REA VIPINGO PLANTATIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

Table of Contents **Page No**

Corporate information

The directors of the company are as follows:

Oliver Fowler - Chairman
Neil Cuthbert
Richard Robinow
Stephen Waruhiu
Brown Ondego

Company Secretary

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

Registered office

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

Registrars and transfer office

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

Independent auditors

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

Advocates

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

Principal Bankers

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

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

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

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

Notice of the Annual General Meeting

Notice is hereby given that the Thirty First Annual General Meeting of the Shareholders of REA Vipingo Plantations Limited will be held via electronic means on Friday, 27th March 2026 at 10.00 a.m. for the following purposes:

Ordinary Business

1. Constitution of the Meeting and confirmation of a Quorum.

2. To receive and consider, and if thought fit, adopt the company's annual report and financial statements for the year ended 30 September 2025 together with the Auditor's Report thereon.

3. To confirm the payment of an interim dividend amounting to Shs 1.30 per share and to confirm the recommendation of the directors that no final dividend be paid in respect of the year ended 30th September 2025.

4. To approve the directors' remuneration for the year ending 30 September 2026.

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

BY ORDER OF THE BOARD

Grace Kambuni
Company Secretary
24 February 2026

Notice of the Annual Meeting (Continued)

Notes

1. The Annual General Meeting will be held by electronic means in accordance with the provisions of the Companies Act, 2015 as amended by the Business Laws (Amendment) (No.2) Act,2021.

2. Shareholders wishing to participate in the meeting should register for the AGM online at https://candr.africa/ or via a link to the AGM Platform that will be sent to them via SMS and/or email. In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their Share Account Number at hand. For assistance shareholders should dial the following helpline number: +254 20 8690360 from 8:00 a.m. to 4:00 p.m. from Monday to Friday or email digital@candrgroup.co.ke during the registration open period.

3. Registration for the AGM opens on 20th March 2026 at 08:00 a.m. and closes on 26th March 2026 at 12:00 Noon. Shareholders will not be able to register after 26th March 2026 at 12:00 Noon.

4. In accordance with Section 283(2)(c) of the Companies Act, 2015, the following documents may be viewed on the Company's website at https://reavipingo.com

   (i) a copy of this Notice and the proxy form;
   (ii) the Company's Annual Report and Audited Financial Statements for the year 2025.

5. Shareholders can access the Virtual AGM via a link to the AGM Platform or using their log in credentials via https://digital.candr.africa/ to view the livestream and vote and ask questions.

6. Shareholders wishing to raise any questions for the AGM may do so prior to the AGM (during the registration open period) or during the AGM by:

   Prior to the AGM

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

   During the AGM

   ii) Follow the process as above; or

   iii) Sending their written questions by email to digital@candr.africa; or

   iv) Physically delivering their written questions with a return physical address or email address to the registered office of the Company at 1st Floor Block D, Wilson Business Park, Wilson Airport, Nairobi; or

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

- *Shareholders sending questions by email or delivering to the Company must provide their full details (full names, Shares Account Number) when submitting their questions and clarifications. Also attach a copy of your ID/Passport.*
- *All written questions and clarification must reach the Company on or before 26th March 2026 at 12:00 Noon.*
- *Following receipt of the questions and clarifications, the directors of the Company shall provide written responses to the questions received to the return physical address or email address provided by the Shareholder no later than 24 hours before the start of the general meeting.*
- *A full list of all questions received and the answers thereto will be published on the Company's website not later than 3 days after the end of the general meeting.*

Notice of the Annual Meeting (Continued)

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

   Prior to AGM

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

   During AGM

   ii) Follow the process as above

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

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

   A proxy form must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate. A completed form of proxy should be emailed to proxy@candr.africa or delivered to Custody & Registrars offices at 1st Floor, Tower B, IKM Place,5th Ngong Avenue, Nairobi, so as to be received not later than 26th March 2026 at 12.00 Noon. Any shareholder appointing a proxy must provide the phone number and e-mail address of the proxy on the proxy form. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Thursday 26th March 2026 at 12:00Noon to allow time to address any issues prior to the AGM.

9. All proxies will be contacted and guided on how to access the AGM Platform. For further assistance, Proxies may call the following helpline number: (+254) 20 8690360 from 8:00 a.m. to 4:30 p.m. from Monday to Friday during the registration open period.

10. The AGM will be streamed live via the C&R Digital Services platform. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers or email two hours ahead of the AGM reminding them that the AGM will begin in two hours time.

11. Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform. Duly registered shareholders and proxies may vote (when prompted by the Chairman) for resolutions on the Voting Matters tab on the live stream display screen.

12. Results of the AGM shall be published 24 hours following the conclusion of the AGM.

13. The preferred method of paying dividends which are below Shs 250,000.00 is through M-PESA. Shareholders who wish to receive their dividend through M-PESA and who have not registered for this mode of payment can opt to receive future dividends via M-PESA by dialing *483*038# or contacting the Share Registrar, Custody & Registrars Services Limited.

14. All present and former shareholders of the Company are hereby notified that pursuant to the provisions of the Unclaimed Financial Assets Act No 40 of 2011 Parts II and III, dividends and shares which have not been claimed for a period of three (3) years or more will require to be delivered to the Unclaimed Financial Assets Authority ('the Authority) as abandoned assets on the appointed date. Therefore, all shareholders with previous unpaid dividends are requested to urgently contact the Share Registrar, Custody & Registrars Services Limited at IKM Place, Tower B, 1st Floor 5th Ngong Avenue, Nairobi; Tel: Mobile 020 7608216 Email: info@candr.africa to claim any unpaid dividends to avert the risk of the dividends being forwarded to the Authority

Chairman's statement

All estates experienced a satisfactory rainfall distribution during the year and operationally the group has had a good year with sisal fibre volumes, which have increased over each of the previous two years, increased by a further 1.8% to 18,457 tonnes.

We were, however, faced with a difficult market environment in certain key markets resulting in some price pressure as we endeavoured to become more established in some of the more informal markets where pricing is less attractive. Additionally, the Tanzanian Shilling strengthened significantly during the year and the Kenya Shilling remained remarkably stable at around Shs 129 to the United States dollar, the currency we trade in. The result of these factors was a reduction in turnover of 10% to Shs 4 billion and a significantly lower operational profit before tax of Shs 92 million.

During the year, the Board approved the winding up of the group's defined benefit pension scheme, in line with modern market practice. The group now operates a defined contribution pension scheme for eligible employees. The wind-up resulted in a loss on settlement of Shs 229 million, which has been charged to the profit and loss account.

At the date of wind-up, the scheme's assets exceeded its liabilities, generating a surplus of Shs 316 million. This surplus was shared equally between the scheme members and the group, the group will receive Shs 158 million.

While operationally, the group recorded a marginal profit before tax of Shs 92 million, the loss on settlement from the pension scheme wind-up resulted in the group reporting an overall loss of Shs 137 million for the year.

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

The biomass energy generating plant at the Dwa estate had a number of operating challenges during the early part of the year, but these were largely resolved and the plant is now working consistently. The sale of power to the national grid has been delayed but it is expected that this will be resolved in the coming months.

The Tanga spinning mill has had another difficult year with sales into the international market a challenge in terms of both price and volume and the board is examining how best to deal with this situation.

Vipingo estate operated, following the sale and lease back of land some ten years ago, normally during the period and produced a good volume of sisal fibre. However, the area of planted sisal now available for harvesting and processing has, inevitably reduced and will reduce further during the next 12 months with the result that fibre production will drop to much lower levels.

Operating costs, particularly with respect to employment costs in Kenya, are now much higher than previously and margins are generally tighter across the group.

As mentioned, sisal fibre prices into some of the newer informal markets are less than ideal and we expect this situation to remain for the foreseeable future. However, if volumes can be maintained at current levels in Tanzania, and the currency weakens to some extent, we do expect our Tanzania estates, and the group as a whole, to produce a better result during the new trading period.

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

Oliver Fowler
Chairman`

24 February 2026

Report of the directors

The directors present their report together with the audited financial statements of the company and its subsidiaries for the year ended 30 September 2025, in accordance with Section 653 (i) of the Kenyan Companies Act, 2015, which disclose the state of affairs of the group and the company.

