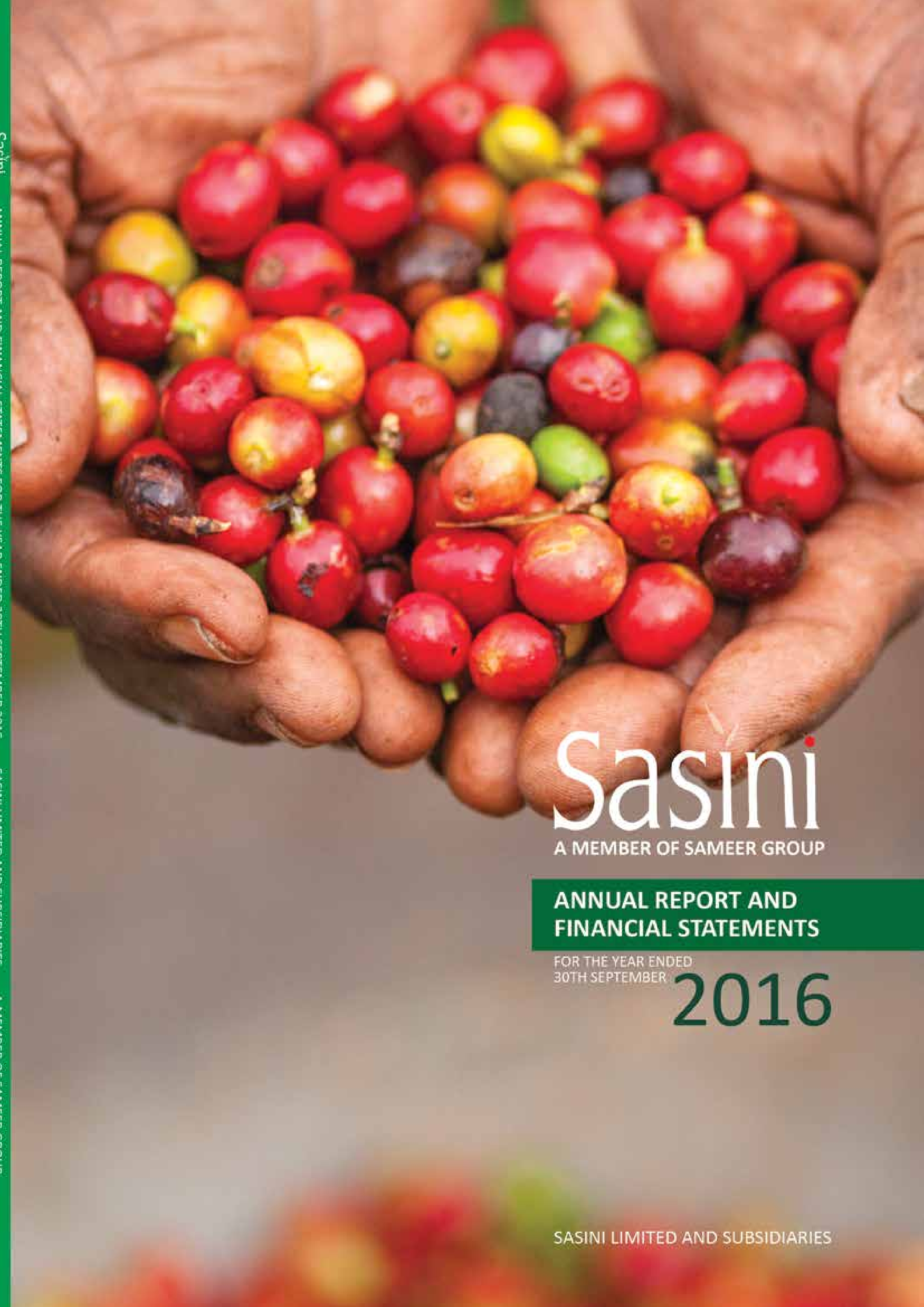

Sasini

A MEMBER OF SAMEER GROUP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2016

SASINI LIMITED AND SUBSIDIARIES

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DIRECTORS AND STATUTORY INFORMATION

DIRECTORS

Dr. J.B. McFie, PhD, MBS	- Chairman
Dr. N. N. Merali, PhD, CBS	
A.H. Butt, CPA (Kenya), FCCA	
S.N. Merali, MSc	
Mrs. L.W. Waithaka, MSc	
Dr. S.O. Mainda, PhD, MA, ACII, EBS	
A.R. Kassam	- (Resigned on 29 January 2016)
M.K. Changwony, BA (Hons), MBS	- (Retired on 31 December 2016)
S. M. Githiga, MBA, Bsc, CPA (Kenya)	- (Appointed on 1 January 2017)

SECRETARY

Lawrence Chelimo Kibet, CPS (Kenya) - (Appointed 1 January 2016)
5th Floor, Barclays Plaza, Loita Street
PO Box 9287 - 00100
NAIROBI

REGISTRARS

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

ADVOCATES

Shapley Barret & Company
PO Box 40286 - 00100
NAIROBI

Harrison Hamilton and Mathews
PO Box 30333 - 00100
NAIROBI

Timamy and Company Advocates
PO Box 87288 - 80100
MOMBASA

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Sasini House
Loita Street
PO Box 30151 - 00100
NAIROBI

Telephone
(+254-020) 3342166/71/72

Mobile
(+254) 0722 200706, 0734 200706

E-mail
info@sasini.co.ke

Website
www.sasini.co.ke

AUDITORS

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

BANKERS

Barclays Bank of Kenya Limited
Barclays Plaza
PO Box 46661 - 00100
NAIROBI

Commercial Bank of Africa Limited
Mara & Ragati Roads, Upper Hill
PO Box 30437 - 00100
NAIROBI

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

KCB Bank Limited
Kiambu Branch
PO Box 81 - 00900
KIAMBU

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

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

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

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

Stanbic Bank Kenya Limited
Stanbic Bank Centre, Westlands Road
P.O Box 72833 - 00200
NAIROBI

VISION
“ To be the leading agribusiness in Africa.”

MISSION
“ To focus on innovative and efficient business practices, quality products and commitment to all our stake holders.”

OUR CORE VALUES

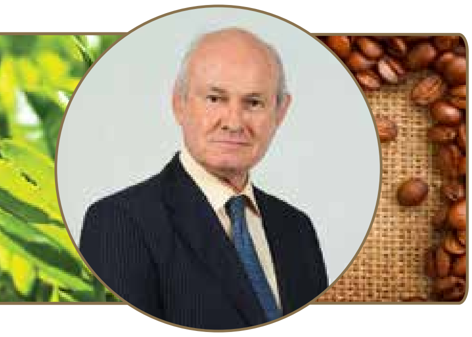
- Integrity
- Efficiency
- Positive Attitude
- Respect
- Teamwork

CERTIFICATIONS

- Utz certification for coffee operations;
- Rain Forest Alliance certification for Tea and Coffee operations
- Kenya Bureau of Standards Diamond mark of quality for branded Tea’s
- ISO 22000:2005 certification
- Fair Trade Flo Certification
- C.A.F.E. Practices (Starbucks Coffee)

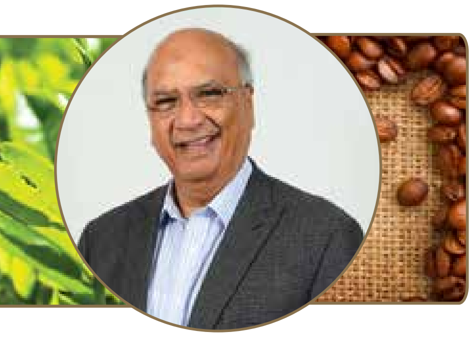
ISO 22000:2005 certified | Mark of Origin Coffee Kenya | Rainforest Alliance Certification | FLO CERT Certification | C.A.F.E. Practices | UTZ Certified Better farming Better future

Sasini Limited and Subsidiaries
BOARD OF DIRECTORS



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

Dr. McFie is the Chairman of the Board of Directors. He holds a PhD in Accounting from the University of Strathclyde and Masters of Mathematics from Oxford University. He is a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Institute of Certified Public Accountants of Kenya (ICPAK). Dr. McFie is a lecturer in Financial Reporting and Forensic Accounting at Strathmore University. Between 1993 and 2002 he was Director of the Kenya Capital Markets Authority, a member of the Kenya Added Tax Tribunal and a Trustee of the Kenya Corporate Governance Trust and of Jitegemee Trust. He is also a director of The Standard Group Limited. He also serves as the Honorary Treasurer on the Board of Directors of AfriAfya, the African Network for Health Knowledge Management and Communication. He was the Training Manager in Ernst and Young and a member of Education and Training Committee of ICPAK. Dr. McFie joined the Board on 30th August 2007.



Dr. Naushad Noorali Merali - *Non Executive Director*

Dr. Naushad N. Merali holds a doctorate degree (Honoris Causa) in Business Leadership awarded by Kabarak University. He is an astute businessman and the Chairman and founder of the Sameer Group of Companies. Sameer Group of Companies, is a leading conglomerate in Kenya (and regional presence in East Africa) with interests in Agriculture and Agribusiness (Sasini Ltd and Sameer Agriculture & Livestock (Kenya) Ltd), Trading and Commerce (Sameer Africa Ltd and Eveready East Africa PLC), Construction and Engineering (Warren Enterprises Limited), Financial Services (Spire Bank Ltd), Commercial and Leasing (Ryce East Africa Ltd and Yansan East Africa Ltd, EPZ (Sameer EPZ Ltd and Sameer Industrial Park Ltd), Energy and in Real Estate (Sameer Business Park is an ultra- modern building comprising five units totaling more than 500,000sq ft of built up area in show rooms and offices as well as Rivaan Centre, Westlands with lettable area of 72,000 sq.ft in offices, showrooms and restaurants.

Dr. Merali has also served on various Presidential Committees relating to trade and social services and was a member of the National Economic and Social Council. He is a Board Trustee Member of the National Cancer Institute of Kenya. Owing to his contribution to the development and economic growth of Kenya, Dr. Merali has been honoured twice with Presidential national awards. He has been awarded the honour of the highly coveted national award of the Chief of the Order of the Burning Spear (CBS) and Elder of the Burning Spear (EBS). Dr. Merali has been a Director of Sasini Limited since 6th June 1989.

Mr. Stephen Maina Githiga, Group Managing Director - *Executive*

Mr. Stephen Maina Githiga joined Sasini Limited in January 2017. He holds a Master in Business Administration and a Bachelor of Science from University of Nairobi. Also a certified Public Accountant (CPA K) and member of Institute of Certified Public Accountants of Kenya (ICPAK).

Mr. Githiga has over 25 years of experience in a variety of roles including; serving as a senior external auditor in Deloitte and Touche, Finance Manager in Lonrho (PLC) group, General Manager in Lonrho Motors East Africa, Managing Director of First Assurance Company Limited, where he succeeded to turn around the company and complete a joint venture transaction with Barclays Bank of Africa, who acquired 63.3% of First Assurance Co. Ltd.

Mr. Githiga has served the boards of Kiru Tea Factory, he is Board Member and Chairman of Audit Committee of Sameer Africa and Ryce Motors. Board Member of Yana motors and First Assurance (TZ) Ltd, Kiria-ini Mission Hospital among others.

Appointed as Group Managing Director on 1st January 2017

Mr. Sameer Naushad Merali - *Non Executive*

Mr. S. N. Merali holds a Master of Science degree in Banking and International Finance. Mr. Merali initially worked with Merrill Lynch International Bank Limited in the United Kingdom as Investment Analyst between October 2000 and February 2003. He joined Sameer Investments Limited in March 2003 and now serves as the Chief Executive Officer of Sameer Investments Limited. He is the Chairman of Ryce East Africa Limited, Nandi Tea Estates Ltd and Warren Enterprises Ltd. He is a Director of Sameer Africa Limited, a company listed on the Nairobi Securities Exchange Ltd. He is also a Director of Sameer ICT Ltd, Sameer Telkom Ltd and Fidelity Shield Insurance Company Ltd.

He joined the Board of Sasini Ltd on 26th May 2006.

BOARD OF DIRECTORS

Mr. Akif Hamid Butt - *Non Executive Director*

Mr. A H Butt is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Public Accountant of Kenya (CPA) and has a wealth of experience in financial management, corporate planning and strategic management acquired over time. He previously worked with PriceWaterhouse Coopers (PWC) in Kenya and the East Africa Region, Liberia and England. He joined the Sameer Group in 1989 and is currently the Group's Finance Director. He represents the interest of the Sameer Group on the boards of various companies. Mr. Butt is also a Director of Sameer Africa Ltd and Eveready East Africa PLC, which are quoted on the Nairobi Securities Exchange. He was appointed to the Board of Sasini Limited on 1st May 1990.

Mrs. Lucy Waguthi Waithaka - *Non Executive Director*

Lucy W. Waithaka is an export development specialist. She holds a Master of Science degree in Horticulture/Agronomy and a BSC in Agriculture from the University of Nairobi. Her last formal employment was at the Export Promotion Council (EPC), the national trade promotion organization in charge of development and promotion of Kenya's exports as the General Manager, Enterprise and Product Development, up to November 2015. She has extensive experience in agriculture, export marketing and business management having held senior positions in agriculture and international trade related institutions, namely, the Horticultural Crops Development Authority (HCDA) and the Fresh Produce Exporters Association of Kenya (FPEAK), where she was the Chief Executive before joining the Export Promotion Council of Kenya. She has served as a member of Board of Directors of the Kenya Plant Health Inspectorate Service (KEPHIS) and is currently Chairman of Eveready East Africa PLC and a member of Sasini Limited Board of Directors, where she chairs the Board Audit Committee.

Mrs. Waithaka has carried out research work and published widely in the areas of cut flowers, post-harvest handling of horticultural produce and export marketing. She has organized and led market study and export promotion missions to several international markets in Europe, USA, Japan, Middle East and Africa, providing business to business linkages for Kenyan exporters. At the EPC, she managed several programmes, all aimed at enhancing the export supply base and export competitiveness through enterprise development initiatives and capacity building. These included product development and test marketing; market penetration and promotion; and training in export trade and business management skills. She joined the Board of Sasini Ltd on 30th August 2007.

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

Dr. S. O. Mainda was awarded a Doctorate Degree (Honoris Causa) in Strategic Management by Makerere University in 2013. He also holds a Master of Arts degree in Management. He is a member of the Chartered Institute of Insurance. Mr Mainda has a wealth of experience in Finance, Insurance, Strategic Management and Education. He is currently the Chairman Housing Finance Company of Kenya Ltd which is also listed in the Nairobi Securities Exchange. He is a Director of Fina Bank Ltd, Ryce East Africa Ltd (a member of the Sameer Group of Companies). He joined the Board on the 21st September 2012.

Mr. Moses K. Changwony - Group Managing Director - *Retired 31 December 2016*

Mr. Moses K. Changwony has over 25 years experience in managerial capacity. He holds a Bachelor of Arts Degree from the University of Nairobi. He studied Government and graduated summa cum laude.

Prior to joining Sasini Limited, he served as Project Director of Mat International Sugar Limited and as Managing Director of Riverine Invests Limited, Tana and Athi Rivers Development Authority, and DL Group. He has consulted for various local and international enterprises in the areas of sugar and livestock farming, fish farming and green house project for tomato farming.

Sasini Limited and Subsidiaries
SENIOR MANAGEMENT TEAM

Mr. Stephen Maina Githiga
Group Managing Director

Mr. Stephen Maina Githiga joined Sasini Limited in January 2017. He holds a Master in Business Administration and a Bachelor of Science from University of Nairobi. Also a certified Public Accountant (CPA K) and member of Institute of Public Accountants of Kenya (ICPAK).

Mr. Githiga has over 25 years of experience in a variety of roles including; serving as a senior external auditor in Deloitte and Touche, Finance Manager in Lonrho (PLC) group, General Manager in Lonrho Motors East Africa, Managing Director of First Assurance Company Limited, where he succeeded to turn around the company and complete a joint venture transaction with Barclays Bank of Africa, who acquired 63.3% of First Assurance Co. Ltd.

Mr. Githiga has served the boards of Kiru Tea Factory, he is Board Member and Chairman of Audit Committee of Sameer Africa and Ryce Motors. Board Member of Yana motors and First Assurance (TZ) Ltd, Kiria-ini Mission Hospital among others.

Appointed as Group Managing Director on 1st January 2017.

Mr. Shashidhar Menon
Managing Director, Kipkebe Limited (Tea Operations)

Vast experience of over 36 years in managing tea estates & factories in India and Kenya.

Prior to joining Sasini Ltd, he held senior positions with Goodricke Group Ltd, India (a member of Camellia plc, UK) on their tea plantations, where he worked for 18 years.

Holds a Bachelor of Arts degree from the Madras Christian College, India.

Appointed Managing Director, Kipkebe Ltd (a wholly owned subsidiary of Sasini Ltd) in December 2014.

Prior to this, he was the General Manager, Kipkebe Ltd from January 2000 and Deputy General Manager for 1 year.

Mr. James Muriithi Kieu
General Manager, Sasini Limited Coffee Operations

Vast experience of over 24 years in Managing Coffee and Tea Estates & Factories.

Prior to joining Sasini Ltd, he held senior positions within the Neumann Kaffee Gruppe managing Coffee and tea estates & factories both at local and International levels.

Holds a Diploma in Agricultural Engineering from Jomo Kenyatta University of Agriculture and Technology among other management and leadership courses.

Appointed General Manager, Coffee Operations in February 2004.

SENIOR MANAGEMENT TEAM

Dr. Samuel Kanga Odalo
Group Financial Controller

Over 29 years' experience in Finance, Accounting and Audit. Prior to joining Sasini Ltd, he held various senior Finance and Accounting positions in Agribusiness Industry.

He holds a Doctorate degree in business administration (Finance) from United states International University (USIU) , a Global Executive Masters of Business Administration (MBA) in partnership with Columbia Business School in New York, Bachelor of Science in Business Administration (Accounting) (Hons) from USIU, Certified Public Accountant (CPA K), Member of Institute of Certified Public Accountants of Kenya (ICPAK).

Joined the group in 1998 and appointed to the position in July 2009.

Mr. Lawrence C. Kibet
Company Secretary

Mr Kibet holds a Master of Business Administration degree in operations management, (MBA.) from the University of Nairobi. He also holds a Bachelor of Commerce (BCom. Hons.) finance major, and Bachelor of Laws degrees from the University of Nairobi. He is currently pursuing a Master of Public policy and Management degree at the Strathmore Business School, Strathmore University.

He has also attended various professional management and corporate governance capacity building courses.

He is a Certified Public Accountant (CPA K) and a Certified Public Secretary (CPS K). Mr Kibet is an active member of the Instituted of certified public accountants of Kenya (ICPAK), the institute of certified public secretaries (ICPSK) and Investor relations society (UK). Mr Kibet has over 15 years' experience in Company secretarial practice, corporate governance, policy management and investor relations.

He has been involved in several Capital Markets transactions over the last ten years.

Ms. Priscah Muthoni Keah
Head Of Human Resources

Over 14 years experience in Human Resource Management.

Prior to joining Sasini Ltd, she held various Senior Human Resources Management positions in Agribusiness and Manufacturing Industries.

Holds Masters of Business Administration (MBA) in Human Resources Management, Bachelor of Science (BSc.) (Mathematics) (Hons), Post Graduate Diploma in Human Resources Management and is a Member of the Institute of Human Resources Management (IHRM).

Appointed Head of Human Resources in July 2010.

NOTICE OF THE ANNUAL GENERAL MEETING

TO ALL SHAREHOLDERS

NOTICE is hereby given that the Sixty-fifth (65th) Annual General Meeting of Sasini Limited will be held at the Kamundu Estate, Kiambu, on Friday 24th March 2017, at 11.30 AM,to conduct the following business:

1. CONSTITUTION OF THE MEETING

The secretary to read the notice constituting the meeting and confirm if quorum is present.

2. REPORT OF THE AUDITORS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2016.

To receive, consider and adopt the audited Financial Statements for the year ended 30th September 2016 together with the Chairman's, Directors' and Auditor's reports thereon.

