000	190,046	502,421	37,971	47,512	777,950
Excess depreciation on revaluation	-	(13,151)	13,151	-	-
Profit attributable to the members	-	-	10,998	-	10,998
Deferred tax	-	3,433	-	-	3,433
Final dividend 2000	-	-	-	(47,512)	(47,512)
Interim dividend 2001	-	-	(28,507)	-	(28,507)
Proposed dividend 2001	-	-	(9,502)	9,502	-
At 30 September 2001	190,046	492,703	24,111	9,502	716,362

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Note	2001 K.Shs '000	2000 K.Shs '000
Cash flows from operating activities			
Profit before tax, minority interests and extraordinary item		34,896	161,594
<i>Adjustments for:</i>			
Depreciation		92,874	95,327
Foreign exchange gain/(loss)		957	(7,784)
Share of profits of associated company		22,114	(415)
Diminution in value of investment		6,525	-
Interest received		(9,243)	(7,925)
Dividend received from trade investments		(1,638)	(4,908)
Interest expense		1,852	1,546
Gain on disposal of fixed assets		(1,524)	(3,188)
Loss on disposal of fixed assets		171	343
Operating profit before working capital changes		146,984	234,590
(Increase)/decrease in stocks		(35,270)	13,884
Decrease/(increase) in debtors		10,769	(28,978)
(Decrease)/increase in creditors		3,352	39,332
Cash generated from operations		125,835	258,828
Interest paid		(1,852)	(1,546)
Income taxes paid		(57,134)	(57,062)
Cash from operating activities		66,849	200,220
Cash flow from investing activities			
Purchase of fixed assets		(50,033)	(70,270)
Dividend received from trade investments		1,638	4,908
Proceeds on sale of fixed assets		3,259	3,933
Work in progress		(3,259)	177
Purchase of investment		(55,000)	-
Interest received		9,243	7,925
Net cash used by investing activities		(94,152)	(53,327)
Cashflows from financing activities			
Dividend paid on ordinary shares		(76,019)	(47,512)
Net cash used by financing activities		(76,019)	(47,512)
Net increase/(decrease) in cash and cash equivalents		(103,322)	99,381
Cash and cash equivalents at the beginning of the year		244,787	137,622
Effect of exchange rate changes		(957)	7,784
Cash and cash equivalents at the end of the year	27	140,508	244,787

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2001

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Group prepares its accounts on the historical cost basis of accounting, modified to include the revaluation of certain assets.

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and its subsidiaries made up to 30 September 2001.

Any goodwill arising on the acquisition of subsidiaries is written off to revenue reserves in the year of purchase.

Associated company

Where the Group has a beneficial interest of 20 per cent or more of the equity capital and has the ability to exercise significant influence in that company, other than a subsidiary company, the consolidated accounts include the Group's share of the profits and attributable taxation of the associated company based on the latest audited accounts.

In the consolidated balance sheet, the investment in the associated company is stated at cost together with the Group's share of post acquisition retained profits.

Subsidiary companies

The investment in subsidiary companies is accounted for at cost.

Revenue recognition

Turnover includes gross sales proceeds from coffee, tea and the sale of livestock and dairy products net of all selling charges, marketing commission, ad valorem levy and County Council cess where applicable, and is accounted for on the accrual basis.

Other revenues earned by the Group are recognised as follows:

Interest and rental income	-	as it accrues unless collectibility is doubtful.
Dividend income	-	when the shareholder's right to receive payment is established.

Taxation

Current taxation is provided on the basis of the results for the year as shown in the accounts, adjusted in accordance with tax legislation. Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and the unused tax credits can be utilised.

Trade investments

Quoted investments are stated at market value. Other investments are stated at cost. Provision is made for any permanent diminution in value.

Stocks

Tea, coffee and estate stores are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business, including direct material costs, labour and production overheads where appropriate. Net realisable value is the price at which the stock can be realised in the normal course of business after allowing for costs of realisation. Provision is made for obsolete, slow moving and defective stocks.

Livestock is stated at directors' valuation.

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2001

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed assets and depreciation

The fixed assets are stated at 1995 revaluation amounts, with subsequent additions stated at cost.