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

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

Environmental, Social and Governance (ESG) Practices

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

Governance and Oversight

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

Sustainability Compliance

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

Environmental Stewardship

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

The biomass energy generating plant at Dwa Estate which uses dead sisal plants, generated renewable energy on-site, meeting a portion of the company's electricity needs and reducing reliance on the national grid. By displacing grid sourced electricity with lower-carbon biomass energy, this initiative promotes circular economy principles and contributes to greenhouse gas emission reductions.

Corporate Social Investment

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

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

Report of the directors (continued)

Environmental, Social and Governance (ESG) Practices (continued)

Corporate Social Investment (continued)

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

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

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

Report of the directors (continued)

Results

The results of the group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 18.

Business Review

The group experienced a number of challenges during the year and, as a result, operational profit before tax was materially lower than the previous year at Shs 92 million (2024 Shs 352 million). Additionally, the group wound-up the defined benefit pension scheme which resulted in a loss on settlement of Shs 229 million which led to the group reporting an overall loss for the year of Shs 137 million.

Some of our traditional markets reduced their offtake of fibre as a consequence of the threat of tariffs from the new American administration and this resulted in the company having to participate in some markets with lower price and quality expectations.

Information relating to the individual operating units is given below. Areas are given as at 30 September 2025 and crops are stated for the whole year ended on that date and referred to as the 2025 crop year.

Dwa

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

	Hectares
Mature sisal	4,135
Older sisal	99
Immature sisal	1,650
Nurseries	149
Other areas	2,744
Horticulture	180
	8,957

Overall rainfall at Dwa during the year was satisfactory with a reasonable distribution and sisal fibre production was 751 tonnes or 11% higher than the previous year at 7,519 tonnes (2024: 6,828 tonnes).

The majority of the annual replant at Dwa is carried out prior to the November rains, which are historically the more reliable in the area and, during 2025, some 550 hectares of new sisal was planted.

The rains during November and December 2025 have been less than normal but, provided that the estate receives some reasonable rainfall in April, it should meet its production targets during the current year.

Horticulture

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

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

Biomass Energy Generation

The biomass energy generation plant was commissioned during the final months of last financial period and is now operating. The Kenya Power and Lighting Company Plc is, however, still not off taking energy from the plant but is expected to do so shortly.

Report of the directors (continued)

Business Review (continued)

Vipingo

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

The original land holding was 4,279 hectares. In accordance with the agreement entered into with Centum Investment Company Limited in 2015, around 544 hectares has so far been surrendered. The remaining land, which is leased from Centum Investment Company Limited, is utilised as follows:

	Hectares
Mature sisal	1,553
Older sisal	1,295
Immature sisal	217
Nurseries	21
Other areas	649
	3,735

A significant area of land will be surrendered during 2026 which will inevitably result in a reduction in sisal production.

Overall rainfall at Vipingo was satisfactory during the year and total fibre production for the year was above expectations at 3,822 tonnes (2024: 4,172 tonnes), a level that will not be achieved going forward.

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

Report of the directors (continued)

Business Review (continued)

Amboni Plantations Limited

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

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

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

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

	Hectares
Mature sisal	4,016
Older sisal	833
Immature sisal	1,734
Nurseries	114
Other areas	8,633
	15,330

Like Vipingo, the Tanzanian estates are located on the coastal strip and also benefitted from a reasonable distribution of rainfall. A total of 7,116 tonnes of fibre was produced (2024: 7,131 tonnes).

Replanting in Tanzania is largely carried out prior to the April rains and in 2025 a total area of 446 hectares were planted.

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

Report of the directors (continued)

Business Review (continued)

Amboni Spinning Mill Limited

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

Production decreased to 1,219 tonnes from 1,390 tonnes in the previous year.

Sales into all markets have, for a number of years, been difficult and we are constantly under severe price pressure.

Marketing

Exported sisal fibre and products from the group's estates and the Tanga spinning mill have, since the formation of the group, been sold to a related company, Wigglesworth & Company Limited, and this arrangement continued through the year to 30 September 2025. Wigglesworth & Company Limited, which is a leading international sisal merchant, continued to develop the existing traditional markets for the group products and to exploit further the developing niche markets for the quality fibre and yarns that the group is able to produce.

Dividends

During the year an interim dividend of Shs 1.30 per share amounting to Shs 78,000,000 was declared and paid (2024: Shs 162,000,000).

The directors do not recommend the payment of a final dividend in respect of the year ended 30th September 2025 (2024: Shs Nil).

Directors

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

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

Report of the directors (continued)

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

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

a) There was, as far as each director is aware, no relevant audit information of which the group's and company's auditor are unaware; and

b) Each director had taken all steps that ought to have been taken as a director so as to be aware of any relevant audit information and to establish that the group's and company's auditor are aware of that information.

Auditors

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

By order of the Board

G. Kambuni
Company Secretary
24 February 2026

Statement of directors' responsibilities

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

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

(i) Designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;

(ii) Selecting suitable accounting policies and applying them consistently; and

(iii) Making accounting estimates and judgements that are reasonable in the circumstances.

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

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

Approved by the board of directors on 24 February 2026 and signed on its behalf by:

N.R. Cuthbert	O.M. Fowler
Director	Director

Deloitte.

Deloitte & Touche LLP
Deloitte Place
Waiyaki Way
Muthangari
P.O. Box 40092 - GPO 00100
Nairobi
Kenya

Tel: +254 (20) 423 0000
Cell: +254 (0) 719 039 000
Email: admin@deloitte.co.ke
www.deloitte.com

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

Report on the Audit of the Consolidated and Company financial statements

Opinion

We have audited the accompanying financial statements of REA Vipingo Plantations Limited (the "Company") and its subsidiaries (together the "Group"), set out on pages 18 to 90, which comprise the consolidated and company statements of financial position as at 30 September 2025 and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025 and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of Kenyan Companies Act, 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Report of the directors and the Statement of directors' responsibilities which were obtained prior to the date of our report. The other information does not include the consolidated and company financial statements and our auditor's report thereon.

Our opinion on the consolidated and company financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and company financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on the Audit of the Consolidated and Company financial statements (continued)

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiaries ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as going concerns.

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

Report on the Audit of the Consolidated and Company financial statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

In our opinion, the information given in the report of the directors on pages 7 to 13 is consistent with the consolidated and company financial statements.

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

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

3 March 2026

UNIQUE CODE: 74727260303

Consolidated statement of profit or loss and other comprehensive income

	Notes	2025 Shs'000	2024 Shs'000
Revenue	5	4,023,443	4,505,444
Net loss arising from changes in fair value of biological assets	14(a)	(88,836)	(59,322)
Cost of production		(2,217,623)	(2,514,829)
Gross profit		1,716,984	1,931,293
Other operating income		64,333	49,863
Distribution costs		(148,577)	(150,317)
Administrative expenses		(1,365,164)	(1,408,385)
Loss on settlement on wind-up of pension scheme	25(b)	(229,539)	-
Other operating expenses		(157,241)	(50,181)
Finance income	8(a)	5,563	21,082
Finance costs	8(b)	(23,671)	(40,960)
(Loss)/profit before tax	6	(137,312)	352,395
Tax expense	9(a)	(33,401)	(128,487)
(Loss)/profit for the year		(170,713)	223,908
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit asset	25(b)	275,222	31,102
Deferred tax expense attributable to remeasurement of defined benefit	9(b)	(82,566)	(9,330)
Remeasurement of defined benefit asset net of tax		192,656	21,772
Item that may be reclassified subsequently to profit or loss			
Foreign exchange adjustments on translation of foreign subsidiaries		175,417	(406,384)
Other comprehensive income/(loss) for the year		368,073	(384,612)
Total comprehensive income/(loss) for the year		197,360	(160,704)
Earnings per share from operations– basic and diluted	10	Shs (2.85)	Shs 3.73