3. DIVIDEND

To confirm the first interim dividend of 25% paid on 4th July 2016 to shareholders on the register of members as at close of business on 20th June 2016 and the second interim dividend of 125% paid on 31st January 2017 to shareholders on the register of members as at close of business on 12th January 2017.

4. DIRECTORS

a) To re-appoint Mr. Sameer Merali who retires at this meeting in accordance with the provisions of Articles 94 and 95 of the Company's Articles of Association, and, being eligible, offers himself for re-election.

b)To re-appoint Dr. Steve Mainda who retires at this meeting in accordance with the provisions of Articles 94 and 95 of the Company's Articles of Association and also Clause 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. Special notice is hereby given pursuant to Section 287 of the Companies Act 2015, that notice has been received of the intention to propose the following Resolution as an Ordinary Resolution at the 2017 Annual General Meeting:

'That Dr Steve Mainda who has attained the age of 70 years, be and is hereby re-elected a Director of the Company.'

5. APPOINTMENT AND REMUNERATION OF AUDITORS

To note that Messrs KPMG Kenya continues in office as Auditors by virtue of Section 721 (2) of the Companies Act, 2015 and to authorize the Directors to fix the Auditor's remuneration for the ensuing financial year.

6. SPECIAL BUSINESS

To consider and if found fit, to pass the following resolutions as ordinary resolutions:

i) Approvals under Regulation G.06 of the Fifth Schedule of the Capital Markets (Securities) (Public Off ers, Listing and Disclosures) Regulations 2002.

For the purposes of the Regulation G.06 of the Fifth Schedule of the Capital Markets (Securities) Public Off ers, Listing and Disclosures) Regulations 2002 to consider, and if thought fi t, to pass the following resolutions as Ordinary resolutions in regard to the business of the Company, and in the interests of the Company:

a) THAT allotment of shares to the Company in **Sasini Avocado Limited** (previously known as **Sasini Marketing Services Limited**) to make it a wholly owned subsidiary of the Company be and is hereby ratified.
b) THAT the incorporation of **Sasini Seed Limited** incorporated in Kenya as a wholly owned subsidiary of the Company be and is hereby ratified.
c) THAT the incorporation of **Sasini EPZ Park Limited** incorporated in Kenya as a wholly owned subsidiary of the Company be and is hereby ratified.
d) THAT the incorporation of **Sasini Nuts EPZ Kenya Limited** incorporated in Kenya as a wholly owned subsidiary of the Company be and is hereby ratified.
e) THAT the disposal of the entire 60% shareholding in **Savanna Coffee House Limited** (previously known as **Sasini Coffee House Limited**) a subsidiary of the Company to **Sheb Investments Limited**, be and is hereby approved subject to regulatory approval.

Special Resolution

To consider and if found fit, to pass the following resolution as a special resolution :-
i) "THAT the name of the Company be and is hereby changed from "Sasini Limited" to " Sasini PLC" with effect from the date set out in the Certificate of Change of Name issued in that regard by the Registrar of Companies.

7. Any other business of which due notice has been given.

BY ORDER OF THE BOARD

LAWRENCE KIBET
COMPANY SECRETARY
21ST FEBRUARY 2017

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 form of proxy can also be downloaded from the company website: www.sasini.co.ke.

ILANI YA MKUTANO MKUU WA KILA MWAKA

KWA WAHISA WOTE

Ilani inatolewa hapa kuwa Mkutano Mkuu wa Kila Mwaka wa Sitini na Tano (65) wa Kampuni ya Sasini utafanywa katika Shamba la Kamundu, Kiambu , Ijumaa, tarehe 24 Machi 2017, saa tano na nusu asubuhi, kuendesha shughuli zifuatazo:

1. KUANZISHWA KWA MKUTANO

Katibu kusoma Ilani kuanzisha mkutano na kuhakikisha kuwa akidi imetimu.

2. RIPOTI YA WAKAGUZI WA FEDHA NA TAARIFA ZA KIFEDHA ZILIZOUNGANISHWA ZA MWAKA WA KIFEDHA ULIOISHA TAREHE 30 SEPTEMBA 2016

Kupokea, kuchunguza na kuidhinisha Taarifa za Kifedha zilizokaguliwa za mwaka ulioishia tarehe 30 Septemba 2016 pamoja na ripoti za Mwenyekiti, Wakurugenzi, na Wakaguzi wa Fedha.

3. MGAWO WA FAIDA

Kuthibitisha mgawo wa kwanza wa muda wa faida wa asilimia 25 uliolipwa tarehe 4 Julai kwa wahisa kwenye orodha ya wanachama wakati wa kufunga biashara tarehe 20 Juni 2016 na mgawo wa pili wa muda wa faida wa asilimia 125 uliolipwa tarehe 31 Januari 2017 kwa wahisa kwenye orodha ya wanachama wakati wa kufunga biashara tarehe 12 Januari 2017.

4. WAKURUGENZI

a) Kumchagua tena Bw. Sameer Merali anayestaafu katika mkutano huu kulingana na masharti ya ibara za 94 na 95 za Kanuni za Kampuni , na, kwa kuwa ana haki ya kuchaguliwa, anajitolea kuchaguliwa tena.

b) Kumchagua tena Dkt. Steve Mainda anayestaafu katika mkutano huu kulingana na masharti ya ibara 94 na 95 za Kanuni za Kampuni, na pia sharti la 2.5 la Kanuni za Utendaji wa Uongozi wa Mashirika kwa Watoaji wa Hisa kwa Umma 2015. Ilani maalum inatolewa hapa kufuatana na Sehemu ya 287 ya Sheria za Kampuni 2015, kuwa ilani imepokelewa ya nia ya kupendekeza Amuzi lifuatalo kama Amuzi la Kawaida katika Mkutano Mkuu wa Kila Mwaka wa mwaka wa 2017.

'Kuwa Dkt. Steve Mainda aliyefikisha umri wa miaka 70 awe na hapa anachaguliwa tena Mkurugenzi.'

5. UCHAGUZI NA UJIRA WA WAKAGUZI WA FEDHA

Kutambua kuwa KPMG Kenya wanaendelea kushikilia afisi kama Wakaguzi wa Fedha kutokana na sehemu 721 (2) ya Sheria ya Kampuni, 2015 na kuwaidhinisha Wakurugenzi kuamua ujira wa Wakaguzi wa Fedha wa mwaka wa kifedha unaofuata.

6. SHUGHULI MAALUM

Kufikiria na ikionekana sawa, kupitisha maamuzi yafuatayo kama maamuzi ya kawaida.

i) Idhini chini ya Kanuni G. 06 ya Kanuni za Ratiba ya Tano ya masoko ya Fedha (hisa)(Matoleo ya Umma , Hisa Zilizoorodheshwa na Zilizofichuliwa)

Kwa azma za Kanuni G.06 ya Kanuni za Ratiba ya Tano ya Masoko ya Fedha (Hisa)(Matoleo ya Umma, Hisa Zilizoorodheshwa na Zilizofichuliwa za mwaka 2002 kufikiria na ikionekana sawa kupitisha maamuzi yafuatayo kama maamuzi ya kawaida kuhusiana na shughuli za Kampuni, na kwa maslahi ya Kampuni:

a) Kuwa utengaji wa hisa kwa Kampuni katika **Sasini Avocado Limited** (awali ikijulikana kama **Sasini Marketing Services Limited**) kuifanya kampuni tanzu inayomilikiwa kamili na Kampuni uwe na hapa uidhinishwe.

b) Kuwa ushirikishi wa **Sasini Seed (Kenya) Limited** ulioshirikishwa nchini Kenya kama kampuni tanzu inayomilikiwa kikamilifu na Kampuni uwe na hapa uidhinishwe.

c) Kuwa ushirikishi wa **Sasini EPZ Park Limited** ulioshirikishwa nchini Kenya kama kampuni tanzu inayomilikiwa kikamilifu na Kampuni uwe na hapa uidhinishwe.

d) Kuwa ushirikishi wa **Sasini Nuts EPZ Kenya Limited** ulioshirikishwa nchini Kenya kama kampuni tanzu inayomilikiwa kikamilifu na Kampuni uwe na uidhinishwe.

e) Kuwa uuzaji wa asilimia 60 yote ya hisa katika **Savanna Coffee House Limited** (awali ikjulikana kama **Sasini Coffee House Limited**) iliyo kampuni tanzu ya Kampuni kwa **Sheb Investments Limited** , uwe na hapa unaidhinishwa kutegemea idhini ya urekebishaji.

Amuzi Maalum

Kufikiria na ikionekana sawa , kupitisha maamuzi yafuatayo kama maamuzi maalum.

i) "Kuwa jina la Kampuni liwe na hapa linabadilishwa kutoka "Sasini Limited" kuwa "Sasini PLC" kutokea tarehe iliyoonyeshwa kwenye Cheti cha Ubadilishi Jina kilichotolewa kuhusiana na hilo na Msajili wa Kampuni.

7. Shughuli yoyote nyingine ambayo ilani inayostahili imetolewa.

KWA AMRI YA HALMASHAURI

LAWRENCE KIBET
KATIBU WA KAMPUNI

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 uwakilishi imeshikanishwa.Fomu ya uwakilishi yaweza pia kupatikana kutoka kwa tovuti ya kampuni: www.sasini.co.ke

CHAIRMAN'S STATEMENT

ECONOMY AND BUSINESS ENVIRONMENT

World Economy

The world Economy continues to register lacklustre growth for another consecutive year with World Bank reviewing growth projections for 2017 downwards to 2.4% from 2.9%. This reduction is explained by sluggish growth in advanced economies, low commodity prices, declining global trade, and diminishing capital flows. "Depressed commodity prices have slowed growth sharply in commodity-exporting, emerging and developing economies, which are home to more than half the global poor," said World Bank Group President Jim Yong Kim; "Economic growth remains the most important driver of poverty reduction. Oil exporting emerging market and developing economies have struggled to adapt to lower prices for oil and other key commodities. Growth in these economies is projected to advance at a meagre 0.4% this year[1]. US Energy Information forecast for crude oil prices in 2017 reflect an increase of crude prices to about 52 USD per barrel owing to potential reduction of production by OPEC countries.

African Economy

The year 2015 - 2016 saw Sub Saharan Africa go through a difficult financial period owing to poor commodity prices, climate change, poor policy implementation and an unfavourable external environment. Oil exporting countries suffered the most during this period while oil importing countries benefited immensely from lower prices of crude oil. Half of the countries in this region continued to do well supported by low oil prices and investment in infrastructure. Sub-Saharan Africa remains a region of immense economic potential, but policy adjustment in the hardest-hit countries needs to be enacted promptly to allow for a growth rebound.

National Economy

According to data released by the Kenya National Bureau of Statistics (KNBS), Kenya's GDP grew from 5.3% in 2014 to 5.6% in 2015 driven by the construction sector that grew by 13.6% in 2015 compared to 13.1% in 2014, the financial and insurance sector that grew by 8.7% in 2015 from 8.3% in 2014 and the agricultural sector that reported a 5.6% growth in 2015 compared to the sector's growth of 3.5% in 2014[2]. The year 2017 started with a spell of drought due to global weather changes, which has adversely affected the crops. However, crop shortage is expected to translate to higher prices of both tea and coffee as the country eagerly waits for the rains.

Global Tea Market Trend

Demand for tea is projected to grow in 2017 as demand for ready to drink tea, green tea, and flavoured tea grow in the world markets and especially in the US. Black CTC is expected to continue the trend of better price for better manufactured tea. Pakistan will maintain its lead for demand for CTC black tea with its preference for higher quality teas while Egypt is projected to continue recording weak demand as its economy struggles to recover. Low uptake of tea in the UK is expected following the Brexit phenomenon, and the growing middle class whose preference for beverages is shifting to coffee and green tea. Both Egypt and Britain have been the major buyers of our teas; climate change has affected the growing of tea in India significantly and continues to potentially affect growing in Kenya. Going forward, our strategy is to remain focused on strategies to ensure business sustainability in the face of these challenges.

Global Coffee Trend

According to a report released by the International Coffee Organization for November 2016, World coffee exports increased compared with statistics of the same period in 2015. Projections for crop volumes for 2017 indicate potential for weak supply of Robusta coffee and improved supply prospects for Arabica coffee. Exports in the first 2 months of coffee year 2016/17 (Oct/16 and Nov/16) have increased by 8.5% to 19.52 million bags compared to 18 million bags in the same period in the previous coffee year. In the twelve months ending November 2016, exports of Arabica totalled 72.53 million bags compared to 69.89 million bags last year; whereas Robusta exports amounted to 45.06 million bags compared to 43.72 million bags.[3]

[1] World Bank Global Economic Prospects
[2] KNSBS
[3] ICO November Coffee Report

GROUP FINANCIAL RESULTS

Overview

The Company achieved tea production during the year of 11,108 tons of made tea compared to 8,578 Tons in the previous year. The average price realized for tea marginally increased to USD 1.89/kg compared to USD 1.87/kg in the previous financial year. Our Coffee estates produced 944 Tons of coffee compared to 993 Tons in the previous year. The drop in the volume is attributed to the poor rainfall during the first part of the year. The average price realized for coffee was USD 4.57/kg compared to USD 4.55/kg in the previous year.

Consequently the Group turnover increased from Shs. 2,786 million last year to Shs. 3,570 million for the year ended 30 September 2016. This also resulted in an increase in gross profit from Shs. 733 million last year to Shs. 974 million for the year ended 30 September 2016.

However the net profit for the year of Shs. 761.85 million is lower than the previous year profit of Shs. 1,101 million due to: Profit arising from restructuring of non-performing assets contributing Shs. 422.7 million compared to Shs. 830.7 million last year and due to an increase in the tax charge for the year to Shs. 258.9 million compared to a credit of Shs. 61.9 million last year. The increase in the tax charge arises from derecognition of a deferred tax asset in one of the subsidiary companies.
In view of the performance, the Board approved the payment of a second interim dividend of 125% (First interim 25%) bringing the total dividend pay out to 150% for the financial year.

The Board is committed to grow Shareholder value as evidenced by the continued improvement in operating performance. The Board has lined up several new projects for implementation in the new financial year.

KEY LEGAL AND REGULATORY HIGHLIGHTS

The legal and regulatory environment remains an area of significance to our business and below are a few highlights of some of the legal issues in the sub-sector.

Promulgation of the Coffee Regulations 2016

The Coffee Regulations 2016 were published in June 2016 in the Kenya Gazette. The High Court has subsequently suspended the gazetted coffee regulations, after governors moved to court to challenge them.

Collective Bargaining Agreement between the Kenya Tea Growers Association (KTGA) and Kenya Plantation and Agricultural Workers Union (KPAWU)

The tea industry wage negotiations between the Kenya Tea Growers Association (KTGA) and the Kenya Plantation and Agricultural Workers Union (KPAWU) take place every two years. The current CBA process began in 2014 but remains unresolved over disagreements regarding issues such as rates of pay, gratuity, and annual leave. The Kenya Tea Growers Association (KTGA) members have challenged an industrial court ruling awarding an increase of tea plantation workers' salary by 30%. KTGA had proposed at its negotiations with the union a 15% raise broken down to 7% for 2014, and 8% for 2015. The matter is currently being addressed by the Court of Appeal.

SOCIAL RESPONSIBILITIES

Our social responsibility to the communities around us remain key. The construction of Magura Mixed Secondary School in our tea division was completed and the school handed over to the community. The Teachers Service Commission (TSC) has already appointed the principal and a total of 45 students were expected to join Form 1 in January 2017.
The annual farmers' day was held at our Kiambu farm where farmers were sensitized on financial literacy, sustainable farming techniques and new investment options including growing of Macadamia nut and Avocado trees.

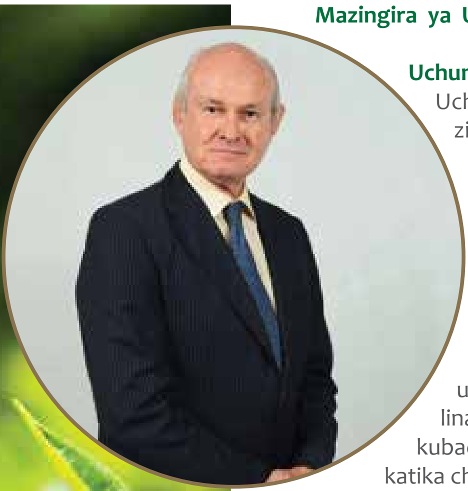
LOOKING AHEAD

The board, in pursuit of its strategic directives continued to restructure the Company's operations by disposing non-performing assets to strengthen its balance sheet and generate funding for new investments. In its diversification strategy, the Company has broken ground for the construction of a Macadamia nut processing factory in its Kiambu farm and encouraged its coffee farmers to plant the crop. The rationalization of the dairy herd, the embryo programme and the biogas plant are ongoing as planned.

Acknowledgement

I extend my deep gratitude to the board members, management and staff of Sasini as well as the shareholders and partners for their support during the year. I assure them of our commitment in growing the shareholders' wealth in the company.

Dr. J.B. McFie. PhD
Chairman
19th January, 2017



Mazingira ya Uchumi na Biashara

Uchumi wa Ulimwengu

Uchumi wa Ulimwengu unaendelea kuonyesha ukuaji wa mazimbwe zimbwe kwa mwaka mwengine mfululizo na Benki ya Dunia ikipitia upya na kuyateremsha makisio ya ukuaji ya mwezi wa Januari mwaka 2017 kwa asilimia 2.4 kutoka asilimia 2.9. Upungufu huu unatokana na ukuaji wa polepole wa chumi zilizoendelea, bei za chini za bidhaa, kupungua kwa biashara ya dunia, na pesa za matumizi zinazopungua. “ Bei za bidhaa zilizoshuka zimepunguza sana ukuaji katika chumi zinazojitokeza zinazosafirisha bidhaa na zinazoendelea, ambazo ni nyumbani kwa zaidi ya nusu ya masikini wa dunia,” alisema Rais wa Kundi la Benki ya Dunia Jim Yong Kim; “ Ukuaji wa kiuchumi bado unaendelea kuwa nguvu muhimu zaidi ya kupunguza umasikini. Soko linalojitokeza la usafirishaji mafuta na chumi zinazoendelea zimejibidiisha kubadili kuwa na bei za chini za mafuta na bidhaa nyingine muhimu. Ukuaji katika chumi hizi unakisiwa kuongezeka kwa asilimia 0.4 mwaka huu”.[1]

Utabiri wa Taarifa za Nishati wa Amerika wa bei za mafuta yasiyosafishwa katika mwaka wa 2017 unaonyesha ongezeko la kama DUS 52 kwa pipa katika bei za mafuta yasiyosafishwa kutokana na uwezekano wa kupunguza uzalishaji na nchi za OPEC.

Uchumi wa Afrika

Katika mwaka 2015-2016 Maeneo ya Afrika chini ya Sahara yalipitia kipindi kigumu cha kifedha kutokana na bei za chini za bidhaa, mabadiliko ya hali ya nchi, utekelezi mbaya wa sera na mazingira ya nje yasiyofaa. Nchi zinazosafirisha mafuta zilipitia mateso makubwa katika kipindi hiki wakati nchi zinazoingiza mafuta zilifaidika sana kutokana na bei za chini za mafuta na uwekezaji katika muundomsingi. Maeneo ya Afrika chini ya Sahara bado yanabakia eneo la uwezo mkubwa kiuchumi, lakini marekebisho ya sera yanahitaji kutekelezwa haraka iwezekanavyo katika nchi zilizoathiriwa zaidi kuruhusu ukuaji kurejea.

Uchumi wa Taifa

Kulingana na data iliyotolewa na Shirika la Takwimu la Kenya , Jumla ya Pato la Nchini lilikua kutoka asilimia 5.3 katika mwaka 2014 kuwa asilimia 5.6 katika mwaka 2015 likisababishwa na sekta ya ujenzi iliyokua kwa asilimia 13.6 katika mwaka 2015 ikilinganishwa na asilimia 13.1 katika mwaka 2014, sekta ya kifedha na bima iliyokua kwa asilimia 8.7 katika mwaka 2015 kutoka asilimia 8.3 katika mwaka 2014 na sekta ya kilimo iliyopata ukuaji wa asilimia 5.6 katika mwaka 2015 ikilinganishwa na ukuaji wa sekta wa asilimia 3.5 katika mwaka 2014[2]. Haya yalifikia kilele na mwaka kuanza na kipindi cha ukame kutokana na mabadiliko ya hali ya hewa ya kilimwengu na yameathiri mazao sana. Ijapokuwa upungufu wa mazao unatarajiwa kusababisha bei za juu kwa zote majani chai na kahawa wakati nchi ikingojea mvua kwa hamu.