Leasehold properties are amortised over the remaining period of the lease.

Depreciation is not provided on land and development as the costs of replanting, infilling and upkeep of developed areas are charged against revenue in the year in which they are incurred. Development costs include direct costs and attributable overheads incurred in bringing newly planted areas into production.

Where developed areas are affected by natural or other causes, resulting in a material permanent diminution in earnings, the development costs in respect of such areas are written off to the profit and loss account. Subsequent development costs attributable to such areas are capitalised.

Depreciation on other assets is provided over the estimated useful lives of the assets on the straight line method. The principal rates in use are:

	Over the estimated useful lives
Buildings and improvements	12.5%
Plant, machinery and tools	25%
Rolling stock	12.5%
Farm implements, furniture and equipment	33.3%
Computers	

The excess depreciation charge on the revalued element of the assets is transferred from capital reserves to revenue reserves

Foreign currency transactions

Assets and liabilities expressed in foreign currencies are translated into Kenya Shillings at the rate of exchange ruling at the balance sheet date. Transactions during the year in foreign currencies are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in the profit and loss account.

Retirement benefits

Contributions made to the defined contribution scheme are charged to the profit and loss account as incurred. The group also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by local statute and are limited to K.Shs 80 per employee per month. The group's contribution to the above schemes are charged to the profit and loss account in the year to which they relate.

Bad and doubtful debts

Specific provision is made for all known doubtful debts. Bad debts are written off when all reasonable steps to recover them have been taken without success.

Employee entitlements

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

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

Dividends

Dividends are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.



NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2001

2 (a) FIXED ASSETS

The Group

	Land and development K.Shs '000	Buildings and improvements K.Shs '000	Plant machinery and tools K.Shs '000	Rolling stock and farm implements K.Shs '000	Furniture and equipment K.Shs '000	Total K.Shs '000
COST OR VALUATION						
At 1 October 2000	1,394,759	511,928	347,029	140,215	46,227	2,440,158
Additions	4,907	4,233	22,419	14,183	4,291	50,033
Disposals	-	-	-	(8,734)	(434)	(9,168)
At 30 September 2001	1,399,666	516,161	369,448	145,664	50,084	2,481,024
Comprising:						
At cost	137,890	80,228	126,800	102,481	37,938	485,337
At valuation	1,261,776	435,933	242,648	43,183	12,146	1,995,686
	1,399,666	516,161	369,448	145,664	50,084	2,481,024
DEPRECIATION						
At 1 October 2000	-	162,367	181,796	98,236	28,695	471,094
Charge for the year	350	27,259	42,846	16,916	5,504	92,874
Disposals	-	-	-	(7,153)	(108)	(7,261)
At 30 September 2001	350	189,626	224,642	107,999	34,090	556,707
NET BOOK VALUE						
At 30 September 2001	1,399,316	326,536	144,806	37,665	15,994	1,924,317
At 30 September 2000	1,394,759	349,561	165,233	41,979	17,532	1,969,064

Most of the group's fixed assets were revalued on 30 September 1995 by Lloyd Masika Limited, registered valuers on the following basis:

Land and Development	-	at market value on an existing use basis.
All other assets	-	at net current replacement cost.

The valuation surplus was credited to capital reserves.

No depreciation has been charged in arriving at the results for the year in respect of certain fully depreciated fixed assets with a cost of K.Shs 86,644,499 (2000 - K.Shs 47,227,837) which are still in use. If depreciation had been charged during the year on the cost of these assets at normal rates, it would have amounted to K.Shs 20,997,021 (2000 - K.Shs 12,507,277).