Company statement of profit or loss and other comprehensive income

	Notes	2025 Shs'000	2024 Shs'000
Revenue	5	660,983	925,193
Net loss arising from changes in fair value of biological assets	14(b)	(4,781)	(44,195)
Cost of production		(372,073)	(532,818)
Gross profit		284,129	348,180
Other income		178,410	130,977
Distribution costs		(39,542)	(46,773)
Administrative expenses		(400,961)	(403,270)
Loss on settlement on wind-up of pension scheme	25(b)	(152,136)	-
Other operating expenses		(5,176)	(6,164)
Finance income	8(a)	36,685	22,284
Finance costs	8(b)	(928)	(78,432)
Loss before tax	6	(99,519)	(33,198)
Tax credit	9 (a)	35,937	4,446
Loss for the year		(63,582)	(28,752)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit asset	25(b)	189,912	20,219
Deferred tax expense attributable to remeasurement of defined benefit asset	9(b)	(56,973)	(6,066)
Other comprehensive income for the year		132,939	14,153
Total comprehensive income/(loss) for the year		69,357	(14,599)

Consolidated statement of financial position
As at 30 September 2025

	Notes	2025 Shs'000	2024 Shs'000
ASSETS			
Non-current assets			
Property, plant and equipment	12 (a)	3,270,768	2,959,710
Intangible assets	13	1,284	-
Investment properties	15	11,769	11,920
Right of use asset	16	34,189	18,142
Investment in unquoted equity	19	10,028	10,028
Deferred tax assets	24	15,569	11,698
Post employment benefit asset	25 (b)	-	107,728
		3,343,607	3,119,226
Current assets			
Biological assets	14 (a)	780,272	833,708
Inventories	20	1,025,531	741,299
Receivables and prepayments	21	998,367	1,060,270
Corporate tax recoverable	9 (c)	79,049	109,930
Cash and cash equivalents	22	194,581	220,890
		3,077,800	2,966,097
Total assets		6,421,407	6,085,323
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	23	300,000	300,000
Share premium	23	84,496	84,496
Translation deficit		(67,822)	(243,239)
Retained earnings		4,408,220	4,464,277
Shareholders' funds		4,724,894	4,605,534
Non-current liabilities			
Deferred tax liabilities	24	676,944	662,665
Staff retirement gratuity	25 (a)	394,066	379,268
Borrowings	26	21,216	29,286
Lease liabilities	28	29,835	12,361
		1,122,061	1,083,580
Current liabilities			
Borrowings	26	149,821	15,413
Payables and accrued expenses	27	417,635	366,014
Corporate tax payable	9 (c)	-	6,297
Lease liabilities	28	6,996	8,485
		574,452	396,209
Total equity and liabilities		6,421,407	6,085,323

The financial statements on pages 18 to 90 were approved for issue by the board of directors on 24 February 2026 and were signed on its behalf by:

N R Cuthbert *Director* O.M. Fowler *Director*

Company statement of financial position
As at 30 September 2025

	Notes	2025 Shs'000	2024 Shs'000
ASSETS			
Non-current assets			
Property, plant and equipment	12 (b)	356,834	379,854
Intangible assets	13	939	-
Investment properties	15	11,769	11,920
Right of use asset	16	7,557	12,290
Investments in subsidiaries	18	200,034	193,395
Investment in unquoted equity	19	10,028	10,028
Post employment benefit asset	25 (b)	-	63,905
Loan to subsidiary	32 (v)	119,246	193,035
		706,407	864,427
Current assets			
Biological assets	14 (b)	116,850	121,631
Inventories	20	252,869	144,428
Receivables and prepayments	21	244,485	216,850
Loan to subsidiary	32 (v)	73,848	41,135
Corporate tax recoverable	9 (c)	5,321	39,390
Cash and cash equivalents	22	179,201	154,842
		872,574	718,276
Total assets		1,578,981	1,582,703
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	23	300,000	300,000
Share premium	23	84,496	84,496
Retained earnings		891,389	900,032
Shareholders' funds		1,275,885	1,284,528
Non-current liabilities			
Deferred tax liabilities	24	58,235	82,096
Staff retirement gratuity	25 (a)	154,231	144,870
Lease liabilities	28	4,232	8,348
		216,698	235,314
Current liabilities			
Payables and accrued expenses	27	82,279	58,362
Lease liabilities	28	4,119	4,499
		86,398	62,861
Total equity and liabilities		1,578,981	1,582,703

The financial statements on pages 18 to 90 were approved for issue by the board of directors on 24 February 2026 and were signed on its behalf by:

N R Cuthbert *Director* O M Fowler *Director*

Consolidated statement of changes in equity

	Share capital	Share premium	Translation reserve/(deficit)	Retained earnings: Employee benefit reserve	Retained earnings: Other	Retained earnings: Total	Total
Year ended 30 September 2024	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**
At start of year	300,000	84,496	163,145	(65,218)	4,445,815	4,380,597	4,928,238
Profit for the year	-	-	-	-	223,908	223,908	223,908
Other comprehensive (loss)/income for the year	-	-	(406,384)	21,772	-	21,772	(384,612)
Total comprehensive (loss)/income for the year	-	-	(406,384)	21,772	223,908	245,680	(160,704)
Interim dividends paid	-	-	-	-	(162,000)	(162,000)	(162,000)
At end of year	300,000	84,496	(243,239)	(43,446)	4,507,723	4,464,277	4,605,534
Year ended 30 September 2025							
At start of year	300,000	84,496	(243,239)	(43,446)	4,507,723	4,464,277	4,605,534
Loss for the year	-	-	-	-	(170,713)	(170,713)	(170,713)
Other comprehensive income for the year	-	-	175,417	192,656	-	192,656	368,073
Total comprehensive income/(loss) for the year	-	-	175,417	192,656	(170,713)	21,943	197,360
Transfer to retained earnings	-	-	-	(149,210)	149,210	-	-
Interim dividends paid	-	-	-	-	(78,000)	(78,000)	(78,000)
At end of year	300,000	84,496	(67,822)	-	4,408,220	4,408,220	4,724,894

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

The employee benefit reserve which represented the cumulative position, after tax, of movements in the defined benefit retirement scheme asset which have been recognised in the statement of other comprehensive income, has now been transferred to retained earnings on wind up of the scheme. Further details have been disclosed in note No. 25(b).

Company statement of changes in equity

	Share capital	Share premium	Retained earnings: Employee benefit reserve	Retained earnings: Other	Retained earnings: Total	Total
Year ended 30 September 2024	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**
At start of year	300,000	84,496	(44,321)	1,120,952	1,076,631	1,461,127
Loss for the year	-	-	-	(28,752)	(28,752)	(28,752)
Other comprehensive income for the year	-	-	14,153	-	14,153	14,153
Total comprehensive income/(loss) for the year	-	-	14,153	(28,752)	(14,599)	(14,599)
Interim dividends paid	-	-	-	(162,000)	(162,000)	(162,000)
At end of year	300,000	84,496	(30,168)	930,200	900,032	1,284,528
Year ended 30 September 2025						
At start of year	300,000	84,496	(30,168)	930,200	900,032	1,284,528
Loss for the year	-	-	-	(63,582)	(63,582)	(63,582)
Other comprehensive income for the year	-	-	132,939	-	132,939	132,939
Total comprehensive income for the year	-	-	132,939	(63,582)	69,357	69,357
Transfer to retained earnings	-	-	(102,771)	102,771	-	-
Interim dividends paid	-	-	-	(78,000)	(78,000)	(78,000)
At end of year	300,000	84,496	-	891,389	891,389	1,275,885

The employee benefit reserve which represented the cumulative position, after tax, of movements in the defined benefit retirement scheme asset which have been recognised in the statement of other comprehensive income, has now been transferred to retained earnings on wind up of the scheme. Further details have been disclosed in note No. 25(b).