Mwelekeo wa Soko la Majani Chai la Kilimwengu

Mahitaji ya majani chai yanakisiwa kukua katika mwaka wa 2017 kwa vile mahitaji ya chai iliyo tayari kunywiwa , chai kijani, na chai iliyotiwa viungo yanakua katika masoko ya ulimwengu na hasa Marekani. CTS nyeusi inatarajiwa kuendeleza mwelekeo wa bei nzuri zaidi kwa majani chai yaliyotengenezwa vizuri zaidi. Pakistani itaendelea kuongoza katika mahitaji ya majani chai meusi ya CTC kutokana na upendeleo wao wa majani chai ya ubora wa juu zaidi hali Misri inakisiwa kuendelea kurekodi mahitaji ya chini wakati uchumi wake ukijitahidi kupata afueni. Unywaji mchache wa chai unatarajiwa katika Uingereza kufuatia tukio la Brexit na tabaka la kati linaloendelea kukua ambalo upendeleo wake wa vinywaji unabadilika kuwa kahawa na chai kijani. Zote Misri na Uingereza zimekuwa wanunuzi wakuu wa chai zetu; badiliko la hali ya nchi limeathiri pakubwa ukuaji wa majani chai nchini India na unaendelea kuathiri kwa kiasi kikuu ukuzaji nchini Kenya. Kwenda mbele , mkakati wetu ni kubakia kulenga kwenye mikakati kuhakikisha uendeleaji katika hali ya changamoto hizi.

Mwelekeo wa Kilimwengu wa Kahawa

Kulingana na ripoti ya Novemba mwaka 2016 iliyotolewa na Shirika la Kahawa la Kimataifa , mahuruji ya kahawa ya ulimwengu yaliongezeka ikilinganishwa na takwimu za kipindi hicho hicho katika mwaka 2015. Makisio ya wingi wa mazao yanaonyesha uwezekano wa ugavi mchache wa kahawa ya Robusta na matarajio ya ugavi wa kuongezeka wa kahawa ya Arabika. Mahuruji katika miezi miwili ya kwanza ya mwaka wa kahawa wa 2016/2017 (Okt/16 na Nov/16) yameongezeka kwa asilimia 8.5 kuwa magunia milioni 19.52 ikilinganishwa na magunia milioni 18 katika kipindi hicho hicho katika mwaka wa kahawa uliotangulia. Katika miezi kumi na miwili inayoishia na Novemba mwaka 2016, mahuruji ya Arabika yalikuwa jumla ya magunia milioni 72.53 ikilinganishwa na magunia milioni 69.89 mwaka jana; ambapo mahuruji ya Robusta yalikuwa magunia milioni 45.06 ikilinganishwa na magunia milioni 43.72 .

MATOKEO YA KIFEDHA YA KUNDI

Mtazamo wa Kijumla

Katika mwaka Kampuni ilizalisha tani 11,108 za majani chai yaliyotengenezwa ikilinganishwa na tani 8,578 katika mwaka uliopita. Bei ya wastani ya majani chai iliopatikana iliongezeka kidogo kuwa USD 1.89 kwa kilo ikilinganishwa na USD 1.87 kwa kilo katika mwaka wa kifedha uliotangulia. Mashamba yetu ya kahawa yalizalisha Tani 944 za kahawa ikilinganishwa na Tani 993 mwaka uliopita. Punguo katika wingi linatokana na mvua chache sana katika sehemu ya kwanza ya mwaka. Bei ya wastani iliopatikana ya kahawa ilikuwa USD 4.57 kwa kilo ikilinganishwa na USD 4.55 kwa kilo katika mwaka uliotangulia.

Kwa hivyo mapato na matumizi ya Kundi yaliongezeka mwaka jana kutoka Shs. milioni 2,786 kuwa Shs. milioni 3,570 kwa mwaka ulioishia tarehe 30 Septemba mwaka 2016. Hili pia lilisababisha ongezeko katika faida ya jumla kutoka Shs. milioni 733 mwaka jana kuwa Shs. milioni 974 kwa mwaka ulioishia na tarehe 30 Septemba mwaka 2016.

Ijapokuwa faida halisi ya Shs. milioni 761.85 ya mwaka ni ya chini zaidi kuliko faida ya mwaka uliopita ya Shs. milioni 1,101 kutokana na: faida iliyotokana na upangaji upya wa rasilimali zisizozalisha ilichangia Shs. milioni 422.7 ikilinganishwa na Shs. milioni 830.7 mwaka uliopita na kutokana na ongezeko la kodi ya mwaka iliyodaiwa kuwa Shs. milioni 258.9 ikilinganishwa na karadha ya Shs. milioni 61.9 mwaka jana. Hili linatokana na kutotambuliwa kwa rasilimali ya kodi ilioahirishwa katika moja ya kampuni tanzu.

Kutokana na utendaji huo , Halmashauri iliidhinisha ulipaji wa mgao wa pili wa muda wa asilimia 125 (mgao wa kwanza wa muda asilimia 25) ukifanya jumla ya ulipaji wa mgao kuwa asilimia 150 kwa mwaka wa kifedha.

Halmashauri imejitolea kukuza thamani ya mhisa kama inavyoshuhudiwa na uimarishaji unaoendelea katika uendeshi wa utendaji. Halmashauri imepanga miradi mipya kadhaa ya kutekelezwa katika mwaka mpya wa kifedha.

MAMBO MUHIMU YA KISHERIA NA YA KIKANUNI

Mazingira ya kisheria na kikanuni yanabakia eneo muhimu kwa biashara yetu na hapa chini kuna mambo machache ya baadhi ya masuala ya kisheria katika sekta hii ndogo.

Utangazwaji wa kanuni za kahawa za mwaka wa 2016

Kanuni za kahawa za mwaka 2016, zilichapishwa mnamo Juni mwaka 2016 katika Gazeti rasmi la Serikali ya Kenya. Kisha Mahakama Kuu ilizuia kanuni za kahawa zilizotangazwa, baada ya magavana kuenda mahakamani kuzipinga.

Mkataba wa Mapatano ya Pamoja baina ya Chama cha Wakuzaji Majani Chai na Muungano wa Wafanyikazi wa Mashamba Makubwa na Kilimo wa Kenya

Mapatano ya ujira wa biashara ya majani chai baina ya Chama cha Wakuzaji Majani Chai na Muungano wa Wafanyikazi wa Mashamba Makubwa na Kilimo yanatokea baada ya kila miaka miwili. Mchakato wa Mkataba wa Mapatano ya Pamoja wa sasa ulianza katika mwaka 2014 lakini unabakia kutotatuliwa kutokana na kutofautiana katika masuala kama viwango vya ulipaji, bahashishi, na likizo ya mwaka. Wanachama wa Chama cha Wakuzaji Majani Chai wamepinga uamuzi wa Mahakama ya kazi unaowapatia ongezeko la mshahara la aslimia 30 kwa wafanyikazi wa mashamba ya chai. Chama hicho kilikuwa kimependekeza mapatano ya nyongeza ya asilimia 15 na Muungano wa Wafanyikazi itakayolipwa kwa asilimia 7 katika mwaka wa 2014, na asilimia 8 mwaka 2015. Swala hili kwa sasa linashughulikiwa na Mahakama ya Rufaa.

Wajibu wa Kijamii

Wajibu wetu wa kijamii unabakia muhimu kwa jumuia zilizotuzunguka. Ujenzi wa shule ya sekondari ya mchanganyiko ya Magura katika kitengo cha majani chai ulikamilishwa na shule kukabidhiwa jamii hiyo. Tume ya Huduma za Waalimu tayari imeteua mwalimu mkuu na jumla ya wanafunzi 45 wanatarajiwa kujiunga na Kidato cha kwanza Januari mwaka 2017.

Siku ya mkulima ya kila mwaka iliadhimishwa katika shamba letu la Kiambu ambapo wafanyikazi walijuzwa kuhusu ujuzi wa kifedha, mbinu za ukulima za kuendelea na uchaguzi wa uekezaji mpya ukijumuisha ukuzaji wa miti ya makadamia na parachichi.

MTAZAMO WA MBELENI

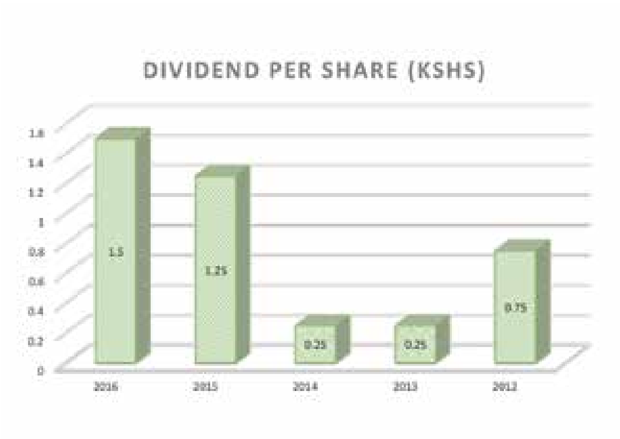
Halmashauri katika kutekeleza maelekezo yake ya kimkakati iliendelea kupanga upya shughuli za kampuni kwa kuondoa rasilimali zisizozalisha kuimarisha hesabu na kuzalisha mapato kwa uekezaji mpya. Katika mkakati wetu wa kupanua biashara kwa kuwa na bidhaa tofauti, kampuni imeanza ujenzi wa kiwanda cha utengenezaji wa makadamia katika shamba lake la Kiambu na kuwahimiza wakulima wa kahawa kupanda zao hilo. Urazinishaji wa ng'ombe wa maziwa , mpango wa kiinitete na kiwanda cha bayogesi zinaendelea kama ilivyopangwa.

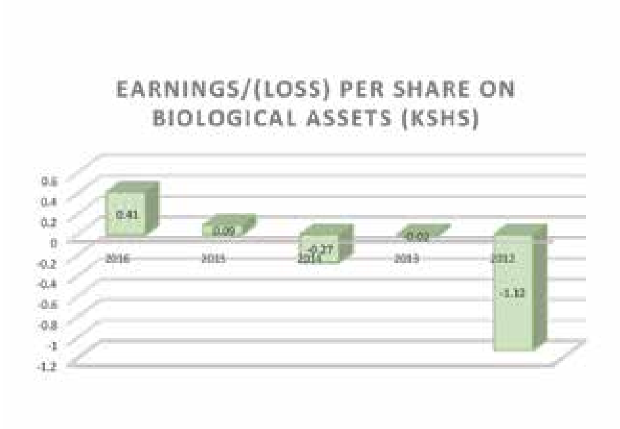
Shukrani

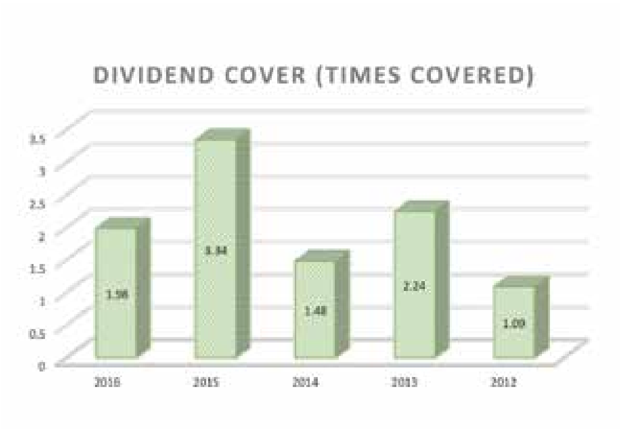
Kwa hivyo ninatoa shukrani za dhati kwa wanachama wa halmashauri, usimamizi na wafanyi kazi wa Sasini na pia wahisa na washirika kwa usaidizi wao katika mwaka. Ninawahakikishia kujitolea kwetu katika kukuza utajiri wa mhisa katika kampuni.

Dkt. J. B. McFie. PhD
Mwenyekiti
Tarehe 19 Januari, mwaka 2017

GRAPHICAL HIGHLIGHTS







REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the consolidated and separate financial statements for the year ended 30 September 2016, which disclose the state of affairs of the Group and the Company.

1. Activities

The principal activities of the Company and its subsidiaries are the growing, processing and sale of tea and coffee, commercial milling and marketing of coffee, value addition of related products, forestry, dairy operations and livestock.

2. Results

The results of the Group and Company for the year are set out on pages 25 and 26, respectively.

3. Dividends

A first interim dividend of KShs 0.25 (25%) (2015 - 1.00 (100%)) was declared and paid on 4 July 2016. The directors recommended the payment of a second interim dividend of KShs 1.25 per share (125%) (2015 - KShs nil (0%)) payable on or before 31 January 2017 to the members on record at close of business on 12 January 2017. This amounts to total dividend of KShs 1.50 per share (150%) for the year (2015 – KShs 1.25 (125%)).

4. Equity and reserves

The authorized issued share capital and reserves of the Group and Company at 30th September 2016 and matters relating thereto are set out in note 28 and 29 to the financial statements.

Full details of the Group and Company reserves and movements therein during the year are shown on pages 29, 30, 31 and 32.

5. Property, plant and equipment

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

6. Directors

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

In accordance with the regulation 94 and 95 of the Articles of Association, Mr. S. N. Merali and Dr. Steve Mainda retire by rotation, and being eligible, offer themselves for re-election.

7. Relevant audit information

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

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

8. 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 % 2016	Shareholding % 2015
Legend Investments Limited	41.84	41.84
Yana Towers Limited	12.60	12.60
East Africa Batteries Limited	10.89	9.94
Gulamali Ismail	8.64	8.42
	73.87	72.80

9. Directors' interests

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

Name of Director	2016 No. of shares	2015 No. of shares
Mr. A. H. Butt	30,300	30,300
Mr. S.N. Merali	45,900	45,900

10. Auditors

The auditors, KPMG Kenya, continue in office in accordance with the requirements of the Kenyan Companies Act, 2015.

11. Approval of financial statements

The financial statements were approved at a meeting of the directors held on 19 January 2017.

BY ORDER OF THE BOARD

Lawrence Chelimo Kibet
Company Secretary
Date: 19 January 2017

RIPOTI YA WAKURUGENZI

Wakurugenzi wanafuraha kuwakilisha ripoti yao pamoja na taarifa za hesabu zilizounganishwa na za kando za mwaka unaoishia tarehe 30 Septemba 2016 zinazoonyesha hali ilivyo ya Kundi na Kampuni.

1. Shughuli

Shughuli muhimu za Kampuni na Kampuni zake tanzu ni ukuzaji, utengenezaji na uuzaji majani chai na kahawa, usagaji kahawa wa kibiashara na uuzaji, uongezaji thamani wa bidhaa zinazohusiana, biashara ya misitu, shughuli za maziwa na bidhaa zake na mifugo.

2. Matokeo

Matokeo ya Kundi na Kampuni ya mwaka yako katika kurasa za 25 na 26, mtawalia.

3. Mgao wa Faida

Mgao wa kwanza wa muda wa KShs 0.25 (asilimia 25)(mwaka 2015 – 1.00 (asilimia 100) ulitangazwa na kulipwa tarehe 4 Julai mwaka 2016. Wakurugenzi walipendekeza ulipaji wa mgao wa pili wa muda wa KShs. 1.25 kwa kila hisa (asilimia 125) (mwaka 2015 kapa (asilimia 0)) utakaolipwa tarehe 31 Januari mwaka 2017 au kabla ya hapo kwa wanachama kwenye rekodi wakati wa kufunga biashara tarehe 12 januari 2017. Hii inafanya jumla ya gawio la faida kuwa KShs. 1.50 kwa kila hisa (asilimia 150) kwa mwaka (mwaka 2015- Kshs. 1.00 (asilimia 100)).

4. Rasilimali ya Hisa na Akiba

Rasilimali ya hisa na akiba zilizoidhinishwa za Kundi na Kampuni kufikia tarehe 30 Septemba 2016 na mambo yanayohusiana nazo yanaonyeshwa kwenye tanbihi 28 na 29 za taarifa za kifedha.

Maelezo kamili ya akiba za Kundi na Kampuni na mienendo yake katika mwaka yameonyeshwa katika kurasa 29, 30, 31 na 32.

5. Mali, Kiwanda na Vifaa

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

6. Wakurugenzi

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

Kulingana na sheria ya 94 na ya 95 Kanuni za Kampuni, Bw. S. N. Merali na Dkt. S. Mainda wanastaafu kwa zamu, na kwa kuwa wanastahili wanajitolea kuchaguliwa tena.

7. Habari Muhimu za Ukaguzi wa Fedha

Wakurugenzi waliopo afisini kufikia tarehe ya ripoti hii wanathibitisha kuwa:

Hakuna habari yoyote muhimu ya ukaguzi wa fedha ambayo mkaguzi wa Kampuni haifahamu; na

Kila mkurugenzi amechukua hatua zote ambazo angepaswa kuzichukua kama mkurugenzi ili kufahamu habari zozote muhimu za ukaguzi wa fedha na kuona kuwa mkaguzi wa Kampuni ana ufahamu wa habari hizo.

8. Umilikaji wa Hisa Nyingi

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

	Umilikaji wa hisa - asilimia	
	2016	2015
Legend Investments Limited	41.84	41.84
Yana Towers Limited	12.60	12.60
East Africa Batteries Limited	10.89	9.94
Gulamali Ismail	8.64	8.42
	73.87	72.80

9. Ushirika wa wakurugenzi

Ushirika wa wakurugenzi katika hisa za Kampuni ni kama ufuatao:

Jina la Mkurugenzi	2016 Idadi ya hisa	2015 Idadi ya hisa
Bw. A. H. Butt	30,300	30,300
Bw. S. N. Merali	45,500	45,900

10. Wakaguzi

Wakaguzi, KPMG Kenya, wanaendelea na wadhifa wao kufuatana na mahitaji ya Sheria ya Kampuni za Kenya ya mwaka 2015.

11. Kuidhinishwa kwa taarifa za kifedha

Taarifa za kifedha ziliidhinishwa katika mkutano wa wakurugenzi uliofanyika tarehe 19 Januari mwaka 2017.

KWA AMRI YA HALMASHAURI

Lawrence Chelimo Kibet
Katibu wa Kampuni
Tarehe: 19 Januari 2017

CORPORATE GOVERNANCE

Good corporate governance practices are essential to the delivery of sustainable stakeholder value. At Sasini, we continue to recognize the fact that implementation of good corporate governance practices gives shareholders and stakeholders the assurance and confidence that no effort is being spared to manage their wealth sustainably. Sasini fully adheres to its obligations as a public listed company in compliance with the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the various regulations by the CMA and the Nairobi Securities Exchange and the ethical standards prescribed in the Company's Code of Conduct. In addition, as a law abiding corporate, Sasini abides by the tenets of the Constitution of Kenya and all other laws.

In the financial year under review, we continued to strive to achieve high levels of corporate governance by focusing on the following specific areas in addition to the ongoing recurrent corporate governance enhancement actions:

- Growing shareholder value by continuing to implement our strategy that is aimed at enabling and promoting the long-term prosperity of the business
- Timely and relevant disclosures to provide stakeholders and mostly shareholders with a clear understanding of our business
- The Company outsourced its internal audit procedures to a competent audit firm to enhance a well scoped annual audit and maintenance of robust internal controls across the business
- Compliance with laws and disclosure of policies to all relevant stakeholders
- Upholding the highest levels of integrity in the organisation's culture and practices

Following an independent evaluation of the Company's Governance practices and process, Sasini Limited was awarded the Champion of Governance Award in the agriculture sector, in the premiere event organized by the Institute of Certified Public Secretaries of Kenya in 2011. The award recognized that Sasini demonstrates excellence and integrity in its Governance Systems, Leadership and Management Practices.