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2001

2 (b) FIXED ASSETS

The Company

	Land and development K.Shs '000	Buildings and improvements K.Shs '000	Plant and machinery and tools K.Shs '000	Rolling stock and farm implements K.Shs '000	Furniture and equipment K.Shs '000	Total K.Shs '000
COST OR VALUATION						
At 1 October 2000	421,956	193,673	79,395	52,793	18,873	766,690
Additions	1,033	-	-	4,969	3,011	9,013
Disposals	-	-	-	(880)	(434)	(1,314)
At 30 September 2001	422,989	193,673	79,395	56,882	21,450	774,389
Comprising:						
At cost	64,944	12,615	6,253	43,899	16,965	144,676
At valuation	358,045	181,058	73,142	12,983	4,485	629,713
	422,989	193,673	79,395	56,882	21,450	774,389
DEPRECIATION						
At 1 October 2000	-	65,908	31,107	37,360	8,596	142,971
Charge for the year	-	11,400	7,030	7,248	3,139	28,817
Disposals	-	-	-	(880)	(108)	(988)
At 30 September 2001	-	77,308	38,137	43,728	11,626	170,799
NET BOOK VALUE						
At 30 September 2001	422,989	116,365	41,258	13,154	9,824	603,590
At 30 September 2000	421,956	127,765	48,288	15,433	10,277	623,719

No depreciation has been charged in arriving at the results for the year in respect of certain fully depreciated fixed assets with a cost of K.Shs 32,743,466 (2000 : K.Shs 17,697,276) which are still in use. If depreciation had been charged during the year on the cost of these assets at normal rates, it would have amounted to K.Shs 7,927,923 (2000 : K.Shs 4,566,939).

2 (c) CAPITAL WORK IN PROGRESS

The capital work in progress at 30 September 2001 relates to water purification system, re-siting of Factory Manager's office and four Assistant Managers' bungalows.

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NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2001

3. INVESTMENT IN SUBSIDIARY COMPANIES

	2001	2000
	K.Shs '000	K.Shs '000
Company		
Shares in subsidiary companies at cost less amounts written off	14,797	14,797

The subsidiary companies which are all incorporated in Kenya are:

	Percentage of equity held	
Kipkebe Limited	100	
Keritor Limited	100	(100% held by Kipkebe Limited)
Kipkebe Estates Limited	100	(100% held by Kipkebe Limited)
Mweiga Estate Limited	75	
Wahenya Limited	75	(100% held by Mweiga Estate Limited)

Group

Maramba Tea Factory Limited	55,000	-
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Kipkebe Estates Limited, a wholly owned subsidiary of Kipkebe Limited, owns 55% of the shares in Maramba Tea Factory Limited. Kipkebe Limited is, therefore, the ultimate Holding Company of Maramba Tea Factory Limited. The Group's investment in Maramba Tea Factory Limited has been shown at cost since the Company has not commenced trading.

4. INVESTMENT IN ASSOCIATED COMPANY

	The Group		The Company	
	2001	2000	2001	2000
	K.Shs '000	K.Shs '000	K.Shs '000	K.Shs '000
Investment in Garton Limited				
Unquoted:				
Share of net assets	81,318	96,676	-	-
Shares at cost	-	-	12	12
	81,318	96,676	12	12
The Group's share of reserves:				
Capital reserves	60,103	60,103		
Revenue reserves	21,203	36,561		
	81,306	96,664		

The Group holds 49% of the equity capital in Garton Limited. The results of the company, whose principal activity is the growing and processing of coffee, have been included on the basis of the audited accounts as at 31 December 2000.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

5. OTHER INVESTMENTS

	The Group		The Company	
	2001 K.Shs '000	2000 K.Shs '000	2001 K.Shs '000	2000 K.Shs '000
Trade investments : Quoted	4,831	11,356	31	31
Unquoted	6,029	6,029	1,267	1,267
	10,860	17,385	1,298	1,298

The quoted trade investments of the Group and the Company have a market valuation of K.Shs 4,830,800 (2000 : K.Shs 9,030,880) and K.Shs 31,000 (2000 : K.Shs 31,000) respectively.

The unquoted trade investments of the Group and the Company are valued by the directors at K.Shs 122,220,291 (2000 : K.Shs 68,281,608) and K.Shs 1,267,480 (2000 : K.Shs 1,267,480) respectively.