Consolidated statement of cash flows

	Notes	2025	2024
		Shs'000	Shs'000
Cash flows from operating activities			
Net cash generated from operations	31(a)(i)	650,795	926,492
Interest received		5,563	21,082
Interest paid on bank loans	31(a)(ii)	(6,229)	(1,527)
Interest paid on bank overdrafts	8	(13,990)	(13,211)
Interest paid on lease liabilities	31(a)(iii)	(2,812)	(2,324)
Tax paid	9(c)	(114,219)	(300,535)
Net cash generated from operating activities		519,108	629,977
Cash flows from investing activities			
Purchase of property, plant and equipment	12(a)	(591,059)	(584,645)
Purchase of intangible assets	13	(1,056)	-
Proceeds from disposal of property, plant and equipment		11,498	9,077
Net cash used in investing activities		(580,617)	(575,568)
Cash flows from financing activities			
Interim dividends paid		(78,000)	(162,000)
Proceeds from bank loans	31(a)(ii)	50,049	52,395
Repayment of bank loans	31(a)(ii)	(28,295)	(84,040)
Payment of lease liabilities	31(a)(iii)	(9,188)	(10,325)
Net cash used in financing activities		(65,434)	(203,970)
Net decrease in cash and cash equivalents		(126,943)	(149,561)
Cash and cash equivalents at start of year		220,890	364,199
Effects of exchange rate changes		(3,579)	6,252
Cash and cash equivalents at end of year	22	90,368	220,890

Company statement of cash flows

	Notes	2025 Shs'000	2024 Shs'000
Cash flows from operating activities			
Net cash generated from operations	31(b)(i)	90,007	270,165
Interest received		29,808	20,674
Interest on lease liabilities	31(b)(ii)	(928)	(1,108)
Tax paid	9(c)	(10,828)	(20,839)
Net cash generated from operating activities		108,059	268,892
Cash flows from investing activities			
Purchase of property, plant and equipment	12(b)	(38,133)	(59,514)
Purchase of intangible assets	13	(1,056)	-
Proceeds from disposals of property, plant and equipment		3,466	6,943
Loan repayment from subsidiary	31(b)(iii)	41,164	-
Loan advanced to subsidiary	31(b)(iii)	-	(232,560)
Net cash generated from/(used in) investing activities		5,441	(285,131)
Cash flows from financing activities			
Dividends paid		(78,000)	(162,000)
Payment of lease liabilities	31(b)(ii)	(4,502)	(4,947)
Repayment of other borrowings	31(b)(iv)	-	(15,088)
Net cash used in financing activities		(82,502)	(182,035)
Net increase/(decrease) in cash and cash equivalents		30,998	(198,274)
Cash and cash equivalents at start of year		154,842	338,338
Effects of exchange rate changes		(6,639)	14,778
Cash and cash equivalents at end of year	22	179,201	154,842

Notes to the consolidated financial statements

1 General information

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

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

The company is engaged in the cultivation of sisal and the production of sisal fibre and horticultural produce and also acts as a holding company. The principal activities of the subsidiary companies (the group) are described in note 18.

2 Material accounting policies

Below are the material accounting policies applied by the company.

Statement of compliance

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

Basis of preparation

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

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires directors to exercise their judgement in the process of applying the accounting policies adopted by the group. Although such estimates and assumptions are based on the information available to the directors, actual results may differ from those estimates. The judgements and estimates are reviewed at the end of each reporting period and any revisions to such estimates are recognised in the year in which the revision is made. The areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

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

(i) *Relevant new standards and amendments to published standards effective for the year ended 30 September 2025*

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

Amendments to IFRS 16 Leases on Sale and Leaseback

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

Amendments to IAS 7 and IFRS 7 Supplier Finance

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

Amendments to IAS 1 – Non-current liabilities with Covenants

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

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

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

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

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

New and Amendments to standards	*Effective for annual periods beginning on or after*
IFRS 18 – Presentation and Disclosures in financial statements	1 January 2027 with earlier adoption permitted.
IFRS 19 – Subsidiaries without public accountability Disclosures	1 January 2027 with earlier adoption permitted.
Amendments to IAS 21 Lack of exchangeability	1 January 2025 with earlier application permitted
Amendment to IFRS 9 and IFRS 7 Amendments to the classification and measurement of financial instruments.	1 January 2026 with earlier application permitted

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

IFRS 18 – Presentation and Disclosures in Financial Statements

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

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

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

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

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

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

A subsidiary is eligible if:

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

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

Amendments to IAS 21 – Lack of exchangeability

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

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

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

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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

Notes to the consolidated financial statements (continued)

2. Material accounting policies (continued)

Consolidation

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

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

Costs related to acquisitions are expensed as incurred.

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

A list of subsidiary companies is shown in Note 18.

Functional currency and translation of foreign currencies

Functional and presentation currency

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

Transactions and balances

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

Consolidation

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

(a) Assets and liabilities for each statement of financial position presented (i.e. including comparatives) are translated at the closing rate at the date of that statement of financial position;

(b) Income and expenses for each statement of comprehensive income or separate income statement presented (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and

(c) All resulting exchange differences are recognised in other comprehensive income

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Revenue recognition

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

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognised as follows:

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

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

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

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

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

vi. Bitcoin income
Revenue is recognised upon sale of bitcoin at the transaction price received.

Cost of production

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Inventories

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

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

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

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

One of the company's subsidiaries engages in Bitcoin mining as part of its business activities. Mined Bitcoin is classified as inventory. Costs directly attributable to mining activities, including electricity, leasing and maintenance of mining equipment, and transaction fees, are recognised as cost of production. No impairment testing is performed as Bitcoin is not held beyond a period of ninety days.

Property, plant and equipment

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Property, plant and equipment (continued)

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

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

Intangible assets

Intangible assets are recognised if they are identifiable, the entity controls the assets, and future economic benefits are expected to flow from them. Intangible assets with finite useful lives are amortised over their estimated useful lives, while those with indefinite useful lives are tested annually for impairment.

Investment property

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Investment in unquoted shares

Unquoted investments are stated at cost less provision for impairment.
Cost has been considered an appropriate estimate of fair value as there is no sufficient recent information available to measure fair value (IFRS 9 B5.2.3).

Biological assets

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

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

Impairment

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

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

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Accounting for leases

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

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

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

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

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

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

Offsetting

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Taxation

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Post-employment benefit obligations

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

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

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

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

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

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

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

Staff retirement gratuity

Certain employees are entitled to retirement gratuity. A provision is made for the estimated liability for retirement gratuities as a result of services rendered by employees up to the end of the reporting period.

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Investment in subsidiaries

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

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

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

Financial instruments

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

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

Trade receivables

Trade receivables are stated at their nominal value and reduced by appropriate allowances for estimated irrecoverable amounts. Objective evidence of impairment of the receivables is when there is significant financial difficulty of the counterparty or when there is a default or delinquency in payment according to agreed terms. When a trade receivable is considered uncollectible, it is written off against the allowance account.

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

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

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

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

(i) Significant increase in credit risk

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

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

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

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

(ii) Definition of default

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

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

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

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

Notes to the consolidated financial statements (continued

2 Material accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

(iii) Measurement and recognition of expected credit losses

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

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

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

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

Cash and cash equivalents

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

Borrowings

Borrowings are initially recorded at fair value, net of any transaction costs incurred, and are subsequently stated at amortised cost using the effective interest rate method. Any difference between the net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings.
Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months from the end of the reporting period.

Trade payables

Trade payables are stated at their nominal value

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

Financial instruments (continued)

Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

Borrowings costs

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

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

Notes to the consolidated financial statements (continued)

2 Material accounting policies (continued)

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

Provisions

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

Dividends

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

Comparatives

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

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

(a) Critical judgements in applying accounting principles

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

(b) Key sources of estimation uncertainty

Impairment losses

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

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

Notes to the consolidated financial statements (continued)

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

(b) Key sources of estimation uncertainty (continued)

Useful lives of property, plant, equipment and intangible assets

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

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

Biological assets

(a) Horticultural crops

In determining the fair value of horticultural crops, the group uses the present value of expected cash flows from the asset discounted at a current market determined pre tax rate. The objective of a calculation of the present value of expected net cash flows is to determine the fair value of a biological asset in its present location and condition. The group considers this in determining an appropriate discount rate to be used and in estimating net cash flows. Management uses estimates based on historical data relating to yields and market prices. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed to reduce any differences between estimates and actual experience.

(b) Agricultural produce at the point of harvest

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

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

Defined benefit retirement scheme

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

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

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

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

Notes to the consolidated financial statements (continued)

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

Deferred tax asset

At the end of each reporting period, the directors carry out an assessment and make a judgement in determining whether it is appropriate to recognise any arising deferred tax asset.

Income taxes

The group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the group's liability to income tax. Certain transactions may arise for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Lease liabilities

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

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

Notes to the consolidated financial statements (continued)

4 Financial risk management

The group's and company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and market prices, foreign currency exchange rates and interest rates. The group's and company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance within the options available in East Africa to hedge against such risks.