Board of Directors

The composition of the Board is in keeping with good corporate governance practices. The role of the Chairman and the Group Managing Director are segregated. The Group Managing Director is in charge of the day to day running of the business of the Group. A non-executive director acts as Chairman of the Board. The current Board is composed of one Executive Director and seven non-executive directors and it is comprised of committed individuals with diverse and complementary skills to ensure that there is sufficient wealth of experience at Board level. All the directors' appointments are subject to confirmation by shareholders at the Annual General Meeting. One third of the directors, except the Managing Director, retire by rotation annually and are eligible for re-election at the Annual General Meeting.

The directors are given appropriate and timely information to enable them to maintain full and effective control over all strategic, financial, operational and compliance issues.

Board of Directors Responsibilities

The Board of Directors is responsible for the long term strategic direction of the Group which is aimed at sustainable value creation to maintain a profitable growth, and at the same time upholding high standards of corporate governance and business ethics. A summary of Board of Directors responsibilities is highlighted below:

- The Board provides effective leadership and stewardship in the running of the Company. This enhances shareholder value and ensures long-term sustainability and growth of the Company
- The Board is the custodian of governance processes and facilitates the setting up of appropriate corporate governance structures for the management of Company's operations
- Reviews and approves strategies and business plans. This requires the Board to develop an in-depth knowledge of the Company's business, understanding and questioning Management assumptions upon which such plans are based and reaching an independent judgment on the probability that the plans will be realised
- Reviews and approves the Company's financial objectives, plans and actions, including significant capital allocations and expenditure
- Establishment of Board Committees, policies and procedures that facilitate the most effective discharge of the Board's roles and responsibilities
- Facilitates Board accountability through effective Board evaluation and succession planning
- Evaluates and approves the compensation of the Company's Group Managing Director
- Reviews the succession plans for the position of the Group Managing Director and the executive management team

Board Meetings

Board Meetings are held every quarter and in exceptional circumstances as dictated by requirements of business operations.

This financial year, a total of four (4) Board Meetings were held.

During their meetings the Board reviews the Group performance against the planned strategies and also approve issues of strategic nature.

Board Committees

The Board has approved the delegation of certain authorities to Board Committees where applicable, and to the management.

The Board has two committees both of which are guided by clear terms of reference. The committees are instrumental in monitoring Group operations, conduct of business, systems and internal controls. The committees are the Audit Committee, and the Remuneration and Nominations Committee.

Audit Committee

The members of this committee are all non-executive directors and professionals. All the members meet minimum financial literacy standards and have accounting or financial management expertise. The committee meets four times in a year and the Managing Director, the Group Financial Controller, the Internal Auditor and occasionally the External Auditors attends.

The roles of the committee include:
(a) The review of interim and annual financial statements to ensure compliance with Accounting Standards and other disclosure requirements;
(b) The maintenance and review of the Group's system of accounting and internal controls;
(c) Liaising with external auditors of the Group and effecting their recommendations; and
(d) Defining the scope and responsibilities of the internal auditors

The committee met four times during the year.

The Committee is made up of the following Directors:
(a) Mrs. L. W. Waithaka
(b) Mr. S. N. Merali

Remuneration and Nominations Committee

This Committee's remit is to assist the Board in addressing issues pertaining to remuneration levels, employee development and motivation. It ensures that the appropriate reward mechanisms are in place at all levels of the organization while maintaining principles of equity and appropriateness. The Committee also oversees the rigorous and transparent process for bringing new Directors on to the Board, and for appointing Directors to Board Committees, subject to approval by the full Board.

The members of the Committee are all independent non-executive directors and professionals who by reason of education and/or experience possess sufficient expertise to enable the Committee to execute its mandate.

The Committee met four times in the year.

The Committee is made up of the following Directors:
(a) Dr. S. O. Mainda
(b) Dr. J. B. McFie
(c) Mr. A. H. Butt

Role of the Company Secretary

The Company Secretary's roles and responsibilities include:
- Providing a central source of guidance and advice to the Board, and within the Company, on matters of statutory and regulatory compliance and governance
- Providing guidance to the Board on how responsibilities can be discharged in the best interest of the Company
- Facilitating induction training for new Directors and assisting with the Boards' professional development.
- In consultation with the Group Managing Director (GMD) and Chairman, ensure effective flow of information within the Board and its Committees and between senior management and Non-Executive Directors. This includes timely compilation and distribution of Board papers and minutes, as well as communication of resolutions from Board meetings
- Ensuring proper development of Board meetings and providing Directors with information on governance matters
- Guiding the Company in taking initiatives to not only disclose corporate governance matters as required by law, but also information of material importance to shareholders, customers and other stakeholders
- Keeping formal records of Board discussions and following up on the timely execution of agreed actions

Directors' Remuneration

The remuneration for non-executive directors consists of fees for their services and sitting allowances in connection with attendance at Board and committee meetings.

The aggregate amount of emoluments paid to directors for services rendered during the financial year ended 30 September 2016 are contained in Note 14 and 34 to the financial statements in this annual report.

Neither at the end of the financial year, nor at any time during the year did there exist any arrangement to which the Group is party, whereby directors might acquire benefits by means of the acquisition of the Group's shares. There were no directors' loans at any time during the year.

Communication with Shareholders

The Group is committed to ensuring that shareholders and the financial markets are provided with timely information in regard to its performance. This is achieved by issuing notices in the press of its half-yearly and annual financial results. The full annual report and financial statements are posted on the Group's website and also distributed to all shareholders and to other parties who have an interest in the Group's performance, on request. The Company has also retained the services of a shares registrar firm which handles day to day requirements of shareholders.

The Group responds to numerous letters from shareholders and interested parties on a wide range of issues.

The Group also invites shareholders to seek clarity on company performance in general meetings.

Social and Environmental Responsibilities

The Group is mindful of its responsibilities with regard to the social welfare of its employees, their families and the host communities. The Group, therefore, provides housing, health, educational and recreational facilities to meet the needs of its employees who are resident on its estates. Maintenance of the facilities is provided to the highest standards and success in this regard has been manifested by the good results achieved in primary schools situated in the Group's estates.

The Group is also concerned with the maintenance of the environment and in this regard it maintains sections of indigenous and non-indigenous forests in its tea plantations and shade trees in its coffee plantations. The Group has maintained a continuous afforestation program in all areas with idle land. It also maintains natural vegetation in all water catchment areas.

Certifications

(a) Tea

The Group has attained the internationally recognized Rain Forest Alliance (RFA) Certification for its Tea estates. This certification confirms the attainment of minimum standards in relation to ecosystem conservation, wildlife protection, and fair treatment and good working conditions for workers.

In addition, the Group's tea operation is ISO 22000 certified. This certification embraces quality management system processes and food safety standards.

(b) Coffee

In Coffee, the Group's operation is UTZ Certified. This internationally recognized certification is given on fulfilling a code of conduct which tests coffee operations based on three criteria, namely, good agriculture and business practices, social responsibility and environmental considerations. Besides, the Coffee operation is Rain Forest Alliance, Fairtrade and ISO 22000 certified. The group has satisfied the requirements by the AFFA-Coffee Directorate for certification of the Mark of Origin.

The Group not only earns substantial foreign exchange through the export of its produce, but also makes a significant contribution through the payment of taxes, cess and other levies to the respective County Governments in the areas in which it operates.

Code of Conduct

The Group has a code of conduct which seeks to guide employees in ethical conduct of business. All directors, management and employees are expected to observe high standards of integrity and ethical conduct when dealing with customers, staff, suppliers and regulatory authorities.

Internal Control

The effectiveness of the Group internal control is monitored on a regular basis by the Internal Audit function. The Internal Audit function reviews the Group compliance with the laid down policies and procedures as well as assessing the effectiveness of the internal control structures. The Internal Audit function focuses their attention to areas where the Group could be exposed to greatest risks. The Internal Audit function reports to the Audit Committee of the Board.

The Group has established operational procedures and controls to facilitate proper safeguard of assets and accurate financial reporting.

Conflicts of Interest

All directors and management are under duty to avoid conflicts of interest. The directors are required to disclose outside business interests which would conflict with the Group business.

Going Concern

The directors confirm that the Group has adequate resources to continue in business for the foreseeable future and therefore to continue to use the going concern basis when preparing the financial statements.

Significant Change in Shareholders

The Company discloses to the Nairobi Securities Exchange at the end of each quarter the names of persons who hold or acquire 3% or more of the issued shares. The Company also files the foreign investors' returns as required, on a monthly basis.

Board/Board Committees Attendance

The following table gives the record of attendance of the Sasini Board and its Committee meetings for the year ended 30 September 2016:

Audit Committee meetings and members' attendance for 2015/16

MEMBER/IN ATTENDANCE	POSITION	1ST DECEMBER 2015	29TH FEBRUARY 2016	9TH MAY 2016	8TH SEPTEMBER 2016
L. W. Waithaka	Chairperson	√	√	√	√
S. N. Merali	Member	√	√	√	√
M. K. Changwony	GMD	√	√	√	√
A. R. Kassam	Member	X	N/A	N/A	N/A
S. K. Odalo	GFC	√	√	√	√
L. Kibet	Company Secretary	√	√	√	√

Nomination and Remuneration Committee meetings and members' attendance for 2015/16

MEMBER/IN ATTENDANCE	POSITION	7TH DECEMBER 2015	24TH FEBRUARY 2016	10TH MAY 2016	8TH SEPTEMBER 2016
S. O. Mainda	Chairman	√	√	√	X
J. B. Mcfie	Member	√	√	√	√
A. H. Butt	Member	√	√	√	√
M. K. Changwony	GMD	√	√	√	√
P. Keah	Head of Human Resources	√	√	√	√
L. Kibet	Company Secretary	√	√	√	√

Overall Board members' attendance for 2015/16

DIRECTOR/IN ATTENDANCE	POSITION	15TH DECEMBER 2015	4TH MARCH 2016	24TH MAY 2016	24TH SEPTEMBER 2016
J. B. Mcfie	Member	√	√	√	√
L. W. Waithaka	Member	√	√	√	√
N. N. Merali	Member	√	X	√	√
S. O. Mainda	Chairman	√	√	√	√
S. N. Merali	Member	√	X	√	√
A. H. Butt	Member	√	√	√	√
M. K. Changwony	GMD	√	√	√	√
A. R. Kassam	Member	X	N/A	N/A	N/A
S. K. Odalo	GFC	√	√	√	√
L. Kibet	Company Secretary	√	√	√	√

√ - In attendance X – Absent (or absent with apology)

Top ten shareholders at 30 September 2016

The ten largest shareholders of the Company as at 30 September 2016 were as follows:

No.	Name of shareholder	No. of share	% Shareholding
1	Legend Investments Limited	95,417,345	41.84
2	Yana Towers Limited	28,725,240	12.60
3	East African Batteries Limited	24,835,700	10.89
4	Gulamali Ismail	19,703,900	8.64
5	Gidjoy Investments Limited	7,000,000	3.07
6	Karim Jamal	4,587,841	2.01
7	Standard Chartered Nominess Limited A/C 9532	3,824,800	1.68
8	Bid Plantations Limited	2,345,400	1.03
9	Shardaben Vithaldas Morjaria	2,111,780	0.93
10	Joseph Schwartzman	1,972,100	0.86

Distribution of shareholders

Shareholding (No. of Shares)	No. of Shares held	No. of Shareholders	% Shareholding
Less than 500	767,379	3,275	0.34
500 - 5,000	4,388,082	2,614	1.92
5,001 - 10,000	2,158,467	297	0.95
10,001 – 100,000	11,907,183	411	5.22
100,001-1,000,000	17,160,283	67	7.52
Above 1,000,000	191,674,106	12	84.05
Total	228,055,500	6,676	100.00

Dr. J.B. McFie
Chairman

A.H. Butt
Director

Date: 19 January 2017

CORPORATE SOCIAL INVESTMENT

In the fulfilment of its corporate citizenship role, the Company continued to undertake the Corporate Social Investment activities by contributing towards education development and economic empowerment of the local communities within its locality.

Towards education, the company completed the construction and handed over the Magura Secondary School to the community. The School admitted the first batch of students in January 2017.

The company continues to support the four (4) primary schools and early childhood development schools. To excite learners to attain their educational ambitions, the company rewards best performing students in national examination (KCPE) during prize giving days. It also caters to other needs like footwear, school bags and drinking water bottles.

The company provides economic empowerment to its local farmers by holding annual open days where farmers are sensitized on financial literacy, sustainable farming techniques and new investment options including intercropping by growing of Macadamia nut and Avocado trees.

Magura Mixed Secondary School sponsored by the Zarina and Naushad Merali Foundation and Sasini Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the separate and consolidated financial statements of Sasini Limited and its subsidiaries set out on pages 25 to 72 which comprise the statements of financial positions of the group and of the company as at 30 September 2016, and the group and company statements of profit or loss and other comprehensive income, the group and company statements of changes in equity and group and company statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Under the Kenyan Companies Act, 2015, the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the 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 company and its subsidiaries keep proper accounting records which disclose with reasonable accuracy the financial position of the group and the company.

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

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

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

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on 19 January 2017 and were signed on its behalf by:

Dr. J.B. McFie
Chairman

A.H. Butt
Director

Date: 19 January 2017

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SASINI LIMITED AND SUBSIDIARIES

Report on the financial statements

We have audited the consolidated and separate financial statements of Sasini Limited set out on pages 25 to 72 which comprise the statements of financial position of the group and the company as at 30 September 2016, and the group and the company statements of profit or loss and other comprehensive income, group and the company statements of changes in equity and group and the company statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

As stated on page 23, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Unqualified opinion

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial position of Sasini Limited at 30 September 2016, and the consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act.

Report on other legal requirements

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

(i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(ii) in our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and

(iii) the statement of financial position of the company is in agreement with the books of account.

The Engagement Partner responsible for the audit resulting in this independent auditors' report is CPA Jacob Gathecha – P/1610.

KPMG Kenya

Date: 19 January 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 KShs'000	2015 KShs'000
Revenue	8	3,570,629	2,786,126
Cost of sales	9	(2,596,454)	(2,052,821)
Gross profit		**974,175**	**733,305**
Fair value changes on biological assets	20(a)	133,566	18,290
Other income	10	612,547	962,791
Total operating income		**1,720,288**	**1,714,386**
Administration and establishment expenses	11	(767,303)	(723,728)
Selling and distribution costs	12	(35,484)	(26,134)
Results from operating activities		**917,501**	**964,524**
Finance income	13(a)	116,869	93,864
Finance costs	13(b)	(13,612)	(19,166)
Net finance income	**13**	**103,257**	**74,698**
Profit before tax	**14**	**1,020,758**	**1,039,222**
Tax (expense)/ credit	15(a)	(258,908)	61,990
Profit for the year		**761,850**	**1,101,212**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation gain net of tax		-	405,712
Change in deferred tax with change in tax rate		(241,484)	203,699
Remeasurement of post-employment benefits		1,945	32,734
Total comprehensive income		**522,311**	**1,743,357**
Profit attributable to:			
Owners of the company		772,520	974,763
Non-controlling interest		(10,670)	126,449
		761,850	**1,101,212**
Total comprehensive income attributable to:			
Owners of the company		541,381	1,565,800
Non-controlling interest		(19,070)	177,557
		522,311	**1,743,357**
Profit attributable to the owners of company is made up as follows:			
Profit arising from operating activities		679,024	953,650
Fair value changes on biological assets- net of tax		93,496	21,113
		772,520	**974,763**
Earnings per share:			
Basic and diluted (KShs)	16	**3.39**	**4.27**
Dividend per share (KShs)	17	**1.5**	**1.25**

The notes set out on pages 35 to 72 form an integral part of the financial statements.

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 KShs'000	2015 KShs'000
Revenue	8	1,296,513	934,798
Cost of sales	9	(977,664)	(699,819)
Gross profit		**318,849**	**234,979**
Fair value changes on biological assets	20(b)	8,761	(97,068)
Other income	10	917,865	711,531
Total operating income		**1,245,475**	**849,442**
Administration and establishment expenses	11	(376,497)	(348,983)
Results from operating activities		**868,978**	**500,459**
Finance income	13(a)	20,307	20,211
Finance costs	13(b)	(5,850)	(6,986)
Net finance income	**13**	**14,457**	**13,225**
Profit before tax	**14**	**883,435**	**513,684**
Tax expense	15(a)	**(78,322)**	**(9,480)**
Profit for the year		**805,113**	**504,204**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation gain net of tax		-	169,229
Remeasurment of post-employment benefits		(2,809)	3,742
Change in deferred tax with changes in rate	30	(175,972)	-
Total comprehensive income		**626,332**	**677,175**
Profit is made up as follows:			
Profit arising from operating activities		798,980	572,152
Fair value changes on biological assets- net of tax		6,133	(67,948)
		805,113	**504,204**
Earnings per share:			
Basic and diluted (KShs)	16	**3.53**	**2.21**
Dividend per share (KShs)	17	**1.5**	**1.25**

The notes set out on pages 35 to 72 form an integral part of the financial statements.

Sasini Limited and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2016

ASSETS	Note	2016 KShs'000	2015 KShs'000
Non-current assets			
Property, plant and equipment	18(a)	8,695,835	8,770,714
Capital work-in-progress	18(c)	58,724	33,358
Intangible assets	19	7,275	8,393
Biological assets	20(a)	5,227,217	5,077,329
Prepaid leases on leasehold land	21	17,838	18,473
Available-for-sale financial asset	22	525	525
Deferred tax asset	30	26,192	77,070
		14,033,606	13,985,862
Current assets			
Inventories	24	364,524	341,362
Trade and other receivables	25	456,078	510,106
Amounts due from related companies	26	2,397	1,209
Tax recoverable	15(b)	7,307	5,474
Cash and cash equivalents	27	1,954,551	1,200,514
		2,784,857	2,058,665
TOTAL ASSETS		**16,818,463**	**16,044,527**
EQUITY AND LIABILITIES			
Capital and reserves (Pages 29 & 30)			
Share capital	28	228,055	228,055
Non-distributable reserves	29	10,463,165	10,739,105
Distributable reserves	29	2,904,889	2,201,242
		13,596,109	13,168,402
Non-controlling interest	29	364,123	390,103
Total equity		13,960,232	13,558,505
Non-current liabilities			
Deferred tax liability	30	2,055,420	1,801,496
Post-employment benefits	31	232,488	216,814
		2,287,908	2,018,310
Current liabilities			
Post-employment benefits	31	26,979	28,596
Amounts due to related parties	26	531	1,082
Trade and other payables	32	487,043	429,139
Tax payable	15(b)	55,770	8,895
		570,323	467,712
TOTAL EQUITY AND LIABILITIES		**16,818,463**	**16,044,527**

The financial statements set out on pages 25 to 72 were approved by the Board of Directors on 19 January 2017 and signed on its behalf by:

Dr. J.B. McFie
Chairman

A.H. Butt
Director

The notes set out on pages 35 to 72 form an integral part of the financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2016

ASSETS	Note	2016 KShs'000	2015 KShs'000
Non-current assets			
Property, plant and equipment	18(b)	5,939,647	6,003,214
Capital work-in-progress	18(c)	57,179	-
Intangible assets	19	5,541	5,855
Biological assets	20(b)	1,858,025	1,842,777
Prepaid leases on leasehold land	21	7,077	7,633
Investment in subsidiary companies	23	172,697	172,697
		8,040,166	8,032,176
Current assets			
Inventories	24	94,723	96,595
Trade and other receivables	25	140,863	205,944
Amounts due from related companies	26	328,450	31,429
Cash and cash equivalents	27	797,943	317,023
		1,361,979	650,991
TOTAL ASSETS		**9,402,145**	**8,683,167**
EQUITY AND LIABILITIES			
Capital and reserves (Pages 31 & 32)			
Share capital	28	228,055	228,055
Non - distributable reserves	29	6,745,978	6,903,329
Distributable reserves	29	1,350,016	686,917
Total equity		8,324,049	7,818,301
Non-current liabilities			
Deferred tax liability	30	856,009	671,781
Post-employment benefits	31	21,847	15,113
		877,856	686,894
Current liabilities			
Post-employment benefits	31	3,721	3,208
Amounts due to related companies	26	-	49,499
Trade and other payables	32	176,455	123,862
Tax payable	15(b)	20,064	1,403
		200,240	177,972
TOTAL EQUITY AND LIABILITIES		**9,402,145**	**8,683,167**