6. STOCKS

	The Group		The Company	
	2001 K.Shs '000	2000 K.Shs '000	2001 K.Shs '000	2000 K.Shs '000
Tea	52,527	46,505	-	-
Tea and tree nurseries	7,189	8,666	-	-
Coffee	43,205	26,877	33,445	19,580
Livestock	1,133	1,125	149	131
Estate stores	54,156	39,767	13,463	11,336
	158,210	122,940	47,057	31,047

7. DEBTORS

Trade debtors	41,607	52,195	3,245	1,601
Other debtors and prepaid expenses	42,850	43,031	5,567	5,173
	84,457	95,226	8,812	6,774

8. SUBSIDIARY COMPANY BALANCES

Due from subsidiaries	-	-	12,680	17,167
Due to subsidiaries	-	-	(8,365)	-

9. SHARE CAPITAL

Authorised:			
40,000,000 ordinary shares of K.Shs 5 each		200,000	200,000
Issued and fully paid:			
38,009,250 ordinary shares of K.Shs 5 each		190,046	190,046

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

20. SELLING AND DISTRIBUTION EXPENSES	2001 K.Shs '000	2000 K.Shs '000
Warehousing and storage charges	8,032	6,489

21. OTHER CHARGES AND EXPENSES

Livestock expenditures	3,159	2,751
Loss on disposal of fixed assets	171	343
	3,330	3,094

22. FINANCE COSTS

Bank charges and interest	1,852	1,546
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23. PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM

The profit before taxation and extraordinary item is arrived at after charging:

Depreciation	92,874	95,327
Pension scheme contributions	6,349	6,440
Directors' emoluments: - fees	1,266	544
- other	11,926	9,423
Auditors' remuneration	1,713	1,672
(Company : K.Shs 550,000 (2000 : K.Shs 550,000))		
Bank charges and interest	1,852	1,546
Loss on disposal of fixed assets	171	343
And after crediting:		
Income from trade investments	1,638	4,908
Interest income	9,243	7,925
Foreign exchange (loss)/gain	(957)	7,784
Gain on disposal of fixed assets	1,524	3,188

24. EXTRAORDINARY ITEM

This relates to amounts written off following the dissolution of the subsidiary, Warren Kenya Limited.

25. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit after taxation and minority interests of K.Shs 13,863,000 (2000 : K.Shs 110,772,000) and on 38,009,250 ordinary shares.

26. PRIOR YEAR ADJUSTMENT

	2001 K.Shs '000	2000 K.Shs '000
Tax losses on Wahenya Limited	-	4,913
Other temporary differences on Kipkebe Limited	-	10,178
Accelerated tax allowances for the associated company	-	(4,443)
Other temporary differences for the associated company	-	(795)
Withholding tax on imported services to Kipkebe Limited	(2,553)	-
Others	-	(25)
	(2,553)	9,828

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2001

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the cash flow statement comprise the following balance sheet amounts:

	2001 K.Shs '000	2000 K.Shs '000
Bank balances, cash and short-term deposits	145,035	248,467
Bank overdrafts	(4,527)	(3,680)
	<u>140,508</u>	<u>244,787</u>

28. PROFIT ATTRIBUTABLE TO THE MEMBERS

The profit dealt with in the financial statements of the parent company is K.Shs 10,997,870 (2000 : K.Shs 40,228,919), after recognising dividend income from subsidiary companies in the year to which it relates.

29. CAPITAL COMMITMENTS

	The Group		The Company	
	2001 K.Shs '000	2000 K.Shs '000	2001 K.Shs '000	2000 K.Shs '000
Authorised and contracted for	-	20,006	-	1,240

30. RELATED PARTY TRANSACTIONS

The Company shares common directors with some of its subsidiary companies and suppliers to and from whom goods and services were supplied during the period under review. These transactions were at arm's length and in the normal course of business. The following transactions were entered into with these related parties:

	2001 K.Shs '000	2000 K.Shs '000
Purchase of goods and services		
Ryce Motors Limited	10,361	181
Ryce Engineering Limited	2,192	8,837
OEL Sysnet Limited	169	72
Tyre Centre Limited	198	607
Sameer Management Limited	3,000	2,575
	<u>15,920</u>	<u>12,272</u>

The Company also shares common directors with two of its bankers, who supplied a range of banking services to the Company and its subsidiaries during the period under review. The transactions entered into with these related parties were at arm's length and in the normal course of business.