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

Categories of financial instruments	**Group**		**Company**	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Financial assets				
Receivables	465,347	502,428	239,466	185,476
Investment in unquoted equity	10,028	10,028	10,028	10,028
Loan due from subsidiary	-	-	193,094	234,170
Cash and cash equivalents	194,581	220,890	179,201	154,842
	669,956	733,346	621,789	584,516
Financial liabilities				
Payables	372,251	271,164	71,926	47,363
Borrowings	171,037	44,699	-	-
Lease liabilities	36,831	20,846	8,351	12,847
	580,119	336,709	80,277	60,210

Market risk

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

Foreign exchange risk

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

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

Notes to the consolidated financial statements (continued)

4 Financial risk management (continued)

Foreign exchange risk (continued)

	Assets		Liabilities	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Group				
US Dollars	434,514	516,026	188,661	85,157
Sterling Pound	-	253	7,816	7,797
Euro	1,517	1,632	-	-
	436,031	517,911	196,477	92,954
Company				
US Dollars	426,378	448,611	28,906	2,655

Foreign currency sensitivity analysis

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

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

	Group		Company	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Impact on profit or loss:				
US Dollar	12,293(i)	21,543(i)	19,874(i)	22,298(i)
Euro	76(ii)	82(ii)	-	-
Sterling Pound	391(iii)	377(iii)	-	-

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

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

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

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

Notes to the consolidated financial statements (continued)

4 Financial risk management (continued)

Price risk

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

Interest rate risk

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

Interest rate sensitivity

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

If interest rates had been 1% higher/lower and all other variables remained constant, the group's and company's profit before tax for the year ended 30 September 2025 would have been decreased/increased as below:

Categories of financial instruments	**Group**		**Company**	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Impact of profit before tax	1,710	447	-	-

Credit risk

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

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

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

Notes to the consolidated financial statements, (continued)

4 Financial risk management (continued)

Credit risk (continued)

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

Group 2025	Internal/external rating	12 months or lifetime ECL	Gross carrying amount Shs'000	Loss allowance Shs'000	Net amount Shs'000
Trade receivables	Performing	Lifetime ECL (simplified approach)	40,443	-	40,443
Due from related companies	Performing	Lifetime ECL (simplified approach)	206,832	-	206,832
Other receivables	Performing	Lifetime ECL (simplified approach)	218,072	-	218,072
Bank balances	Investment grade	12 months ECL	189,814	-	189,814
			655,161		655,161

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

Notes to the consolidated financial statements (continued)

4 Financial risk management (continued)

Credit risk (continued)

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

Company 2025	Internal/external rating	12 months or lifetime ECL	Gross carrying amount Shs'000	Loss allowance Shs'000	Net amount Shs'000
Trade receivables	Performing	Lifetime ECL (simplified approach)	348	-	348
Due from related companies	Performing	Lifetime ECL (simplified approach)	133,027	-	133,027
Loan due from subsidiary	Performing	Lifetime ECL (simplified approach)	193,094	-	193,094
Other receivables	Performing	Lifetime ECL (simplified approach)	106,091	-	106,091
Bank balances	Investment grade	12 months ECL	177,140	-	177,140
			609,700	-	609,700

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

Notes to the consolidated financial statements (continued)

4 Financial risk management (continued)

Credit risk (continued)

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

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

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

Notes to the consolidated financial statements (continued)

4 Financial risk management (continued)

Liquidity risk

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

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

Group

	Less than 1 year Shs'000	Between 1 and 2 years Shs'000	Between 2 and 5 years Shs'000	Over 5 years Shs'000
2025				
Payables, accrued expenses and other liabilities	372,251	-	-	-
Borrowings	149,821	21,216	-	-
Future interest charges on borrowings	5,167	814	-	-
Lease liabilities	6,996	7,797	21,773	265
Future interest charges on lease liabilities	4,568	3,714	6,549	-
	538,803	33,541	28,322	265
2024				
Payables, accrued expenses and other liabilities	271,164	-	-	-
Borrowings	15,413	16,996	12,290	-
Future interest charges on borrowings	3,706	2,123	457	-
Lease liabilities	8,485	4,664	6,453	1,244
Future interest charges on lease liabilities	1,534	969	973	75
	300,849	24,872	20,174	1,318

Notes to the consolidated financial statements (continued)

4 Financial risk management (continued)

Liquidity risk (continued)

Company

	Less than 1 year Shs'000	Between 1 and 2 years Shs'000	Between 2 and 5 years Shs'000
2025			
Trade and other payables	71,926	-	-
Lease liabilities	4,119	4,232	-
Future interest charges on lease liabilities	542	158	-
Total financial liabilities	76,587	4,390	-
2024			
Trade and other payables	47,363	-	-
Lease liabilities	4,499	4,118	4,230
Future interest charges on lease liabilities	927	542	158
Total financial liabilities	52,789	4,660	4,388

Banking facilities

Bank loans and overdrafts payable at call and reviewed annually

	Group		Company	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Amounts utilised	171,037	44,699	-	-
Amounts unutilised	201,767	356,315	-	-
Total available facilities	372,804	401,014	-	-

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

	Group		Company	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Carrying value of assets subject to charge	4,853,792	4,539,602	-	-

Notes to the consolidated financial statements (continued)

4 Financial risk management (continued)

Capital risk management

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

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

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

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

	Group	
	2025	**2024**
	Shs' 000	**Shs'000**
Total borrowings	171,037	44,699
Bank balances and cash	(194,581)	(220,890)
Net borrowings	(23,544)	(176,191)
Total equity	4,724,894	4,605,534
Net borrowings to equity ratio	N/A	N/A

The company had no borrowings at the end of the current and prior financial years.

5 Revenue

	Group		Company	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Sisal fibre	3,457,436	3,828,272	660,983	925,193
Yarn and twines	255,934	325,485	-	-
Horticulture	249,091	281,940	-	-
Forwarding services	60,982	69,747	-	-
	4,023,443	4,505,444	660,983	925,193

Notes to the consolidated financial statements (continued)

6 Loss/profit before tax

		Group		Company	
		2025	**2024**	**2025**	**2024**
		Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
The (loss)/profit before tax is arrived at after charging /(crediting):					
Depreciation on properties, plant and equipment (Note 12)		411,824	381,731	61,081	62,660
Depreciation on intangible assets (Note 13)		374	-	189	-
Depreciation on investment properties (Note 15)		151	151	151	151
Depreciation on right of use asset (Note 16)		9,120	9,404	4,733	4,980
Operating lease payments		1,410	1,836	1,410	1,836
Staff costs (Note 7)		2,013,676	1,813,803	658,238	525,204
Auditors' remuneration		20,405	17,914	6,064	5,775
Directors' emoluments	- fees	9,812	9,365	7,710	7,080
	-for management services	175,665	168,125	97,568	96,345
		185,477	177,490	105,278	103,425
Gain on disposal of property, plant and equipment		(11,131)	(8,097)	(3,466)	(5,961)

7 Staff costs

	Group		Company	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Salaries and wages	1,552,719	1,582,531	440,609	460,205
National Social Security Fund	100,766	95,710	15,888	14,520
Affordable Housing Levy	13,599	11,214	6,636	5,692
Pension contributions –defined benefit retirement scheme debit/(credit) (Note 25(b))	225,702	(9,356)	149,594	(5,550)
Pension contributions – defined contribution scheme	11,730	8,529	4,332	2,906
Gratuity and other terminal benefits	42,225	63,266	22,903	27,409
Medical	66,935	62,089	18,276	20,022
	2,013,676	1,813,983	658,238	525,204
Summary of number of permanent employees				
Management	50	50	14	15
Supervisory	239	227	45	45
Unionisable	4,548	4,626	706	800
Others	4	6	-	-
	4,841	4,909	765	860

Notes to the consolidated financial statements (continued)

8 (a) Finance income

	Group 2025 Shs'000	Group 2024 Shs'000	Company 2025 Shs'000	Company 2024 Shs'000
Interest income	5,563	21,082	29,808	22,284
Net foreign exchange gains	-	-	6,877	-
	5,563	21,082	36,685	22,284

(b) Finance costs

	Group 2025 Shs'000	Group 2024 Shs'000	Company 2025 Shs'000	Company 2024 Shs'000
Interest on borrowings	6,229	1,527	-	-
Interest on bank overdrafts	13,990	13,211	-	-
Interest on lease liabilities	2,812	2,324	928	1,108
Net foreign exchange loss	640	23,898	-	77,324
	23,671	40,960	928	78,432

9 Taxation

	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
(a) Tax expense/(credit) recognised in profit or loss				
Current tax	104,684	142,775	44,897	11,603
Prior year tax adjustments	35,474	1,414	-	-
Deferred tax credit (Note 24)	(106,757)	(15,702)	(80,834)	(16,049)
	33,401	128,487	(35,937)	(4,446)

During the year, the Tanzanian subsidiary Amboni Plantations Limited accepted and paid tax assessments relating to prior years amounting to Shs 35,474,000 (2024: Shs 1,414,000).