The financial statements set out on pages 25 to 72 were approved by the Board of Directors on 19 January 2017 and signed on its behalf by:

Dr. J.B. McFie
Chairman

A.H. Butt
Director

The notes set out on pages 35 to 72 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2016:	Share capital KShs'000	Capital reserve KShs'000	Revaluation reserve KShs'000	Biological assets fair value reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total attributable to owners KShs'000	Non controlling interest KShs'000	Total equity KShs'000
At 1 October 2015	228,055	98,530	7,887,974	2,702,081	50,520	2,144,228	57,014	13,168,402	390,103	13,558,505
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	772,520	-	772,520	(10,670)	761,850
Other comprehensive income										
Fair value gain on biological assets	-	-	-	93,496	-	(93,496)	-	-	-	-
Remeasurement of post employment benefits net of tax	-	-	-	-	2,129	-	-	2,129	(184)	1,945
Change in deferred tax rate on revaluation (Note 30)	-	-	(233,268)	-	-	-	-	(233,268)	(8,216)	(241,484)
Revaluation transfer on disposal	-	-	(20,585)	(111,156)	-	131,741	-	-	-	-
Deferred tax on disposed items	-	-	(6,556)	-	-	-	-	(6,556)	-	(6,556)
Total comprehensive income for the year	-	-	**(260,409)**	**(17,660)**	**2,129**	**810,765**	-	**534,825**	**(19,070)**	**515,755**
Transactions with owners of the company recorded directly in equity										
Reclassification from non controlling interest	-	-	-	-	-	6,910	-	6,910	(6,910)	-
Final 2015 dividend paid	-	-	-	-	-	-	(57,014)	(57,014)	-	(57,104)
Interim 2016 dividend paid	-	-	-	-	-	(57,014)	-	(57,014)	-	(57,104)
Second interim dividend payable	-	-	-	-	-	(285,069)	285,069	-	-	-
Total distribution to owners of the company	-	-	-	-	-	(335,173)	228,055	(107,118)	(6,910)	(114,028)
At 30 September 2016	**228,055**	**98,530**	**7,627,565**	**2,684,421**	**52,649**	**2,619,820**	**285,069**	**13,596,109**	**364,123**	**13,960,232**

The notes set out on pages 35 to 72 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2016

2015:	Share capital KShs'000	Capital reserve KShs'000	Revaluation reserve KShs'000	Biological assets fair value reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total attributable to owners KShs'000	Non controlling interest KShs'000	Total equity KShs'000
At 1 October 2014	228,055	98,530	7,337,072	2,769,893	17,954	1,370,695	57,014	11,879,213	241,755	12,120,968
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	974,763	-	974,763	126,449	1,101,212
Other comprehensive income										
Fair value gain on biological assets	-	-	-	21,113	-	(21,113)	-	-	-	-
Revaluation surplus	-	-	565,538	-	-	-	-	565,538	14,051	579,589
Deferred tax on revaluation	-	-	(169,662)	-	-	-	-	(169,662)	(4,215)	(173,877)
Remeasurement of post employment benefits net of tax	-	-	-	-	32,566	-	-	32,566	168	32,734
Change in deferred tax rate on revaluation	-	-	162,595	-	-	-		162,595	41,104	203,699
Transfer on disposals of property and equipment	-	-	(10,469)	(94,483)	-	104,952	-	-	-	-
Deferred tax on items disposed	-	-	2,900	5,558	-	-	-	8,458	791	9,249
Total comprehensive income for the year	**-**	**-**	**550,902**	**(67,812)**	**32,566**	**1,058,602**	**-**	**1,574,258**	**178,348**	**1,752,606**
Transactions with owners of the company recorded directly in equity										
Final 2014 dividend paid	-	-	-	-	-	-	(57,014)	(57,014)	-	(57,014)
Interim 2015 dividend paid	-	-	-	-	-	(228,055)	-	(228,055)	(30,000)	(258,055)
Proposed final 2015 dividend	-	-	-	-	-	(57,014)	57,014	-	-	-
Total distribution to owners of the company	**-**	**-**	**-**	**-**	**-**	**(285,069)**	**-**	**(285,069)**	**(30,000)**	**(315,069)**
At 30 September 2015	**228,055**	**98,530**	**7,887,974**	**2,702,081**	**50,520**	**2,144,228**	**57,014**	**13,168,402**	**390,103**	**13,558,505**

The notes set out on pages 35 to 72 form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2016

2016:	Share capital KShs'000	Capital reserve KShs'000	Revaluation reserve KShs'000	Biological assets fair value reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total equity KShs'000
At 1 October 2015	228,055	40,594	5,678,118	1,179,161	5,456	629,903	57,014	7,818,301
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	805,113	-	805,113
Other comprehensive income								
Appropriation of fair value on biological assets net of tax	-	-	-	6,133	-	(6,133)	-	-
Deferred tax (Note 30)	-	-	(175,972)	-	-	-	-	(175,972)
Remeasurement of post employmenmt benefits net of tax	-	-	-	-	(2,809)	-	-	(2,809)
Revaluation transfer on disposal	-	-	21,853	-	-	(21,853)	-	-
Deferred tax on disposed item	-	-	(6,556)	-	-	-	-	(6,556)
Total comprehensive income for the year	**-**	**-**	**160,675**	**6,133**	**(2,809)**	**777,127**	**-**	**619,776**
Transactions with owners of the company recorded directly in equity								
Final 2015 dividend paid	-	-	-	-	-	-	(57,014)	(57,014)
Interim 2016 dividend paid	-	-	-	-	-	(57,014)	-	(57,014)
Second interim dividend payable	-	-	-	-	-	(285,069)	285,069	-
Total distribution to owners of equity	**-**	**-**	**-**	**-**	**-**	**(342,083)**	**228,055**	**(114,028)**
At 30 September 2016	**228,055**	**40,594**	**5,517,443**	**1,185,294**	**2,647**	**1,064,947**	**285,069**	**8,324,049**

The notes set out on pages 35 to 72 form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

2015:	Share capital KShs'000	Capital reserve KShs'000	Revaluation reserve KShs'000	Biological assets fair value reserve KShs'000	Defined benefit reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total equity KShs'000
At 1 October 2014	228,055	40,594	5,508,889	1,247,109	1,714	342,820	57,014	7,426,195
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	504,204	-	504,204
Other comprehensive income								
Appropriation of fair value on biological assets net of tax	-	-	-	(67,948)	-	67,948	-	-
Revaluation surplus	-	-	241,756	-	-	-	-	241,756
Deferred tax on revaluation	-	-	(72,527)	-	-	-	-	(72,527)
Remeasurement of post employment benefits net of tax	-	-	-	-	3,742	-	-	3,742
Total comprehensive income for the year	**-**	**-**	**169,229**	**(67,948)**	**3,742**	**572,152**	**-**	**677,175**
Transactions with owners of the company recorded directly in equity								
Final 2014 dividend paid	-	-	-	-	-	-	(57,014)	(57,014)
Interim 2015 dividend paid	-	-	-	-	-	(228,055)	-	(228,055)
Proposed final 2015 dividend	-	-	-	-	-	(57,014)	(57,014)	-
Total distribution to owners of equity	-	-	-	-	-	(285,069)	-	(285,069)
At 30 September 2015	**228,055**	**40,594**	**5,678,118**	**1,179,161**	**5,456**	**629,903**	**57,014**	**7,818,301**

The notes set out on pages 35 to 72 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 KShs'000	2015 KShs'000
Cash flows from operating activities			
Net cash flows generated from operations	33	615,584	314,876
Gratuity paid	31	(28,737)	(33,509)
Income taxes paid	15(b)	(157,938)	(153,225)
Net cash generated from operating activities		**428,909**	**128,142**
Cash flows from investing activities			
Purchase of property and equipment	18	(62,350)	(21,795)
Purchase of intangible assets	19	(1,740)	(3,434)
Purchases of biological assets	20	(16,322)	-
Purchase of capital work-in-progress	18(c)	(73,121)	(13,249)
Proceeds from sale of property and equipment		482,704	1,061,282
Interest income	13	116,257	44,222
Net cash generated from investing activities		**445,428**	**1,067,026**
Cash flows from financing activities			
Interest expense	13	(3,028)	(6,986)
Dividends paid on ordinary shares		(114,028)	(315,069)
Net cash used in financing activities		**(117,056)**	**(322,055)**
Net increase in cash and cash equivalents		757,281	873,113
Cash and cash equivalents at the beginning of the year		1,200,514	325,865
Net unrealised foreign exchange (loss)/gain	13	(3,244)	1,536
Cash and cash equivalents at the end of the year	27	**1,954,551**	**1,200,514**

The notes set out on pages 35 to 72 form an integral part of the financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 KShs'000	2015 KShs'000
Cash flows from operating activities			
Net cash flows used in operations	33	(18,925)	(20,841)
Gratuity paid	31	(914)	(1,105)
Income taxes paid	15(b)	(56,757)	(50,091)
Net cash used in operating activities		**(76,596)**	**(72,037)**
Cash flows from investing activities			
Purchase of property and equipment	18	(39,089)	(14,145)
Purchase of intangible assets	19	(1,740)	(2,039)
Purchases of biological assets	20	(6,487)	-
Purchase of capital work-in-progress	18(c)	(57,179)	-
Proceeds from sale of property and equipment		482,557	57,640
Dividends received	10	276,750	494,500
Interest income	13	19,695	16
Net cash generated from investing activities		**674,507**	**535,972**
Cash flows from financing activities			
Interest expense	13	(2,973)	(6,986)
Dividends paid on ordinary shares		(114,028)	(285,069)
Net cash used in financing activities		**(117,001)**	**(292,055)**
Net increase in cash and cash equivalents		480,910	171,880
Cash and cash equivalents at the beginning of the year		317,023	144,813
Unrealised foreign exchange gain	13	10	330
Cash and cash equivalents at the end of the year	27	**797,943**	**317,023**

The notes set out on pages 35 to 72 form an integral part of the financial statements.

1. REPORTING ENTITY

Sasini Limited (the "Company") is a company incorporated in Kenya under the Kenyan Companies Act, 2015 and is domiciled in Kenya. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

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

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

Sasini House
Loita Street
PO Box 30151 - 00100
Nairobi

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

The consolidated financial statements were authorised for issue by the Board of Directors on 19 January 2017.

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

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Kenya Companies Act, 2015.

(b) Basis of measurement

The financial statements are prepared under the historical cost basis of accounting except for biological assets and financial instruments that have been measured at fair value and certain items property, plant and equipment that have been carried at revaluation amounts. The accounting policies adopted are consistent with those of the previous years.

(c) Functional and presentation currency

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

(d) Going concern

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

(e) Use of estimates and judgments

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 September 2016. The subsidiaries are shown in Note 23.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(ii) Transactions eliminated on consolidation

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

(b) Foreign currency transactions

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

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

(c) Revenue recognition

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

(i) Sales of goods are recognised when significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and when there is no continuing management involvement and the amount of revenue can be measured reliably.

(ii) Sales of services are recognised in the period in which the services are rendered by reference to the completion of specific transactions assessed on the basis of actual service provided as a proportion of total services to be provided. Sales revenue can only be recognised when the associated costs can be estimated reliably and the amount of revenue can be estimated reliably.

(d) Taxation

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

(i) Current taxation

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss.

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

(ii) Deferred tax

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Investments in subsidiary companies

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

(f) Financial instruments

(i) Measurement and recognition

Financial instruments are recognised in the Group and Company financial statements when, and only when, the Group and Company become party to the contractual provisions of the instrument,

(ii) Classification

The Group classifies its financial assets into loans and receivables and available for sale assets. Management determines the appropriate classification of its financial instruments at the time of purchase and re-evaluates its portfolio on a regular basis to ensure that all financial assets are appropriately classified.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short-term or that it has designated as at fair value through profit or loss or available for sale. Loans and receivables comprise trade and other receivables, cash and bank balances and balances due from group companies.

These are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale assets

Available-for-sale assets are the non-derivative financial assets that are designated as available for sale or are not classified as held for trading purposes, loans and receivables or held to maturity.

(iii) De-recognition

A financial asset is derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished, cancelled or expires.

(iv) Offsetting of financial assets and liabilities

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

(v) Fair value of financial assets and liabilities

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

(g) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicate that one or more events have had a negative effect on the estimated future cash flows of that asset.

In assessing impairment, the Group considers impairment at both individual and collective level. All individually significant assets are individually assessed for impairment. Assets that are not individually impaired are assessed collectively. Collective assessment is carried out by grouping together assets with similar credit characteristics. Impairment loss is calculated as the difference between the assets carrying amount and present value of estimated future cash flows discounted at original effective interest rate.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Impairment of non-financial assets

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that largely are independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost or revalued amounts less accumulated depreciation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Revaluation increases arising on the revaluations are recognised in other comprehensive income and accumulated in the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

extent of the decrease previously charged. A decrease in carrying amount arising out of revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

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

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

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

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

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

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

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

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

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

(i) Intangible assets

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

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

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

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

(j) Biological assets

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

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

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

(k) Share capital

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

(l) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

(i) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are recognised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Leases (continued)

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

Lease incentives received are recognised as an integral part of the total lease expense, over the lease term.

(ii) Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(m) Work-in-progress

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

(n) Inventories

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

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

(o) Employee benefit

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

(i) Defined contribution plan

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

Contributions from the Group, at a rate of 12.5% of the basic salary of each employee, are expensed in the year the services are rendered and paid over to a separate trustee administered fund.

The Group 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 KShs 200 per employee per month. The Group's contributions to the above schemes are charged to profit or loss in the year to which they relate.

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

(ii) Gratuity

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

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

(iii) Accrued annual leave

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

(iv) Short term employee benefits

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

(p) Provisions

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

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Borrowing costs (continued)

takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

(r) Earnings per share

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

(s) Finance income and finance costs

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

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

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

(t) Dividends

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

(u) Related party transactions

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

(v) Operating segments

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

(w) Comparatives

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

(x) New standards and interpretations not yet adopted

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group. The directors are in the process of assessing the impact of these standards on the Group and parent entity's financial statements.

New standard or amendments	Effective for annual periods beginning on or after
• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	1 January 2016
• Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	1 January 2016
• Agriculture; Bearer Plants (Amendments to IAS16 and IAS 41)	1 January 2016
• Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciations and Amortisation	1 January 2016
• Equity Method in Separate Financial Statements (Amendments to IAS 27)	1 January 2016
• IFRS 14 Regulatory Deferral Accounts	1 January 2016
• Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016
• Disclosure Initiative (Amendments to IAS 1)	1 January 2016
• IFRS 15 Revenue from Contracts with Customers	1 January 2018
• IFRS 9 Financial Instruments (2014)	1 January 2018
• IFRS 16 Leases	1 January 2019

(i) New standards and interpretations not yet effective for the period ended 30 September 2016

Apart from the standards noted below, the application of these amendments will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New standards and interpretations not yet adopted

(i) New standards and interpretations not yet effective for the period ended 30 September 2016

investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised

The amendments will be effective from annual periods commencing on or after 1 January 2016.

The application of these amendments will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business.

Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interest in the joint operation will not be remeasured.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

Currently the application of this amendment will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

Amendments to IAS 41- Bearer Plants (Amendments to IAS 16 and IAS 41)

The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture require a bearer plant (which is a living plant used solely to grow produce over several periods) to be accounted for as property, plant and equipment in accordance with IAS 16 Property, Plant and Equipment instead of IAS 41 Agriculture. The produce growing on bearer plants will remain within the scope of IAS 41.

The application of these amendments in the Group's financial statements as at 30 September 2016 would decrease the carrying value of biological assets, retained earnings and deferred tax liability by KShs 3,904,761,000 (2015: KShs 3,651,177,000), KShs 2,598,627,000 (2015: Kshs 2,414,554,000) and KShs 1,113,697,000 (2015: KShs 1,034,809,000), respectively, and increase the carrying value of property, plant and equipment by KShs 192,438,000 (2015: KShs 201,815,000).

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment.

The amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

The application of this standard will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

Equity Method in Separate Financial Statements (Amendments to IAS 27)

The amendments allow the use of the equity method in separate financial statements, and apply to the accounting not only for associates and joint ventures but also for subsidiaries

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with early adoption permitted.

The Group is currently assessing the potential impact of the new standard on the financial statements.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 provides guidance on accounting for regulatory deferral account balances by first-time adopters of IFRS. To apply this standard, the entity has to be rate-regulated i.e. the establishment of prices that can be charged to its customers for goods and services is subject to oversight and/or approval by an authorised body.

The standard is effective for financial reporting years beginning on or after 1 January 2016 with early adoption is permitted.

The application of this standard will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

The amendment to IFRS 10 Consolidated Financial Statements clarifies which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit and loss. The amendment also modifies the condition in the general consolidation exemption that requires an entity's parent or ultimate parent to prepare consolidated financial statements.

The amendment clarifies that this condition is also met where the ultimate parent or any intermediary parent of a parent entity measures subsidiaries at fair value through profit or loss in accordance with IFRS 10 and not only where the ultimate parent or intermediate parent consolidates its subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New standards and interpretations not yet adopted

(i) New standards and interpretations not yet effective for the period ended 30 September 2016

The amendment to IFRS 12 Disclosure of Interests in Other Entities requires an entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 to make disclosures required by IFRS 12 relating to investment entities.

The amendment to IAS 28 Investments in Associates and Joint Ventures modifies the conditions where an entity need not apply the equity method to its investments in associates or joint ventures to align these to the amended IFRS 10 conditions for not presenting consolidated financial statements. The amendments introduce relief when applying the equity method which permits a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016, with early application permitted. The application of these amendments will have no material impact on the disclosures or on the amounts recognised in the Group's financial statements.

IFRS 9: Financial Instruments (2014)

It replaces parts of IAS 39 - Financial Instruments, Recognition and Measurement that relates to classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified, at initial recognition as either measured at fair value or at amortised cost. The classification depends on the entity's business model for managing its financial instruments and the characteristics of the contractual cash flows of the instrument. For financial liabilities, the standard retains most of the requirements of IAS 39. The main change is that, in cases where the fair value option is applied for financial liabilities, the part of a fair value change arising from a change in an entity's own credit risk is recorded in other comprehensive income rather than in the profit or loss, unless this creates an accounting mismatch.

The Group is currently evaluating the impact of the new standard on the financial statements.

The standard is effective for periods beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers (Effective 31 December 2017)

The IFRS specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers in recognising revenue being: identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) the entity satisfies a performance obligation.

The Group is currently evaluating the impact of the new standard on the financial statements.

Disclosure Initiative (Amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted.

The Group is assessing the potential impact on its financial statements resulting from the application of the amendments to IAS 1.

IFRS 16: Leases

On 13 January 2016 the IASB issued IFRS 16 Leases, completing the IASB's project to improve the financial reporting of leases. IFRS 16 replaces the previous leases standard, IAS 17 Leases, and related interpretations.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The standard defines a lease as a contract that conveys to the customer ('lessee') the right to use an asset for a period of time in exchange for consideration. A company assesses whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time.

The standard eliminates the classification of leases as either operating leases or finance leases for a lessee and introduces a single lessee accounting model. All leases are treated in a similar way to finance leases. Applying that model significantly affects the accounting and presentation of leases and consequently, the lessee is required to recognise:

(a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A company recognises the present value of the unavoidable lease payments and shows them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognises a financial liability representing its obligation to make future lease payments.

(b) depreciation of lease assets and interest on lease liabilities in profit or loss over the lease term; and

(c) separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (typically presented within either operating or financing activities) in the statement of cash flows

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New standards and interpretations not yet adopted

(i) New standards and interpretations not yet effective for the period ended 30 September 2016

continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, compared to IAS 17, IFRS 16 requires a lessor to disclose additional information about how it manages the risks related to its residual interest in assets subject to leases.