31. CONTINGENT LIABILITIES

	The Group		The Company	
	2001 K.Shs '000	2000 K.Shs '000	2001 K.Shs '000	2000 K.Shs '000
Liabilities under guarantee	10,250	10,250	500	500

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2001

32. BUSINESS SEGMENT

The major part of the business of the Group falls under the category of growing, processing and selling tea and coffee with other income comprising less than 2.9% of the Group's total income.

33. CURRENCY RISK

The Group operates wholly within Kenya and its assets and liabilities are reported in local currency. Although some of the transactions are in foreign currency, the Group had no significant foreign currency exposure as at 30 September 2001.

34. EMPLOYEES

The average number of employees within the Group during the period under review was 4,508 (2000 : 4,541).

35. COMPARATIVES

Comparative figures have been adjusted where necessary in order to conform with changes in presentation in the current year.

36. INCORPORATION

The company is incorporated in Kenya under the Companies Act.

37. CURRENCY

These accounts are presented in Kenya Shillings (K.Shs).



Sasini

FIVE YEAR COMPARATIVE STATEMENT

PRODUCTION AND SALES STATISTICS

TEA		2001	2000	1999	1998	1997
Area	- Hectares	1,301	1,243	1,220	1,220	1,162
Production	- Kilograms	7,240,302	7,067,005	6,888,213	6,809,212	4,479,398
Sales	- Kilograms	7,148,858	7,129,186	6,695,212	6,972,776	4,426,967
Net sales proceeds	- K.Shs/Kg	95.43	114.47	93.76	98.52	86.18

COFFEE

Area	- Hectares	906	906	907	903	840
Production	- Tonnes	1,453	1,493	797	867	1,023
Sales	- Tonnes	1,392	1,380	700	890	1,143
Net sales proceeds	- K.Shs '000/tonne	124	140	192	290	221

RESULTS

	K.Shs '000	K.Shs '000	K.Shs '000	K.Shs '000	K.Shs '000
TURNOVER	874,602	1,017,484	766,361	955,799	643,287
Profit before taxation and minority interests	34,896	161,594	49,981	209,182	170,922
Taxation	(24,114)	(52,954)	(28,597)	(84,865)	(69,157)
Profit after taxation before minority interests	10,782	108,640	21,384	124,317	101,765
Minority interests	3,081	4,507	4,668	(2,611)	(2,253)
Extraordinary item	-	(2,375)	-	-	-
Profit attributable to members of Sasini Tea and Coffee Limited	13,863	110,772	26,052	121,706	99,512
Dividend	(38,009)	(76,019)	(19,005)	(114,028)	(76,019)
Retained profit for the year transferred to reserves	(24,146)	34,753	7,047	7,678	23,493

ASSETS EMPLOYED

Fixed assets	1,924,317	1,969,064	1,995,212	2,050,434	2,010,459
Capital work in progress	4,416	1,157	1,334	596	643
Investments	147,178	114,061	112,874	111,940	87,800
Net current assets	244,317	313,694	243,651	236,009	237,722
	2,320,228	2,397,977	2,353,071	2,398,979	2,336,624

FINANCED BY

Share capital	190,046	190,046	190,046	190,046	126,697
Reserves	1,990,167	2,008,832	1,955,355	1,940,015	2,113,965
Proposed dividends	9,502	47,512	19,005	38,009	12,670
Shareholders' funds	2,189,715	2,246,390	2,164,406	2,168,070	2,253,332
Minority interests	64,922	67,652	72,990	78,933	83,292
Deferred Tax	65,591	83,935	115,675	151,976	-
NET ASSETS	2,320,228	2,397,977	2,353,071	2,398,979	2,336,624

RATIOS

Earnings per share	0.36	2.91	0.69	3.20	2.62
Dividend per share	1.00	2.00	0.50	3.00	2.00
Dividend cover (times covered)	0.36	1.46	1.37	1.07	1.31
Net assets per share	61.04	63.09	61.91	63.12	61.48

- The earnings and net assets per share for prior years have been restated to take account of subsequent bonus issues.
- Shareholders' funds for prior years have been restated to include proposed dividends for the particular year.