Notes to the consolidated financial statements (continued)

9 Taxation (continued)

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

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

	Group		Company	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
(Loss)/profit before tax	(137,312)	352,395	(99,519)	(33,198)
Tax calculated at respective current tax rates	(41,194)	105,719	(29,856)	(9,959)
Tax effect of:				
Income not subject to tax	-	(4,434)	(13,279)	-
Expenses not deductible for tax purposes	35,726	23,924	7,198	5,513
Prior year adjustment to deferred tax	(595)	-	-	-
Prior year adjustment to current tax	2,161	-	-	-
Prior year tax assessment	35,474	1,414	-	-
Tax on turnover	1,829	1,864	-	-
Tax expense/(credit)	33,401	128,487	(35,937)	(4,446)

The current tax rate for all the group subsidiaries was 30% (2024:30%).

The subsidiary company Amboni Spinning Mill Limited incurred a loss for the year and is therefore not in an income tax payable position. It remains liable for the turnover tax at 0.5% on sales from October 2024 to June 2025, and 1% from July to September 2025.

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

	Group		Company	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax charge attributable to remeasurement of net defined benefit asset	82,566	9,330	56,973	6,066

At 30 September 2025, the group had tax losses amounting to Shs 533,848,000, Shs 2,048,000, Shs 20,127,000 and Shs 88,431,000 in respect of the subsidiary companies Dwa Estate Limited (Biomass energy project), Wigglesworth Exporters Limited (general trading business), Amboni Spinning Mill Limited (general trading business) and Amboni Plantation Limited (general trading business) respectively (2024: Shs 73,803,000, Shs 3,779,000 and Shs 11,342,000 and Shs Nil) available to carry forward and set-off against future taxable income.

Notes to the consolidated financial statements (continued)

9 Taxation (continued)

(c) Corporate tax movement

	Group 2025 Shs'000	Group 2024 Shs'000	Company 2025 Shs'000	Company 2024 Shs'000
At beginning of year	(103,633)	50,630	(39,390)	(30,154)
Current year expense	104,684	142,775	44,897	11,603
Prior year tax assessment	35,474	1,414	-	-
Tax paid	(114,219)	(300,535)	(10,828)	(20,839)
Translation adjustment	(1,355)	2,083	-	-
At end of year	(79,049)	(103,633)	(5,321)	(39,390)
Balances at year end				
Corporate tax recoverable	(79,049)	(109,930)	(5,321)	(39,390)
Corporate tax payable	-	6,297	-	-
	(79,049)	(103,633)	(5,321)	(39,390)

10 Earnings per share

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

	Group 2025 Shs'000	Group 2024 Shs'000
(Loss)/profit for the year (Shs '000)	(170,713)	223,908
Average number of ordinary shares (thousands)	60,000	60,000
Basic and diluted earnings per share (Shs)	(2.85)	3.73

There were no potentially dilutive ordinary shares outstanding at 30 September 2025 and at 30 September 2024. Diluted earnings per share are therefore the same as basic earnings per share.

11 Dividends

During the year, interim dividends of Shs 1.3 per share (2024: Shs 2.70 per share) amounting to a total of Shs 78,000,000 (2024: Shs 162,000,000) were paid.

Notes to the consolidated financial statements (continued)

12 Property, plant and equipment

(a) Group

	Leasehold land	Buildings	Plant and machinery	Software	Bearer plants	Work in progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Cost							
At 1 October 2023	191,372	631,806	2,043,729	10,193	2,581,695	388,170	5,846,965
Additions	-	136	92,278	-	327,364	164,867	584,645
Transfers	-	23,691	62,918	-	-	(86,609)	-
Disposals	-	-	(25,402)	-	-	-	(25,402)
Assets written off	-	-	(29,479)	(1,881)	(191,932)	-	(223,292)
Translation adjustment	(19,772)	(56,633)	(219,299)	(510)	(282,848)	(3,214)	(582,276)
At 30 September 2024	171,600	599,000	1,924,745	7,802	2,434,279	463,214	5,600,640
At 1 October 2024	171,600	599,000	1,924,745	7,802	2,434,279	463,214	5,600,640
Additions	47,895	-	154,042	-	304,393	84,729	591,059
Transfers	-	30,249	501,500	-	-	(531,749)	-
Disposals	-	-	(69,997)	-	-	-	(69,997)
Assets written off	-	-	(27,632)	-	(193,884)	-	(221,516)
Reclassified to intangible assets	-	-	-	(7,802)	-	-	(7,802)
Translation adjustment	8,882	27,746	102,540	-	135,105	1,562	275,835
At 30 September 2025	228,377	656,995	2,585,198	-	2,679,893	17,756	6,168,219
Depreciation							
At 1 October 2023	48,775	118,995	1,618,525	9,310	1,013,615	-	2,809,220
Charge for the year	6,736	12,278	127,078	281	235,358	-	381,731
Eliminated on disposals	-	-	(24,422)	-	-	-	(24,422)
Eliminated on write offs	-	-	(29,479)	(1,881)	(191,932)	-	(223,292)
Translation adjustment	(7,777)	(8,806)	(181,075)	(510)	(104,139)	-	(302,307)
At 30 September 2024	47,734	122,467	1,510,627	7,200	952,902	-	2,640,930
At 1 October 2024	47,734	122,467	1,510,627	7,200	952,902		2,640,930
Charge for the year	6,288	12,328	151,548	-	241,660	-	411,824
Eliminated on disposals	-	-	(69,631)	-	-	-	(69,631)
Eliminated on write offs	-	-	(27,632)	-	(193,884)	-	(221,516)
Reclassified to intangible assets	-	-	-	(7,200)	-	-	(7,200)
Translation adjustment	4,066	4,480	84,316	-	50,182	-	143,044
At 30 September 2025	58,088	139,275	1,649,228	-	1,050,860	-	2,897,451
Net book amount							
At 30 September 2025	170,289	517,720	935,970	-	1,629,033	17,756	3,270,768
At 30 September 2024	123,866	476,533	414,118	602	1,481,377	463,214	2,959,710

Notes to the consolidated financial statements (continued)

12 Property, plant and equipment (continued)

(a) Group

Included in property, plant and equipment are assets with an original cost of Shs 1,107,771,000 (2024: Shs 1,001,003,000) which are fully depreciated and whose notional depreciation charge for the year would have been Shs 186,109,000 (2024: Shs 184,140,000).

The capital work in progress relates to various construction projects being undertaken by the group.

Interest expense directly attributable to the acquisition and construction of qualifying assets capitalised during the year amounted to Shs Nil (2024: Shs 3,888,000).

During the year, management carried out a review of the working condition of the group's plant and machinery. This review led to the write-off of assets whose total cost was Shs 27,632,000 (2024: Shs 31,360,000) and had a carrying value of Shs Nil (2024: Shs Nil). Bearer plants with a total cost of Shs 193,884,000 (2024: Shs 191,932,000) and a carrying value of Shs Nil (2024: Shs Nil) were cut out, having reached the end of their productive life.

Based on an impairment review performed by the directors at 30 September 2025, no further indications of impairment of property, plant and equipment were identified. (2024: none).

Certain group's land titles in Kenya, which were either freehold or leases in excess of 900 years were converted to 99 year leases with effect from 27th August 2010. The title deeds are yet to be received. The total carrying value of these land parcels was Shs 8,294,000 as at end of the year. The titles for the land acquired during the current financial year are yet to be received.

The remaining periods for the land titles in Tanzania range from 6 years to 38 years.