The standard does not require a company to recognise assets and liabilities for:
(a) short-term leases (i.e. leases of 12 months or less) and;
(b) leases of low-value assets

The new Standard is effective for annual periods beginning on or after 1 January 2019. Early application is permitted insofar as the recently issued revenue Standard, IFRS 15 Revenue from Contracts with Customers is also applied).

The Company is currently assessing the potential impact on its financial statements resulting from the application of IFRS 16.

4. USE OF ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

In the process of applying the Group's accounting policies, directors make certain estimates and assumptions about future events. In practice, the estimated and assumed results would differ from the actual results. Such estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(i) Biological assets

In determining the fair value of biological assets, the Group uses the present value of expected future cash flows from the assets discounted at the current market determined pre tax rate. The objective of calculating the present value of expected cash flows is to determine the fair value of biological assets in their present location and condition. The Group considers this in determining an appropriate discount rate to be used and in estimating net cash flows. Management uses historical data relating to production and market prices of tea, coffee, livestock and trees. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed to reduce any differences between estimates and actual experience. The significant assumptions are set out in Note 20 to the financial statements.

(ii) Property, plant and equipment

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

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

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

(iii) Income taxes and deferred tax

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

(iv) Post employment benefit obligation

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

(v) Allowance for impairment for accounts receivable

The Group reviews its accounts receivables portfolio regularly to assess the likelihood of impairment. This requires an estimation of the amounts that are irrecoverable. In estimating the receivable amounts the Group make judgement as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Details of the allowance for impairment are disclosed in Note 5(b) and Note 25.

(b) Critical accounting judgements

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

(i) Allowance for obsolete inventories

Directors review the inventories on an annual basis to assess the likelihood of obsolescence. In determining whether an inventory item is obsolete, directors make judgement as to whether the inventory item can be used as an input in production or is in saleable condition.

4. USE OF ESTIMATES AND JUDGEMENTS (continued)

(a) Critical accounting estimates and assumptions (continued)

(ii) Going concern

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

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(a) Market risk

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

(i) Interest rate risk

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

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

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

The interest rate profile of the group's interest bearing financial instruments as at 30 September 2016 and 2015 together with the interest rates on that date was as follows:

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

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Interest income	116,257	44,222	19,695	16
Interest expense	(3,028)	(6,986)	(2,973)	(6,986)
Net interest income/ (expense)	**113,229**	**37,236**	**16,722**	**(6,970)**

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

		Group		Company	
	Change in currency rate	Effect on profit before tax KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on equity KShs' 000
2016	10.00%	(11,323)	(7,926)	(1,690)	(1,183)
	-10.00%	11,323	7,926	1,690	1,183
2015	10.00%	(3,724)	(2,607)	(697)	(488)
	-10.00%	3,724	2,607	697	488

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

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

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

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Sterling Pound.

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

	Average rates		Closing rates	
	2016 KShs	2015 KShs	2016 KShs	2015 KShs
US Dollar (USD)	101.7	95.1	101.26	105.29
Sterling Pound (GBP)	144.9	147.8	131.64	159.57

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

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

Group:

2016:	**USD**	**GBP**	**Total**
Assets			
Trade and other receivables	111,419	-	111,419
Cash and cash equivalents	261,878	898	262,776
At 30 September	**373,297**	**898**	**374,195**
Liabilities			
Trade and other payables	15,902	-	15,902
At 30 September	**15,902**	**-**	**15,902**
Net balance sheet position	**357,395**	**898**	**358,293**

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) Currency risk

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

Group:

2015:	**USD**	**GBP**	**Total**
Assets			
Trade and other receivables	131,034	-	131,034
Cash and cash equivalents	118,390	794	119,184
At 30 September	**249,424**	**794**	**250,218**
Liabilities			
Trade and other payables	16,900	-	16,900
At 30 September	**16,900**	**-**	**16,900**
Net balance sheet position	**232,524**	**794**	**233,318**

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

	2016 USD	**2015 USD**
Trade and other receivables	45,258	51,199
Cash and cash equivalents	205,935	78,484
At 30 September	**251,193**	**129,683**
Liabilities		
Trade and other payables	12,942	14,300
At 30 September	**12,942**	**14,300**
Net balance sheet position	**238,251**	**115,383**

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

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

		Group		Company	
	Change in currency rate	Effect on profit before tax KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on equity KShs' 000
USD					
2016	10.00%	35,740	25,018	23,825	16,678
	10.00%	(35,740)	(25,018)	(23.825)	(16,678)
2015	10.00%	23,252	16,276	11,538	8,077
	-10.00%	(23,252)	(16,276)	(11,538)	(8,077)
GBP					
2016	10.00%	90	63	-	-
	10.00%	(90)	(63)	-	-
2015	10.00%	79	55	-	-
	-10.00%	(79)	(55)	-	-

(iii) Price risk

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

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

	2016 KShs	2015 KShs
Coffee	465	435
Tea	194	179

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

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

	Change in price	Group		Company	
		Effect on profit before tax KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on equity KShs' 000
Coffee	10.00%	109,574	76,702	101,481	71,037
2016	-10.00%	(109,574)	(76,702)	(101,481)	(71,037)
2015	10.00%	108,407	75,885	72,414	50,690
	-10.00%	(108,407)	(75,885)	(72,414)	(50,690)
Tea	10.00%	205,308	143,716	-	-
2016	-10.00%	(205,308)	(143,716)	-	-
2015	10.00%	159,830	111,881	-	-
	-10.00%	(159,830)	(111,881)	-	-

(b) Credit risk

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

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

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

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Available-for-sale financial asset	525	525	-	-
Trade receivables-Net	143,900	166,254	64,884	83,619
Amounts due from related companies	2,397	1,209	328,450	31,429
Bank balances and short term deposits	1,951,097	1,197,268	797,229	316,351
	2,097,919	**1,365,256**	**1,190,563**	**431,399**

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

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk

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

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

Group:

2016:	0-1 month KShs'000	2-3 months KShs'000	4-12 months KShs '000	Total KShs'000
Trade and other payables	261,488	163,039	62,516	487,043
Due to related parties	-	-	531	531
	261,488	**163,039**	**63,047**	**487,574**

2015:				
Trade and other payables	251,844	84,590	92,705	429,139
Due to related companies	-	-	1,082	1,082
	251,844	**84,590**	**93,757**	**430,221**

Company:

2016:	0-1 month KShs'000	2-3 months KShs'000	4-12 months KShs '000	Total KShs'000
Trade and other payables	**94,689**	**57,171**	**24,595**	**176,455**

2015:				
Trade and other payables	69,912	45,352	8,598	123,862
Due to related companies	-	-	49,499	49,499
	69,912	**45,352**	**58,097**	**173,361**

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Operational risk

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

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

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

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

(e) Agricultural risk

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

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

The Group has adopted the following strategies to mitigate agricultural risk:

- Agricultural diversification of products and processes
- Adoption of sound agricultural practises such as cross-breeding to attain disease and weather resistant breed

(f) Capital management

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

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

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

6. DETERMINATION OF FAIR VALUES

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

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

Level 1

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

Level 2

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

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

6. DETERMINATION OF FAIR VALUES (continued)

Level 3

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

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Group

	Level 1 KShs'000	Level 2 KShs'000	Level 3 KShs'000	Total fair value KShs'000
2016:				
Financial assets designated at fair value through profit and loss				
Investment in unquoted shares	-	-	525	525
2015:				
Financial assets designated at fair value through profit and loss				
Investment in unquoted shares	-	-	525	525

There were no financial instruments carried at fair value at the company level.

The following table shows an analysis of non-financial assets held at fair value as at 30 September 2016 and 2015:

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Non-financial assets				
Property, plant and equipment	8,695,835	8,770,714	5,939,647	6,003,214
Biological assets	5,227,217	5,077,329	1,858,025	1,842,777
Total assets	**13,923,052**	**13,848,043**	**7,797,672**	**7,845,991**

On 30 September 2015, Knight Frank Valuers Limited, professionally valued the Group's machinery, equipment and furniture while building and freehold land were valued on 30 September 2015. The valuation was on an open market value basis. The Valuers used the Direct Capital Comparison method of valuation for valuation of land. The assumption which is that the value of the appraised property is equal to the value of a known comparable property, with due allowance being given for differences factors between the appraised property and the compared property such as the condition, location, level and amount of services provided, accessibility, plot size, planning and zoning regulations, transacting parties, motive of sale and tenure and the unexpired term. Fully developed properties; for example depots have been valued on the basis of sales of similar developed properties in the particular locations with due regard to their rental income potential. Buildings or any other fixture or improvement on land whose revenue contribution cannot be assessed easily or where the structures are dilapidated, have been valued on depreciated replacement cost basis.

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

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

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

7. SEGMENT INFORMATION

Segment information is as presented below:

30 September 2016:	Tea KShs '000	Coffee KShs '000	Others KShs '000	Consolidated KShs '000
Revenue				
Sales to external customers	2,053,080	1,295,255	222,294	3,570,629
Other income	36,161	153,308	423,078	612,547
	2,089,241	**1,448,563**	**645,372**	**4,183,176**
Results				
Operating results on operating activities	152,490	21,754	609,691	783,935
Operating results on biological assets	140,862	(7,296)	-	133,566
Operating results before tax	**293,352**	**14,458**	**609,691**	**917,501**
Assets and liabilities				
Segment assets	5,273,825	11,510,592	92,161	16,876,578
Segment liabilities	1,913,152	898,183	46,896	2,858,231
Other segment information				
Capital expenditure - tangible fixed assets	20,179	62,283	53,009	135,471
Depreciation and amortisation of Lease-hold land and intangible assets	60,903	37,202	23,750	121,855
Average number of employees	3,312	1,195	149	4,656

30 September 2015:	Tea KShs '000	Coffee KShs '000	Others KShs '000	Consolidated KShs '000
Revenue				
Sales to external customers	1,598,303	1,084,069	103,754	2,786,126
Other income	17,328	943,519	1,944	962,791
	1,615,631	**2,027,588**	**105,698**	**3,748,917**
Results				
Operating results on operating activities	111,645	990,853	(156,264)	946,234
Operating results on biological assets	194,504	(176,214)	-	18,290
Operating results before tax	**306,149**	**814,639**	**(156,264)**	**964,524**
Assets and liabilities				
Segment assets	4,861,569	11,349,850	(166,892)	16,044,527
Segment liabilities	1,444,368	1,048,281	(6,627)	2,486,022
Other segment information				
Capital expenditure - tangible fixed assets	3,680	17,766	13,598	35,044
Depreciation and amortisation of Lease-hold land and intangible assets	84,896	69,426	9,036	163,358
Average number of employees	2,781	1,118	213	4,112

7. SEGMENT INFORMATION (continued)

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

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

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

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

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

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

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

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

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

Tea - Growing and processing of tea
Coffee - Growing and processing of coffee
Others - Dairy operations, commercial milling and marketing of coffee, value additions of related products, renting of growing land and the leasing of plant and machinery

8. REVENUE

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Tea	2,053,080	1,598,303	-	-
Coffee	1,095,742	809,871	1,014,807	724,143
Livestock	36,473	38,473	904	643
Dairy produce	3,054	8,942	1,137	2,597
Retail and coffee lounge	214,196	208,025	120,470	108,422
Coffee mill	88,296	69,192	89,439	69,192
Rent receivable	2,828	22,637	4,673	10,620
Marketing commission	65,083	19,181	65,083	19,181
Others	11,877	11,502	-	-
	3,570,629	2,786,126	1,296,513	934,798

9. COST OF SALES

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
General charges	260,224	248,406	85,417	87,613
Estates maintenance	642,542	488,928	99,661	100,918
Production expenses	406,252	375,011	58,335	57,800
Green leaf purchases	484,417	328,083	-	-
Coffee house expenses	39,807	49,018	-	-
Coffee purchases and other charges	591,846	359,243	591,846	359,243
Livestock expenses	40,191	46,079	2,856	3,076
Retail trading expenses	88,455	77,060	88,455	77,060
Coffee mill expenses	42,768	28,800	42,768	28,800
Transport and insurance	42,919	33,998	-	-
Inventory adjustments	(47,064)	17,898	8,326	(14,691)
Disposable plates and cutlery	4,097	297	-	-
	2,596,454	**2,052,821**	**977,664**	**699,819**

10. OTHER INCOME

Net gain on disposal of property, plant and equipment	422,728	830,700	422,728	32,364
Management fees	-	-	65,442	52,789
Dividend received	-	-	276,750	494,500
Other income	189,819	132,091	152,945	131,878
	612,547	**962,791**	**917,865**	**711,531**

11. ADMINISTRATION AND ESTABLISHMENT EXPENSES

	Group		Company	
(a) Administration and Establishment expenses	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Staff costs (Note 11(b))	248,947	219,197	126,150	99,266
Insurance and medical costs	35,398	34,939	3,914	3,683
Depreciation of property, plant and equipment	118,816	159,901	36,569	47,532
Amortisation of intangible assets	2,858	3,251	2,054	2,514
Amortisation of leasehold land	181	206	102	127
Auditors' remuneration	9,902	8,234	5,010	4,152
Directors' emoluments	18,734	17,933	18,734	17,933
Legal and professional fees	23,137	16,529	11,796	8,982
Secretarial costs	3,361	3,324	-	324
Travelling and accommodation	4,239	4,854	3,677	3,178
Coffee house overheads	26,707	30,974	-	-
Office expenses	152,768	85,134	50,850	42,067
Administration costs	115,733	130,066	115,632	116,719
Bank charges	3,795	4,438	1,757	2,506
Other expenses	2,727	4,748	252	-
	767,303	**723,728**	**376,497**	**348,983**

11. ADMINISTRATION AND ESTABLISHMENT EXPENSES (continued)

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
(b) Staff costs				
Salaries and wages	221,176	202,325	100,322	90,158
Staff leave accruals	555	(216)	743	(574)
Pension costs	27,216	17,088	25,085	9,682
	248,947	**219,197**	**126,150**	**99,266**

12. SELLING AND DISTRIBUTION EXPENSES

Warehousing and storage charges	**35,484**	**26,134**	-	-

13. NET FINANCE INCOME

	Group		Company	
	2016 KShs'000	**2015 KShs'000**	**2016 KShs'000**	**2015 KShs'000**
(a) Finance income				
Interest income	116,257	44,222	19,695	16
Realised foreign exchange gain	602	48,072	602	19,865
Unrealised foreign exchange gain	10	1,570	10	330
	116,869	93,864	20,307	20,211
(b) Finance cost				
Interest expense	(3,028)	(6,986)	(2,973)	(6,986)
Realised foreign exchange loss	(7,330)	(12,146)	(2,877)	-
Unrealised foreign exchange loss	(3,254)	(34)	-	-
	(13,612)	(19,166)	(5,850)	(6,986)
Net finance income	**103,257**	**74,698**	**14,457**	**13,225**

14. PROFIT BEFORE TAXATION

	Group		**Company**	
	2016 KShs'000	**2015 KShs'000**	**2016 KShs'000**	**2015 KShs'000**
The profit before taxation is arrived at after charging/(crediting):				
Depreciation	118,816	159,901	36,569	47,532
Amortisation of intangible assets	2,858	3,251	2,054	2,514
Amortisation of leasehold land	181	206	102	127
Directors' emoluments:				
- Fees	3,600	3,600	3,600	3,600
- Other remuneration	15,134	14,333	15,134	14,333
Pension costs	27,216	17,088	25,085	9,682
Auditors' remuneration	9,902	8,234	5,010	4,152
Interest expense	3,028	6,986	2,974	6,986
Unrealised exchange losses	3,254	34	-	-
Realised foreign exchange losses	7,330	12,146	2,877	-
Interest income	(116,257)	(44,222)	(19,695)	(16)
Unrealised foreign exchange gain	(10)	(1,570)	(10)	(330)
Realised foreign exchange gain	(602)	(48,072)	(602)	(19,865)
Net gain on disposal of assets	(422,728)	(830,700)	(422,728)	(32,364)

15. TAX EXPENSE/ (CREDIT)

	Group		Company	
(a) Statement of comprehensive income	**2016 KShs'000**	**2015 KShs'000**	**2016 KShs'000**	**2015 KShs'000**
Current tax expense				
Income tax on the taxable				
Profit for the year at 30%	218,222	171,440	90,660	48,825
Prior year (over)/ underprovision	(15,242)	1,251	(15,242)	1,251
Total current tax	202,980	172,691	75,418	50,076
Deferred tax credit				
Deferred tax charge/ (credit) arising from operating activities	14,008	(185,707)	(10,681)	(10,732)
Deferred tax charge/ (credit) on biological assets fair value	42,015	(48,974)	4,574	(29,864)
Prior year (over)/ under provision	(95)	-	9,011	-
Total deferred tax charge/ (credit)	55,928	(234,681)	2,904	(40,596)
Taxation expense/ (credit) for the year	**258,908**	**(61,990)**	**78,322**	**9,480**

Reconciliation of tax expense/ (credit):

Accounting profit before taxation	1,020,758	1,039,222	883,435	513,684
Tax applicable rate at 30%	306,227	311,767	265,031	154,105
Tax effects of items not allowed				
for tax or tax exempt	11,921	(178,548)	(78,460)	(138,001)
Effect of income taxed at				
5% (25% variance)	(102,018)	(196,460)	(102,018)	(7,875)
Gratuity remeasurement charge/ (credit)				
- Deferred tax	(95)	-	9,011	-
Impairment of deferred tax asset (Note 30)	58,115	-	-	-
Prior year under provision:				
- Current tax	(15,242)	1,251	(15,242)	1,251
	258,908	**(61,990)**	**78,322**	**9,480**

(b) Statement of financial position

Balance brought forward	3,421	(16,045)	1,403	1,418
Charge for the year	202,980	172,691	75,418	50,076
Paid during the year	(157,938)	(153,225)	(56,757)	(50,091)
Balance carried forward	**48,463**	**3,421**	**20,064**	**1,403**
Presented as:				
Tax recoverable	(7,307)	(5,474)	-	-
Tax payable	55,770	8,895	20,064	1,403
	48,463	**3,421**	**20,064**	**1,403**

15. TAX (CREDIT)/EXPENSE (continued)

(c) Dividend tax account

The Group and the Company have credit balances on the dividend tax accounts of KShs 927,725,249 (2015 - KShs 875,095,407) and KShs 767,934,140 (2015 - KShs 686,051,286), respectively, which include tax payments to 30 September 2016.

16. EARNINGS PER SHARE

Earnings per share is calculated by dividing profit or loss for the year attributable to ordinary equity holders of the parent by the 228,055,500 (2015 - 228,055,500) ordinary shares outstanding during the year. Basic and diluted earnings per share are the same.

	Group		Company	
	2016 KShs	2015 KShs	2016 KShs	2015 KShs
Earnings per share on normal operations	2.98	4.18	3.50	2.51
Earnings per share on biological assets	0.41	0.09	0.03	(0.30)
Net earnings per share (KShs)	**3.39**	**4.27**	**3.53**	**2.21**

17. DIVIDEND PER SHARE

Proposed dividends are accounted for as a separate component of equity until they have been ratified at an Annual General Meeting. An Interim dividend of KShs. 0.25 (25%) (2015 - 1.00 (100%) was declared and paid on 4 July 2016. The directors recommended the payment of second interim dividend of KShs 1.25 per share (125%) (2015 – Nil (0%)). This amounts to total dividend of KShs 1.50 per share (150%) for the year (2015 - KShs 1.25 (125%)). Payment of dividends is subject to withholding tax at the rate of 5% for residents, 10% for non-resident shareholders or 0% depending with the percentage shareholding.