Notes to the consolidated financial statements (continued)

12 Property, plant and equipment

(b) Company

	Leasehold land	Buildings	Plant and machinery	Software	Bearer plants	Work in progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Cost							
At 1 October 2023	2,699	131,764	303,740	2,299	409,622	-	850,124
Additions	-	-	26,745	-	32,769	-	59,514
Disposals	-	-	(19,693)	-	-	-	(19,693)
Assets written off	-	-	(1,349)	-	(46,589)	-	(47,938)
At 30 September 2024	2,699	131,764	309,443	2,299	395,802	-	842,007
At October 2024	2,699	131,764	309,443	2,299	395,802	-	842,007
Additions	-	-	7,962	-	30,171		38,133
Disposals	-	-	(43,020)	-	-	-	(43,020)
Assets written off	-	-	(13,522)	-	(45,829)	-	(59,351)
Reclassified to intangible assets	-	-	-	(2,299)	-	-	(2,299)
At 30 September 2025	2,699	131,764	260,863	-	380,144	-	775,470
Depreciation							
At 1 October 2023	270	33,351	235,054	2,138	195,331	-	466,144
Charge for the year	33	2,551	20,254	89	39,733	-	62,660
Eliminated on disposals	-	-	(18,713)	-	-	-	(18,713)
Eliminated on write offs	-	-	(1,349)	-	(46,589)	-	(47,938)
At 30 September 2024	303	35,902	235,246	2,227	188,475	-	462,153
At 1 October 2024	303	35,902	235,246	2,227	188,475	-	462,153
Charge for the year	33	2,551	19,327	-	39,170	-	61,081
Eliminated on disposals	-	-	(43,020)	-	-	-	(43,020)
Eliminated on write offs	-	-	(13,522)	-	(45,829)	-	(59,351)
Reclassified to intangible assets	-	-	-	(2,227)	-	-	(2,227)
At 30 September 2025	336	38,453	198,031	-	181,816	-	418,636
Net book amount							
At 30 September 2025	2,363	93,311	62,882	-	198,328	-	356,834
At 30 September 2024	2,396	95,862	74,197	72	207,327	-	379,854

Notes to the consolidated financial statements (continued)

12 Property, plant and equipment (continued)

Included in property, plant and equipment are assets with an original cost of Shs 119,660,000 (2024:Shs 161,595,000) which are fully depreciated and whose notional depreciation charge for the year would have been Shs 23,218,000 (2024:Shs 30,091,000)

During the year management carried out a review of the working condition of the company's plant and machinery. This review led to the write-off of assets whose total cost was Shs 13,522,000 (2024: Shs 1,349,000) and had a carrying value of Shs nil (2024: Shs nil). Bearer plants with a total cost of Shs 45,829,000 (2024: Shs 46,589,000) were also cut out having reached the end of their productive life.

Based on an impairment review performed by the directors as at 30 September 2025, no indications of further impairment of property, plant and equipment were identified. (2024: none).

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

13 Intangible assets

	Group		Company	
Software	**2025**	**2024**	**2025**	**2024**
Cost	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**
At start of year	-	-	-	-
Reclassified from property, plant and equipment	7,802	-	2,299	-
Additions	1,056	-	1,056	-
Translation adjustment	229	-	-	-
At end of year	9,087	-	3,355	-
Depreciation				
At start of year	-	-	-	-
Reclassified from property, plant and equipment	7,200	-	2,227	-
Charge for the year	374	-	189	-
Translation adjustment	229	-	-	-
At end of year	7,803	-	2,416	-
Net book amount	1,284	-	939	-

Included in the group software are assets with an original cost of Shs 5,739,000 (2024: Shs Nil) which are fully depreciated and whose notional depreciation charge for the year would have been Shs 986,000 (2024: Shs Nil)

Included in the company software are assets with an original cost of Shs 1,558,000 (2024: Shs Nil) which are fully depreciated and whose notional depreciation charge for the year would have been Shs 312,000 (2024: Shs Nil)

During the year, management carried out a review of the working condition of software and no indication of impairment was identified.

Notes to the consolidated financial statements (continued)

14 Biological assets

(a) Group

	Horticultural crops	Sisal agricultural produce	Total
	Shs'000	Shs'000	Shs'000
Year ended 30 September 2024			
Carrying amount at start of the year	63,719	911,237	974,956
Loss arising from changes in fair value attributable to physical changes	(1,734)	(78,040)	(79,774)
Gain arising from changes in fair value attributable to price changes	-	20,452	20,452
Net fair value loss	(1,734)	(57,588)	(59,322)
Translation adjustment	-	(81,926)	(81,926)
Carrying amount at end of the year	61,985	771,723	833,708
Year ended 30 September 2025			
Carrying amount at start of the year	61,985	771,723	833,708
Loss arising from changes in fair value attributable to physical changes	(23,049)	(82,685)	(105,734)
Gain arising from changes in fair value attributable to price changes	-	16,898	16,898
Net fair value loss	(23,049)	(65,787)	(88,836)
Translation adjustment	-	35,400	35,400
Carrying amount at end of year	38,936	741,336	780,272

Notes to the consolidated finan0cial statements (continued)

14 Biological assets (continued)

(b) Company

Sisal agricultural produce	**2025 Shs'000**	**2024 Shs'000**
Carrying amount at start of year	121,631	165,826
Gain/(loss) arising from changes in fair value attributable to physical changes	5,874	(3,577)
Loss arising from changes in fair value attributable to price changes	(10,655)	(40,618)
Net fair value loss	(4,781)	(44,195)
Carrying amount at end of year	116,850	121,631

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

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

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

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

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

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

	Weeks
Baby corn	12
Water melon seeds	13

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

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

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

Notes to the consolidated financial statements (continued)

15 Investment properties

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

Investment properties

	Group and Company	
	2025	**2024**
	Shs'000	**Shs'000**
Cost		
At start and end of year	13,541	13,541
Depreciation		
At start of year	1,621	1,470
Charge for the year	151	151
At year end	1,772	1,621
Carrying value at end of year	11,769	11,920
Fair value	72,500	47,500

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

Notes to the consolidated financial statements (continued)

16 Right of use asset

	Group		Company	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Cost				
At start of year	54,109	48,665	25,635	19,966
Additions	25,167	-	-	-
Derecognition upon expiry	(23,039)	-	(2,100)	-
Modification of scope of lease	-	5,444	-	5,669
At end of year	56,237	54,109	23,535	25,635
Depreciation				
At start of year	35,967	24,690	13,345	6,466
Charge for the year	9,120	9,404	4,733	4,980
Derecognition upon expiry	(23,039)	-	(2,100)	-
Modification of scope of lease	-	1,873	-	1,899
At end of year	22,048	35,967	15,978	13,345
Net book amount	34,189	18,142	7,557	12,290

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

IFRS 16 requires that right of use assets be tested for impairment in accordance with IAS 36. An impairment review performed by the directors at 30 September 2025 did not identify any impairment in the carrying value of the right of use asset (2024: None).

Notes to the consolidated financial statements (continued)

17 Fair value hierarchy

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

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

Group

	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000
At 30 September 2025			
Biological assets	-	38,936	741,336
Investment properties	-	72,500	-
At 30 September 2024			
Biological assets	-	61,985	771,723
Investment properties	-	47,500	-

Company

	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000
At 30 September 2025			
Biological assets	-	-	116,850
Investment properties	-	72,500	-
At 30 September 2024			
Biological assets	-	-	121,631
Investment properties	-	47,500	-

Notes to the consolidated financial statements (continued)

17 Fair value hierarchy (continued)

Fair value of biological assets is assessed as follows:

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

Horticultural crops:

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

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

Sensitivity analysis of Level 3 Biological assets

Group

An increase/(reduction) in the production per hectare of 5% would result in an increase/(decrease) in the fair value of agricultural produce at the point of harvest of Shs 37,066,000 (2024: Shs 38,586,000).

An increase/(decrease) in the selling price per tonne of 5% would result in an increase/(decrease) in the fair value of agricultural produce at the point of harvest of Shs 51,115,000 (2024: Shs 51,037,000).

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

Company

An increase/(reduction) in the production per hectare of 5% would result in an increase/(decrease) in the fair value of agricultural produce at the point of harvest of Shs 5,843,000 (2024: Shs 6,082,000).