	Group		Company	
	2016 KShs	2015 KShs	2016 KShs	2015 KShs
Dividends per share (KShs)	**1.50**	**1.25**	**1.50**	**1.25**

18. PROPERTY, PLANT AND EQUIPMENT

(a) Group

2016:

	Freehold land KShs'000	Buildings and improvements KShs'000	Plant, machinery and tools KShs'000	Rolling stock and farm implements KShs'000	Furniture, computers and equipment KShs'000	Total KShs'000
Cost or valuation						
As at 1 October 2015	6,766,345	1,033,983	754,831	212,513	137,831	8,905,503
Write offs	-	-	(4,951)	2	11	(4,938)
Additions	-	12,148	3,840	32,209	14,153	62,350
Transfer from work in progress (Note 18(c))	-	37,862	9,893	-	-	47,755
Disposals	-	(60,180)	-	(1,460)	(430)	(62,070)
As at September 2016	**6,766,345**	**1,023,813**	**763,613**	**243,264**	**151,565**	**8,948,600**
Depreciation						
As at 1 October 2015	-	46,252	3,871	3,445	81,221	134,789
Charge for the year	-	48,325	34,357	17,402	18,732	118,816
Write offs	-	1,708	-	-	-	1,708
Disposal	-	(2,174)	-	(91)	(283)	(2,548)
As at 30 September 2016	-	94,111	38,228	20,756	99,670	252,765
Carrying amount As at September 2016	**6,766,345**	**929,702**	**725,385**	**222,508**	**51,895**	**8,695,835**

2015:

	Freehold land KShs'000	Buildings and improvements KShs'000	Plant, machinery and tools KShs'000	Rolling stock and farm implements KShs'000	Furniture, computers and equipment KShs'000	Total KShs'000
Cost or valuation						
As at 1 October 2014	6,789,000	1,062,437	726,201	194,467	161,207	8,933,312
Equipments written back	-	-	4,951	-	-	4,951
Revaluation	-	(12,056)	14,929	16,300	(33,227)	(14,054)
Additions	-	4,762	5,827	1,637	9,569	21,795
Tranfers from work in progress (Note 18(c))	-	300	7,985	253	1,031	9,569
Disposals	(22,655)	(21,460)	(5,062)	(144)	(749)	(50,070)
As at 30 September 2015	6,766,345	1,033,983	754,831	212,513	137,831	8,905,503
Depreciation						
As at 1 October 2014	-	12,163	302,288	141,512	114,988	570,951
Charge for the year	-	46,518	76,437	20,836	16,110	159,901
Reversal on revaluation	-	(12,163)	(372,802)	(158,801)	(49,877)	(593,643)
Disposal	-	(266)	(2,052)	(102)	-	(2,420)
As at 30 September 2015	-	46,252	3,871	3,445	81,221	134,789
Carrying amount At 30 September 2015	**6,766,345**	**987,731**	**750,960**	**209,068**	**56,610**	**8,770,714**

18. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Group (continued)

The Group's building and freehold land was revalued on 30 September 2014 by Knight Frank Valuers Limited, a firm of registered independent valuers, on the market value existing use basis. The Group's plant, equipment, machinery, furniture and fittings were revalued on 30 September 2015 by Knight Frank Valuers Limited, registered valuers, on the market value existing use basis. The carrying values of the property, plant and equipment were adjusted to the revaluations and the resultant surplus and deferred tax effect, was recognised in other comprehensive income and accumulated in equity as at that date. There were no idle assets at 30 September 2016 and 2015. There was no property given as security as at 30 September 2016 and 2015.

(b) Company

2016:	Freehold land KShs'000	Buildings and improvements KShs'000	Plant, machinery and tools KShs'000	Rolling stock and farm implements KShs'000	Furniture, computers and equipment KShs'000	Total KShs'000
Cost or valuation						
As at 1 October 2015	5,237,345	404,605	257,140	95,260	24,258	6,018,608
Write offs	-	-	(4,951)	-	-	(4,951)
Additions	-	2,717	1,326	29,510	5,536	39,089
Disposals	-	(60,180)	-	(1,460)	-	(61,640)
As at 30 September 2016	5,237,345	347,142	253,515	123,310	29,794	5,991,106
Depreciation						
As at 1 October 2015	-	13,349	649	253	1,143	15,394
Write offs	-	1,708	53	-	-	1,761
Charge for the year	-	12,926	11,071	8,162	4,410	36,569
Disposal	-	(2,174)	-	(91)	-	(2,265)
As at 30 September 2016	-	25,809	11,773	8,324	5,553	51,459
Carrying amount						
At 30 September 2016	**5,237,345**	**321,333**	**241,742**	**114,986**	**24,241**	**5,939,647**

2015:	Freehold land KShs'000	Buildings and improvements KShs'000	Plant, machinery and tools KShs'000	Rolling stock and farm implements KShs'000	Furniture, computers and equipment KShs'000	Total KShs'000
Cost or valuation						
As at 1 October 2014	5,260,000	400,653	204,509	80,323	47,779	5,993,264
Equipments written back	-	-	4,951	-	-	4,951
Revaluation	-	-	42,063	13,541	(26,557)	29,047
Additions	-	3,952	5,617	1,540	3,036	14,145
Disposals	(22,655)	-	-	(144)	-	(22,799)
As at 30 September 2015	5,237,345	404,605	257,140	95,260	24,258	6,018,608
Depreciation						
As at 1 October 2014	-	-	92,917	52,070	35,585	180,572
Charge for the year	-	13,349	19,197	10,713	4,273	47,532
Reversal on revaluation	-	-	(111,465)	(62,530)	(38,715)	(212,710)
As at 30 September 2015	-	13,349	649	253	1,143	15,394
Carrying amount						
At 30 September 2015	**5,237,345**	**391,256**	**256,491**	**95,007**	**23,115**	**6,003,214**

(b) Company (continued)

The Group's building and freehold land was revalued on 30 September 2014 by Knight Frank Valuers Limited, a firm of registered independent valuers, on the market value existing use basis.

The Group's plant, equipment, machinery, furniture and fittings were revalued on 30 September 2015 by Knight Frank Valuers Limited, registered valuers, on the market value existing use basis.

The carrying values of the property, plant and equipment were adjusted to the revaluations and the resultant surplus and deferred tax effect, was recognised in other comprehensive income and accumulated in equity as at that date.

Included in property, plant and equipment at 30 September 2015 were fully depreciated assets with a gross value of KShs 41,133,486 still in use. The notional depreciation charge on these assets before revaluation was KShs 9,697,514.
The assets were revalued as at 30 September 2015.

There were no idle and fully depreciated assets at 30 September 2016 and 2015. In addition, there was no property given as security as at 30 September 2016 and 2015.

(c) Capital work-in-progress

	Group		Company	
	2016	**2015**	**2016**	**2015**
	KShs'000	**KShs'000**	**KShs'000**	**KShs'000**
Balance brought forward	33,358	29,678	-	-
Additions	73,121	13,249	57,179	-
Transfer to property, plant and equipment	(47,755)	(9,569)	-	-
	58,724	**33,358**	**57,179**	**-**

Capital work-in-progress relates to buildings and leasehold improvements under construction.

19. INTANGIBLE ASSETS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	KShs'000	**KShs'000**	**KShs'000**	**KShs'000**
Cost				
At 1 October 2015 and 2014	71,873	68,439	26,653	24,614
Additions	1,740	3,434	1,740	2,039
At 30 September	73,613	71,873	28,393	26,653
Amortisation				
At 1 October 2015 and 2014	63,480	60,229	20,798	18,284
Charge for the year	2,858	3,251	2,054	2,514
At 30 September	66,338	63,480	22,852	20,798
Carrying value at 30 September	**7,275**	**8,393**	**5,541**	**5,855**

Intangible assets relate to software costs.

20. BIOLOGICAL ASSETS

(a) Group

2016:	Coffee trees KShs'000	Tea bushes KShs'000	Other trees KShs '000	Livestock KShs'000	Total KShs'000
Carrying value as at 1 October 2015	**2,281,237**	**1,615,499**	**1,167,719**	**12,874**	**5,077,329**
Gains due to biological transformation at fair value	353,212	439,811	(18,309)	285	774,999
Decreases due to harvest at fair value	(339,852)	(221,747)	(71,073)	(8,761)	(641,433)
	13,360	218,064	(89,382)	(8,476)	133,566
Immature bushes/trees at cost	2,021	-	5,540	8,761	16,322
Carrying value as at 30 September 2016	**2,296,618**	**1,833,563**	**1,083,877**	**13,159**	**5,227,217**

The reconciliation of fair value changes is analysed below:

Carrying value as at 1 October 2015	2,281,237	1,615,499	1,167,719	12,874	5,077,329
Changes due to price estimate	51,532	254,927	4,368	1,218	312,045
Changes due to yield estimate	(38,172)	(36,863)	(93,750)	(933)	(169,718)
Changes due to immature bushes/ animals	2,021	-	5,540	-	7,561
Carrying value as at 30 September 2016	**2,296,618**	**1,833,563**	**1,083,877**	**13,159**	**5,227,217**

2015:	Coffee trees KShs'000	Tea bushes KShs'000	Other trees KShs '000	Livestock KShs'000	Total KShs'000
Carrying value as at 1 October 2015	**2,548,636**	**2,295,075**	**386,943**	**9,922**	**5,240,576**
Disposal in the year	(179,058)	-	(2,479)	-	(181,537)
Gains due to biological transformation at fair value	22,257	(545,670)	833,913	9,931	320,431
Decreases due to harvest at fair value	(110,598)	(133,906)	(56,237)	(6,979)	(307,720)
Changes in immature trees/bushes	-	-	5,579	-	5,579
	(88,341)	(679,576)	783,255	2,952	18,290
Carrying value as at 30 September 2015	**2,281,237**	**1,615,499**	**1,167,719**	**12,874**	**5,077,329**

The reconciliation of fair value changes is analysed below:

Carrying value as at 1 October 2014	2,548,636	2,295,075	386,943	9,922	5,240,576
Disposal in the year	(179,058)	-	(2,479)	-	(181,537)
Changes due to price estimate	377,290	(102,146)	-	4,372	279,516
Changes due to yield estimate	(465,631)	(577,430)	777,676	(1,420)	(266,805)
Changes due to immature bushes/ animals	-	-	5,579	-	5,579
Carrying value as at 30 September 2015	**2,281,237**	**1,615,499**	**1,167,719**	**12,874**	**5,077,329**

20. BIOLOGICAL ASSETS (continued)

(a) Group (continued)

The Group is involved in the growing, processing and selling of coffee and tea and breeding of dairy cattle. At 30 September 2016, the Group had 107 (2015 - 118) cows able to produce milk, 114 (2015 - 129) calves that are raised to produce milk in the future, 7 (2015 - 7) bull calves and 973 (2015 - 784) sheep. The Group produced 533,319 (2015 - 689,150) litres of milk with a fair value less cost to sell of KShs 33,929,767 (2015 - KShs 34,457,490) in the year.

The Group has 775 hectares of mature coffee bushes. The Group harvested 943,717 (2015 - 992,519) Kgs of coffee with a fair value less cost to sell of KShs 339.85 million (2015 - KShs 287.18 million).

The Group has 1,434 (2015 - 1,434) hectares of mature tea bushes and 29 (2015 - 29) hectares of immature tea bushes. The Group harvested 26,441,375 (2015 - 18,817,071) Kgs of green tea leaves with a fair value less cost to sell of KShs 221,746,942 (2015 - KShs 133,906,320).

(b) Company

	Coffee trees	Other trees	Livestock	Total
2016:	**KShs'000**	**KShs '000**	**KShs'000**	**KShs'000**
Carrying value as at 1 October 2015	**1,817,178**	**23,193**	**2,406**	**1,842,777**
Gains/(losses) due to biological transformation at fair value	291,121	(6,966)	111	284,266
Decreases due to harvest at fair value	(273,200)	(2,305)	-	(275,505)
	17,921	(9,271)	111	8,761
Immature bushes/ trees at cost	1,072	5,415	-	6,487
Carrying value as at 30 September 2016	**1,836,171**	**19,337**	**2,517**	**1,858,025**

The reconciliation of fair value changes is analysed below:

	Coffee trees	Other trees	Livestock	Total
2016:				
Carrying value as at 1 October 2015	1,817,178	23,193	2,406	1,842,777
Disposal in the year				
Changes due to price estimate	44,517	4,260	1,218	49,995
Changes due to yield estimate	(26,597)	(13,531)	(1,107)	(41,235)
Changes in immature trees/bushes	1,073	5,415	-	6,488
Carrying value as at 30 September 2016	**1,836,171**	**19,337**	**2,517**	**1,858,025**
2015:				
Carrying value as at 1 October 2014	**1,879,071**	**61,909**	**1,342**	**1,942,322**
Disposal during the year	(1,908)	(569)	-	(2,477)
Gains/(losses) due to biological transformation at fair value	169,601	(30,422)	421	139,600
Decreases due to harvest at fair value	(229,586)	(7,851)	643	(236,794)
Changes in immature trees/bushes	-	126	-	126
	(59,985)	(38,147)	1,064	(97,068)
Carrying value as at 30 September 2015	**1,817,178**	**23,193**	**2,406**	**1,842,777**

20. BIOLOGICAL ASSETS (continued)

(b) Company (continued)

2015:	Coffee trees KShs '000	Other trees KShs '000	Livestock KShs '000	Total KShs '000
The reconciliation of fair value changes is analysed below:				
Carrying value as at 1 October 2014	1,879,071	61,909	1,342	1,942,322
Disposal in the year	(1,908)	(569)	-	(2,477)
Changes due to price estimate	302,764	-	404	303,168
Changes due to yield estimate	(362,749)	(38,273)	660	(400,362)
Changes in immature trees/bushes	-	126	-	126
Carrying value as at 30 September 2015	**1,817,178**	**23,193**	**2,406**	**1,842,777**

Where meaningful market-determined prices do not exist to assess the fair value of biological assets, the fair value is determined based on the net present value of the expected future cash flows from those assets, discounted at appropriate pre-tax rates.

In determining the fair value of biological assets where the discounting of expected cash flows has been used, the directors have made certain assumptions and techniques below:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Tea bushes (Level III)	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 30 years. The expected net cash flows are discounted using a risk-adjusted discount rate.	• Estimated future green leaf price per kilogram of KShs 24 (2015: KShs 21.40); • Estimated future green leaf costs per kilogram of KShs 15.61 (2015: KShs 14.28); and • Risk-adjusted annual discount rate of 14.51% (2015: 14.29%).	The estimated fair value would increase (decrease) if: • The estimated green leaf prices per kilogram were higher(lower); • The estimated harvest, replanting, weeding and transportation costs were lower (higher); or • The risk-adjusted discount rates were lower (higher).
Coffee bushes (Level III)	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 9 to 50 years depending on the type of bush. The expected net cash flows are discounted using a risk-adjusted discount rate.	• Estimated future coffee realisation price per kilogram of KShs 424.1 (2015: KShs 392); • Risk-adjusted annual discount rate of 14.61% (2015: 14.34 %); and • Estimated future exchange rate to the USD of KShs 100.15 (2015: KShs 95.65).	The estimated fair value would increase (decrease) if: • The estimated green leaf prices per kilogram were higher(lower); • The estimated harvest, replanting, weeding and transportation costs were lower (higher); • The risk-adjusted discount rates were lower (higher); or • The estimated exchange rates (USD/KShs) were higher (lower).
Livestock (Level II) Livestock comprises cattle and sheep	Market comparison technique: The fair values are based on the market price of livestock of similar age, weight and market values.	• Not applicable	Not applicable
Trees (Level III)	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for periods between 10 and 50 years. The expected net cash flows are discounted using a risk-adjusted discount rate.	• Estimated future trees realisation price per tree of KShs 1,000 to KShs 4,000 (2015: KShs 1,000 to KShs 4,000); and • Risk-adjusted annual discount rate of 14.26 to 20.69% (2015 - 14.26 to 20.69%).	The estimated fair value would increase (decrease) if: • The estimated tree prices were higher (lower); and • The risk-adjusted discount rates were lower (higher).

21. PREPAID LEASES ON LEASEHOLD LAND

	Group		Company	
	2016	2015	2016	2015
	KShs'000	KShs'000	KShs'000	KShs'000
Cost				
At 1 October 2015 and 2014	21,404	23,058	9,210	9,210
Transfer	91	-	-	-
Disposal	(1,210)	(1,654)	(1,210)	-
At 30 September	20,285	21,404	8,000	9,210
Amortisation				
At 1 October 2015 and 2014	2,931	2,984	1,577	1,450
Transfer	91	-	-	-
Amortisation during the year	181	206	102	127
Disposal	(756)	(259)	(756)	-
At 30 September	2,447	2,931	923	l,577
Carrying value at 30 September	**17,838**	**18,473**	**7,077**	**7,633**

The Group's leasehold land was revalued on 30 September 2015 by Knight Frank Valuers Limited, a firm of independent valuers, on the market value existing basis. The fair value of the land is estimated at KShs 3.40 billion (2015: KShs 3.60 billion). The revaluation has not been adopted in the financial statements.

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2016	2015	2016	2015
	KShs'000	KShs'000	KShs'000	KShs'000
Trade investments: Unquoted	525	525	-	-

These relate to unquoted investments classified as available-for-sale and measured at cost.

23. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2016	2015
	KShs'000	KShs'000
Shares in subsidiaries at cost	172,697	172,697

The details of subsidiary companies which are all incorporated in Kenya are as follows:

Name of subsidiary	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	85	
Wahenya Limited	85	(100% held by Mweiga Estate Limited)
Aristocrats Tea & Coffee Exporters Limited	100	
Sasini Coffee House Limited	60	

Consolidated financial statements have been prepared incorporating the financial statements of the Company and its subsidiaries made up to 30 September 2016 and 2015.

24. INVENTORIES

	Group		Company	
	2016	2015	2016	2015
	KShs'000	KShs'000	KShs'000	KShs'000
Made tea	154,278	97,014	-	-
Tea and tree nurseries	7,785	8,902	-	-
Coffee	52,385	63,094	46,182	54,987
Estate stores	148,160	179,776	48,541	41,608
Work in progress	4,500	-	-	-
Food and beverages	4,722	1,652	-	-
	371,830	350,438	94,723	96,595
Inventories write-offs	(7,306)	(9,076)	-	-
	364,524	**341,362**	**94,723**	**96,595**

The amount of inventories recognised as an expense is KShs 473,900,406 (2015 – KShs 513,890,819) which was recognised in cost of sales.

25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	KShs'000	KShs'000	KShs'000	KShs'000
Trade receivables	163,804	172,721	78,321	83,619
Allowances for impairment	(19,904)	(6,467)	(13,437)	-
Net trade receivables	143,900	166,254	64,884	83,619
Other receivables and prepaid expenses	312,178	343,852	75,979	122,325
	456,078	**510,106**	**140,863**	**205,944**
Allowances for impairment:				
At beginning of the year	6,467	8,456	-	2,962
Written off	-	(2,962)	-	(2,962)
Charge for the year	13,437	973	13,437	-
At the end of the year	**19,904**	**6,467**	**13,437**	**-**
Age analysis of trade receivables:				
Less than 30 days	105,709	124,622	27,785	39,041
31 to 90 days	35,835	40,592	32,353	40,592
Over 90 days (past due but not impaired)	8,823	7,507	4,746	3,986
Over 90 days (past due and impaired)	-	-	-	-
	150,367	**172,721**	**64,884**	**83,619**

26. RELATED COMPANIES BALANCES

	Group		Company	
	2016	2015	2016	2015
	KShs'000	KShs'000	KShs'000	KShs'000
Amount due from related companies:				
Mweiga Estates Limited	-	-	27,674	-
Wahenya Limited	-	-	12,230	12,230
Aristocrats Tea & Coffee Exporters Limited	-	-	4,849	3,584
Sasini Coffee House Limited	-	-	12,015	15,523
Sameer Agriculture and livestock limited	1,000	1,000	-	-
Kipkebe Limited	-		271,590	
Sameer investments Limited	1,397	209	92	92
	2,397	**1,209**	**328,450**	**31,429**
Amount due to related companies:				
Sameer investments Limited	11	11	-	-
Sameer Agriculture and livestock limited	520	1,071	-	-
Mweiga Estate Limited	-	-	-	7,720
Aristocrats Tea & Coffee Exporters Limited	-		-	-
Kipkebe Limited	-	-	-	41,779
	531	**1,082**	**-**	**49,499**

27. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	2015	2016	2015
	KShs'000	KShs'000	KShs'000	KShs'000
Cash on hand	3,454	3,246	714	672
Bank balances	735,337	396,102	316,313	216,351
Short term deposit	1,215,760	801,166	480,916	100,000
	1,954,551	**1,200,514**	**797,943**	**317,023**

Short term deposits relate to deposits with banks with maturities of three (3) months.

28. SHARE CAPITAL

	Group		Company	
	2016	2015	2016	2015
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Authorised:				
At 1 October and 30 September: 300,000,000 ordinary shares of KShs 1 each	**300,000**	**300,000**	**300,000**	**300,000**
Issued and fully paid:				
At 1 October and 30 September: 228,055,500 ordinary shares of KShs 1 each	**228,055**	**228,055**	**228,055**	**228,055**

All shares rank equally with regard to the company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

29. RESERVES

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Non-distributable reserves:				
Revaluation reserve	7,627,565	7,887,974	5,517,443	5,678,118
Capital reserve	98,530	98,530	40,594	40,594
Defined benefit reserve	52,649	50,520	2,647	5,456
Biological assets fair value reserve	2,684,421	2,702,081	1,185,294	1,179,161
	10,463,165	**10,739,105**	**6,745,978**	**6,903,329**
Distributable reserves:				
Retained earnings	2,619,820	2,144,228	1,064,947	629,903
Proposed dividends	285,069	57,014	285,069	57,014
	2,904,889	**2,201,242**	**1,350,016**	**686,917**
Non-controlling interest	**364,123**	**390,103**	-	-

Revaluation reserve
The revaluation reserve relates to increases in the fair value of property, plant and equipment and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

Defined benefit reserve
Defined benefit reserve relates to remeasurement of post-employment benefits at the reporting date. The remeasurements comprise of actuarial gains and losses on valuation of the gratuity scheme.

Biological assets fair value
The biological assets fair value relates to increases in the fair value of biological assets and decreases to the extent that such decrease relate to an increase on the same asset previously recognised in equity. The fair value movements are recognised in profit and loss but for purposes of monitoring the distribution of these reserves, the directors have transferred the amounts from retained earnings to equity.

30. DEFERRED TAX ASSET/LIABILITY

Recognised deferred tax assets/liabilities:

Deferred tax liabilities and assets during the year arose from the following:

Group 2016:	Balance at 1 October KShs '000	Prior year under/ (over) through P&L KShs '000	Prior year under/ (over) through OCI KShs '000	Current year movement through P&L KShs '000	Current year movement through OCI KShs '000	Balance at 30 September KShs '000
Property, plant and equipment	(502,702)	-	468,305	(17,948)	-	(52,345)
Other temporary differences	(152,447)	9,011	-	(17,577)	834	(160,179)
Biological assets	1,523,199	-	-	42,015	-	1,565,214
Revaluation gain	965,404	-	(226,821)	-	6,556	745,139
Tax losses	(109,028)	(9,106)	-	*49,533	-	(68,601)
	1,724,426	**(95)**	**241,484**	**56,023**	**7,390**	**2,029,228**

* The movement through profit or loss includes derecognised deferred tax asset of KShs 58,115,060 relating to tax losses in a subsidiary, Wahenya Limited.

2015:	Balance at 1 October KShs '000	Prior year under/ (over) provision through profit or loss KShs '000	Through profit or loss KShs '000	Through other comprehensive income KShs '000	Balance at 30 September KShs '000
Property, plant and equipment	(18,178)	-	(484,524)	-	(502,702)
Revaluation gain	675,957	(203,699)	324,548	168,598	965,404
Other temporary differences	(135,754)	-	(30,722)	14,029	(152,447)
Biological assets	1,572,173	-	(48,974)	-	1,523,199
Tax losses	(114,019)	-	4,991	-	(109,028)
	1,980,179	**(203,699)**	**(234,681)**	**182,627**	**1,724,426**

30. DEFERRED TAX ASSET/LIABILITY (Continued)

Presented in the statement of financial position as below:

	Group		Company	
	2016	2015	2016	2015
	KShs'000	KShs'000	KShs'000	KShs'000
Entities with net deferred tax asset	(26,192)	(77,070)	-	-
Entities with net deferred tax liability	2,055,420	1,801,496	856,009	671,781
	2,029,228	**1,724,426**	**856,009**	**671,781**

The tax losses expire within 9 years following the year they arose under the current tax laws. The ageing of tax losses for the Group is as below:

Year of origin	Amounts KShs '000	Year of expiry
2011	119,007,774	2020
2012	84,088,978	2021
2013	113,225,687	2022
2014	34,374,190	2023
2015	43,045,735	2024
2016	28,641,516	2025
Total	**422,383,880**	

Company 2016:	Balance at 1 October	Prior year under/ (over) through P&L	Prior year under/ (over) through OCI	Current year movement through P&L	Current year movement through OCI	Balance at 30 September
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
Property, plant and equipment	(30,093)	-	(42,954)	(7,440)	-	(80,487)
Other temporary differences	(28,767)	9,011	-	(3,241)	(1,204)	(24,201)
Biological assets	552,833	-	-	4,574	-	557,407
Revaluation gain	177,808	-	218,926	-	6,556	403,290
	671,781	**9,011**	**175,972**	**(6,107)**	**5,352**	**856,009**

2015:	Balance at 1 October 2014 KShs '000	Prior year under/(over) provision KShs '000	Through profit or loss KShs '000	Through other comprehensive income KShs '000	Balance at 30 September 2015 KShs '000
Property, plant and equipment	(25,703)	-	(4,390)	-	(30,093)
Revaluation gain	105,281	-	-	72,527	177,808
Other temporary differences	(24,029)	-	(6,342)	1,604	(28,767)
Biological assets	582,697	-	(29,864)	-	552,833
	638,246	**-**	**(40,596)**	**74,131**	**671,781**

Unrecognised deferred tax asset:

Deferred tax assets of KShs 58,115,060 have not been recognised in respect of tax losses relating to a subsidiary, Wahenya Limited because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

31. POST EMPLOYMENT BENEFITS

	Group		Company	
	2016	2015	2016	2015
	KShs'000	KShs'000	KShs'000	KShs'000
Balance brought forward	245,410	280,893	18,321	21,094
Paid during the year	(28,737)	(33,509)	(914)	(1,105)
Charge for the year	45,573	44,789	4,148	3,677
Remeasurements	(2,779)	(46,763)	4,013	(5,345)
Balance carried forward	**259,467**	**245,410**	**25,568**	**18,321**
Non-current portion	232,488	216,814	21,847	15,113
Current portion	26,979	28,596	3,721	3,208
	259,467	**245,410**	**25,568**	**18,321**
Charged to profit or loss				
Current service costs	11,143	11,987	1,444	1,152
Interest costs	34,430	32,802	2,704	2,525
	45,573	**44,789**	**4,148**	**3,677**
Charged to other comprehensive income				
Actuarial (gain)/ loss on obligation	**(2,779)**	**(46,763)**	**4,013**	**(5,345)**

The post employment benefit relates to provision for staff gratuity. The Company has entered into collective bargaining agreements with trade unions representing its employees that provide for gratuity payments on age and ill-health, retirement, withdrawal, resignation and death in-service of an employee. The gratuity arrangements are unfunded.

An actuarial valuation was carried out by The Actuarial Services Company Limited, registered actuaries, as at 30 September 2015 and 2016.

The principle assumptions used were as follows:

	2016	2015
Discount rate	13.48%	14.55%
Future salary increases	10.00%	10.00%

Sensitivity analysis

The results of the actuarial valuation are more sensitive to changes in financial assumptions than to changes in demographic assumptions. A 1% change in the discount rate or salary at the reporting date holding other factors constant would have changed the liability to amounts shown below.

	Group		Company	
A 1% increase in discount rate:	Increase	Decrease	Increase	Decrease
Liability at 30 September 2016 (KShs '000)	243,371	277,408	23,591	27,843
Liability at 30 September 2015 (KShs '000)	449,476	480,244	16,947	19,898

	Group		Company	
A 1% increase in salaries:	Increase	Decrease	Increase	Decrease
Liability at 30 September 2016 (KShs '000)	277,563	242,988	27,856	23,552
Liability at 30 September 2015 (KShs '000)	480,517	449,023	19,921	16,910

32. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	KShs'000	KShs'000	KShs'000	KShs'000
Trade payables	110,333	132,248	84,820	69,891
Other payables	376,710	296,891	91,635	53,971
	487,043	**429,139**	**176,455**	**123,862**

33. CASH FLOWS GENERATED FROM OPERATIONS

Reconciliation of profit before tax to cash generated from operations:

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Profit before tax	1,020,758	1,039,222	883,435	513,684
Adjustments for:				
Depreciation and amortisation	121,855	163,358	38,725	50,173
Net unrealised foreign exchange (gain)/loss	3,244	(1,536)	(10)	(330)
Interest income (Note 13)	(116,257)	(44,222)	(19,695)	(16)
Interest cost (Note 13)	3,028	6,986	2,973	6,986
Gain on disposal of land, property and equipment (Note 10)	(422,728)	(830,700)	(422,728)	(32,364)
Gratuity provision (Note 31)	45,573	44,789	4,148	3,677
Equipments and biological assets written back/(off)	6,646	(981)	6,712	(4,951)
Dividend income	-	-	(276,750)	(494,500)
Fair value changes on biological assets (Note 20(a))	(133,566)	(18,290)	(8,761)	97,068
Operating profit before working capital changes	**528,553**	**358,626**	**208,049**	**139,427**
Working capital changes:				
Inventories	(23,162)	(23,299)	1,872	(18,403)
Trade and other receivables	54,028	72,388	65,081	86,481
Related party balances	(1,739)	390	(346,520)	(88,200)
Trade and other payables	57,904	(93,229)	52,593	(140,146)
Cash flows generated from operations	**615,584**	**314,876**	**(18,925)**	**(20,841)**

34. RELATED PARTY TRANSACTIONS

The Group shares common directors with some of its subsidiary companies and suppliers, to and from whom goods and services were supplied during the year under review. The following transactions were entered into with these related parties:

(a) Purchase of goods and services

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Ryce East Africa Limited	4,954	2,129	4,606	1,378
Ryce Engineering Limited	98	62	-	62
Sameer Investments Limited	1	157	1	157
Sameer Management Limited	3,614	3,435	112	104
Airtel Kenya Limited	860	1,008	716	809
Sameer Agriculture Limited	7,345	9,071	-	
Sameer Business Park Limited	4,195	3,204	-	-
Yana Tyre Centre	1,327	1,237	1,039	933
Liquid Telecom Limited	-	2,974	-	1,580
	22,394	**23,277**	**6,474**	**5,023**

The Company also shares common directors with one of its bankers, who provided a range of banking services to the Company during the year under review. All the transactions entered into with the bank were in normal course of business and at arm's length

(b) Key management compensation

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Short term employee benefits	52,161	50,433	33,434	32,466
Post-employment benefits	4,907	4,928	3,263	3,337
	57,068	**55,361**	**36,697**	**35,803**

(c) Director's emoluments

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Fees	3,600	3,600	3,600	3,600
Other remuneration	15,134	14,333	15,134	14,333
	18,734	**17,933**	**18,734**	**17,933**

Other details in relation to related party balances are disclosed in Note 26.

35. CAPITAL COMMITMENTS

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Authorised and contracted for	**56,622**	**58,689**	**52,285**	**647**

36. CONTINGENT LIABILITIES

There are certain pending legal claims brought against the Group and Company at 30 September 2016 and 2015. In particular, litigations relating to Collective Bargaining Agreement for one of the subsidiaries for the years 2014 and 2015 is pending determination at the Court of Appeal. In the opinion of the directors and after taking appropriate legal advice the outcome of the legal claims will not give rise to any significant loss beyond the amounts provided for in these financial statements.

37. OPERATING LEASE RENTALS

(a) Lessor

The group has leased out office space to third parties. Non-cancellable operating lease rentals are received as follows:

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Less than one year	-	5,748	-	11,135
One year to five years	-	22,478	-	38,098
Over five years	-	3,268	-	3,268
	-	**31,494**	**-**	**52,501**

During the year, rental income of KShs. 3,746,366 (2015: KShs 5,435,920) was recognised in the profit or loss. Office Space that was being leased to third parties was disposed off on 16 July 2016.

(b) Lessee

The group has leased out office space from third parties. Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2016 KShs'000	2015 KShs'000	2016 KShs'000	2015 KShs'000
Less than one year	17,566	4,770	12,846	-
One year to five years	71,902	11,938	66,991	-
Over five years	21,678	-	21,678	-
	111,146	**16,708**	**101,515**	**-**

During the year KShs 8,194,493 (2015: KShs 6,013,489) lease rentals was expensed in the profit or loss.

38. EVENTS AFTER REPORTING DATE

Subject to approval from Sasini Limited shareholders pursuant to paragraph G.06(b) in the Fifth Schedule to the Capital Markets (Securities) (Public offers listing and Disclosures) Regulations, 2002 in respect of its portion of the sale shares, on 5 December 2016, the Group entered into a contract with Sheb Investments Limited to sell off its entire shareholding in Sasini Coffee House Limited (SCHL) for a consideration of KShs 70,000,000.

SCHL principal activity is the business of restaurants, hotelier, caterers and other services incidental 'thereto'. Prior to the sale, Sasini Limited held 60% of shares in SCHL.

The net assets of SCHL at 30 September 2016 was KShs 36,912,402. SCHL's performance for the years ended 30 September 2016 and 2015, which has been included in the group consolidated performance was as follows:

	2016 KShs	2015 KShs
Revenue	105,603,336	123,105,401
Cost of sales	(39,821,491)	(50,901,879)
Gross profit	**65,781,845**	**72,203,522**
Other income	2,386,181	1,181,651
Administration and establishment expenses	(78,546,921)	(72,286,880)
(Loss)/profit before taxation	**(10,378,895)**	**1,098,293**
Income tax credit/(expense)	2,926,280	(140,242)
(Loss)/profit for the year	**(7,452,615)**	**958,051**

FIVE YEAR COMPARATIVE STATEMENTS

	2016	2015	2014	2013	2012
PRODUCTION AND SALES STATISTICS					
TEA					
Area – Hectares	1,463	1,463	1,465	1,465	1,465
Production – Tonnes	11,108	8,578	11,564	11,061	8,826
Sales – Tonnes	10,721	8,967	11,495	11,064	8,877
Sales proceeds - KShs/Kg	193	179	158	190	192
COFFEE					
Area – Hectares	775	775	912	912	912
Production – Tonnes	944	993	1,153	1,201	980
Sales – Tonnes	993	993	1,209	1,169	1,008
Sales proceeds - KShs'000/tonne	465	435	417	339	698
RESULTS	**KShs '000**	**KShs '000**	**KShs '000**	**KShs '000**	**KShs '000**
Turnover	3,570,629	2,786,126	2,762,547	2,816,834	2,820,737
(Losses)/gains arising from changes in fair value less costs to sell	133,566	18,290	(50,198)	(31,518)	(420,986)
Profit /(loss) before taxation and non-controlling interest	1,020,758	1,039,222	61,793	158,407	(85,225)
Taxation credit/(charge)	(258,908)	61,990	(16,372)	(66,718)	(38,888)
Profit (loss) after taxation before non-controlling interests	**761,850**	**1,101,212**	**45,421**	**91,689**	**(124,113)**
Made up as shown below:					
Profit arising from operating activities	679,024	953,650	85,476	126,832	186,857
(Loss)/profit arising from changes in fair value less costs to sell after tax	93,496	21,113	(61,819)	(4,128)	(254,650)
Non-controlling interest	(10,670)	126,449	21,764	(31,015)	(56,320)
	761,850	**1,101,212**	**45,421**	**91,689**	**(124,113)**
Dividends	**(342,083)**	**(285,069)**	**(57,014)**	**(57,014)**	**(171,042)**

CAPITAL EMPLOYED	2016 KShs '000	2015 KShs '000	2014 KShs '000	2013 KShs '000	2012 KShs '000
Property, plant and equipment	8,695,835	8,770,714	8,362,361	2,343,387	2,411,972
Intangible assets	7,275	8,393	8,210	11,686	19,887
Biological assets	5,227,217	5,077,329	5,240,576	5,290,774	5,322,292
Prepaid leases - leasehold land	17,838	18,473	20,074	20,316	20,556
Capital work-in-progress	58,724	33,358	29,678	39,934	37,877
Other investments	525	525	525	525	525
Deferred tax asset	26,192	77,070	23,070	52,699	-
Net current assets	2,214,534	1,590,953	710,243	563,796	524,243
	16,248,140	**15,576,815**	**14,394,737**	**8,323,117**	**8,337,352**
FINANCED BY					
Share capital	228,055	228,055	228,055	228,055	228,055
Reserves	13,082,985	12,883,333	11,594,144	6,054,978	6,008,602
Non-controlling interests	364,123	390,103	241,755	99,878	133,131
Proposed dividend	285,069	57,014	57,014	-	57,014
Equity	13,960,232	13,558,505	12,120,968	6,382,911	6,426,802
Non-current liabilities	2,287,908	2,018,310	2,273,769	1,940,206	1,910,550
	16,248,140	**15,576,815**	**14,394,737**	**8,323,117**	**8,337,352**
RATIOS					
Earnings per share on operating activities (KShs)	2.98	4.18	0.37	0.56	0.82
Earnings/(loss) per share on biological assets (KShs)	0.41	0.09	(0.27)	(0.02)	(1.12)
Dividend per share (KShs)	1.50	1.25	0.25	0.25	0.75
Dividend cover (times covered)	1.98	3.34	1.48	2.24	1.09
Capital employed per share	71.25	68.30	63.12	36.50	36.56

Magura Mixed Secondary School sponsored by the Zarina and Naushad Merali Foundation and Sasini Limited

NOTES

FORM OF PROXY/ FOMU YA UWAKILISHI

I / We..
Of...

being a member/members of Sasini Limited, do hereby appoint ....
....of..

or failing him/her ....of

failing whom, the Chairman of the Meeting, as my/our proxy, to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 24th March 2017 and at any adjournment thereof.

As witness my/our hand(s) this day of 2017

Signature ....

Notes:

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his 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 authorised in writing.

3.The Proxy Form must be delivered to Image Registrars not later than Wednesday, 22nd March 2017 at 11.30 a.m.

Proxy Forms should be sent by post to Image Registrars of P O Box 9287, 00100 Nairobi. Alternatively, duly signed proxies can be scanned and emailed to info@image.co.ke in PDF format.

Mimi/Sisi ....

Wa...kama
mwanachama wa Kampuni iliyotajwa hapa juu, namteua ....
....
.... au akikosa ....

na iwapo hataweza kuhudhuria, mwenyekiti wa Mkutano, kama mwakilishi wangu/wetu, kupiga kula kwa niaba yangu/ yetu katika Mkutano Mkuu wa Kila Mwaka wa Kampuni utakaoandaliwa mnamo 24 Machi 2017 au wakati wowote ule endapo utaahirishwa.

Kama mashahidi sahihi yangu/yetu ....siku ya
.... 2017

Sahihi ....

Maelezo:

1. Mwanachama aliye na haki ya kuhudhuria na kupiga kura ana haki ya kuteua mwakilishi mmoja au zaidi kuhudhuria na kupiga kura kwa niaba yake na sio lazima mwakilishi awe mwanachama wa Kampuni.

2. Iwapo ni mwanachama wa kampuni ya dhima yenye kikomo, hii fomu ni lazima ijazwe chini ya nembo yake au mbele ya afisa au wakili ambaye ataidhinishwa kwa maandishi.

3. Fomu ya Uwakilishi ni lazima iwasilishwe kwa Image Registrars kabla ya Jumatano, 22 Machi 2017 saa 5 na nusu asubuhi.

Fomu za Uwakilishi zinapasa kutumwa kwa posta kwa Image Registrars wa SLP 9287, 00100 Nairobi. Badala yake, fomu za uwakilishi zilizojazwa na kutiwa sahihi zinaweza kutolewa nakala na kutumwa kwa barua pepe info@image.co.ke kwa umbo la PDF.

FOLD 2

Affix
Stamp
Here

FOLD 1

The Company Secretary
Sasini Limited
P.O. BOX 30151
00100 GPO
Nairobi
Kenya

Sasini

FOLD 3

DIRECTIONS TO KAMUNDU


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SASINI LIMITED AND SUBSIDIARIES