An increase/(decrease) in the selling price per tonne of 5% would result in an increase/(decrease) in the fair value of agricultural produce at the point of harvest of Shs 9,346,000 (2024: Shs 9,468,000)

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

The fair values of investment properties at 30 September 2025 are based on valuations made by Lloyd Masika Limited, Registered Valuers at the end of the year.

Notes to the consolidated financial statements (continued)

18 Investment in subsidiaries

	Company 2025 Shs'000	Company 2024 Shs'000
Shares in subsidiaries at cost	134,175	134,175
Long term receivable from subsidiary	65,859	59,220
	200,034	193,395

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

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

Events after the reporting period

Subsequent to the reporting date, the parent entity, Rea Vipingo Plantations Limited, has signed a share sale and purchase agreement with an investor for the sale of 100% of its shares in Amboni Spinning Mill Limited. The agreement was signed on 27th February 2026 and the transaction is subject to the necessary regulatory approvals. The directors consider this development as a non-adjusting post balance sheet event in accordance with International Accounting Standard No. 10 (IAS 10) - Events after the Reporting Period.

Long term receivable from subsidiary

The long term receivable is in respect of a loan originally due from Amboni Spinning Mill Limited which has now been assigned to Amboni Plantations Limited. With effect from 31st July 2025, the loan is due from Amboni Spinning Mill Limited to Amboni Plantation Limited and from Amboni Plantation Limited to REA Vipingo Plantations Limited. As settlement of this loan is not anticipated in the near future, it has been accounted for as an addition to the investment in the subsidiary company in accordance with the provision of IAS 21.

Notes to the consolidated financial statements (continued)

19 Investment in unquoted equity

	Group and Company	
	2025	**2024**
	Shs'000	**Shs'000**
700 shares in Vipingo Beach Limited	10,028	10,028

The group and company hold 7 plots in a residential development, Vipingo Beach Limited. It is a requirement that owners of such plots should be holders of 100 shares in Vipingo Beach Limited for each plot held (Note 15).

20 Inventories

	Group		Company	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Sisal fibre at fair value less estimated cost of sell	609,624	401,136	201,856	91,127
Horticultural produce at fair value less estimated cost of sale	111	121	-	-
Finished goods at lower of cost or net realisable value	42,848	35,783	-	-
Stores and raw materials at lower of cost or net realisable value less provision	435,496	359,953	51,013	53,301
	1,088,079	796,993	252,869	144,428
Provision for slow moving inventory	(62,548)	(55,694)	-	-
	1,025,531	741,299	252,869	144,428

Obsolete inventories written off during the year amounted to Shs 267,000 (2024: Shs Nil).

21 Receivables and prepayments

	Group		Company	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Trade receivables	40,443	27,558	348	112
Prepayments	49,627	45,147	5,019	6,497
Amount due from related parties (Note 32 (v))	206,832	331,986	67,370	72,629
Amounts due from group companies (Note 32 (v))	-	-	65,657	112,619
VAT refund adjustment vouchers	104,270	-	-	-
VAT recoverable	379,123	512,695	-	24,877
Other receivables	218,072	142,884	106,091	116
	998,367	1,060,270	244,485	216,850

Included in other receivable is Shs 158,315,000 and Shs 104,930,000 being pension surplus due to the group and company respectively arising from the wind up of the defined benefit pension scheme.

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

Notes to the consolidated financial statements (continued)

22 Cash and cash equivalents	**Group**		**Company**	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Cash in hand	4,767	3,795	2,061	1,135
Cash at bank				
Current accounts	85,097	80,057	72,423	16,669
Deposits				
Term deposit – US Dollar	104,717	137,038	104,717	137,038
Total cash at bank	189,814	217,095	177,140	153,707
Total cash and cash equivalents	194,581	220,890	179,201	154,842

The effective average interest rate on the US Dollar bank deposits at the year end was 3.75% (2024: 6%) for term deposit.

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

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

	Group		**Company**	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Cash at bank and in hand as above	194,581	220,890	179,201	154,842
Bank overdrafts (Note 26)	(104,213)	-	-	-
	90,368	220,890	179,201	154,842

Notes to the consolidated financial statements (continued)

23 Share capital

Authorised, issued and fully paid	**Number of shares (Thousands)**	**Share Capital Shs'000**	**Share Premium Shs'000**
Balance at 1 October 2023, 1 October 2024 and 30 September 2025	60,000	300,000	84,496

24 Deferred tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2024: 30%). The movement on the deferred tax account is as follows:

	Group		**Company**	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
At start of year	650,967	734,226	82,096	92,079
Tax credit recognised in profit or loss (Note 9 (a))	(106,757)	(15,702)	(80,834)	(16,049)
Tax credit recognised in other comprehensive income (Note 9(b))	82,566	9,330	56,973	6,066
Translation adjustment	34,599	(76,887)	-	-
At end of year	661,375	650,967	58,235	82,096

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

	Group		**Company**	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Deferred tax assets	(15,569)	(11,698)	-	-
Deferred tax liabilities	676,944	662,665	58,235	82,096
	661,375	650,967	58,235	82,096

Notes to the consolidated financial statements (continued)

24 Deferred tax (continued)

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

Group

	1.10.2024	Charged/ (credited) to profit or loss	Credited to other comprehensive income	Translation adjustment	30.9.2025
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax liabilities					
Accelerated capital allowances	571,750	188,585	-	33,208	793,543
Horticultural crops	18,595	(6,915)	-	-	11,680
Sisal agricultural produce at point of harvest	231,519	(19,736)	-	10,620	222,403
Post employment benefit asset	28,873	(111,439)	82,566	-	-
Right of use asset	5,445	4,811	-	-	10,256
	856,182	55,306	82,566	43,828	1,037,882
Deferred tax assets					
Provisions	(172,286)	7,408	-	(7,245)	(172,123)
Lease liabilities	(6,254)	(4,795)	-	-	(11,049)
Tax losses	(26,675)	(164,676)	-	(1,984)	(193,335)
	(205,215)	(162,063)	-	(9,229)	(376,507)
Net deferred tax liability	650,967	(106,757)	82,566	34,599	661,375

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

Notes to the consolidated financial statements (continued)

24 Deferred tax (continued)

Company

	1.10.2024	Charged/ (credited) to profit or loss	Credited to other comprehensive income	30.09.2025
	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax liabilities				
Accelerated capital allowances	84,342	(1,570)	-	82,772
Agricultural produce at point of harvest	36,491	(1,434)	-	35,057
Post employment benefit asset	19,169	(76,142)	56,973	-
Right of use asset	3,687	(1,420)	-	2,267
	143,689	(80,566)	56,973	120,096
Deferred tax assets				
Lease liabilities	(3,853)	1,348	-	(2,505)
Provisions	(57,740)	(1,616)	-	(59,356)
	(61,593)	(268)	-	(61,861)
Net deferred tax liability	82,096	(80,834)	56,973	58,235

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

Notes to the consolidated financial statements (continued)

25 Post employment benefit obligations/ (asset)

	Group		Company	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Post employment benefit obligations/(asset) comprise:				
(a) Staff retirement gratuity	394,066	379,268	154,231	144,870
(b) Defined benefit retirement scheme	-	(107,728)	-	(63,905)

(a) Staff retirement gratuity

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

	Group		Company	
	2025	**2024**	**2025**	**2024**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
At start of year	379,268	378,619	144,870	132,028
Charged to profit or loss	42,059	62,938	22,737	27,081
Utilised during year	(37,634)	(38,798)	(13,376)	(14,239)
Translation adjustment	10,373	(23,491)	-	-
At end of year	394,066	379,268	154,231	144,870

(b) Defined benefit retirement scheme

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

During the year, it was resolved to wind up the defined benefit pension scheme and settlement was made on 30th September 2025. The trustees conducted the wind up process in accordance with Retirement Benefit Authority's regulations. As at the wind up date, the scheme's assets exceeded liabilities giving rise to a surplus of Sh 316,628,000 which was shared equally between the employer and the scheme members as per Retirement Benefits Authority's regulations.

As part of the wind-up process, all accrued member benefits are being secured through annuity contracts purchased, paid in cash where the law permits or transferred to alternative pension service providers.

While the wind up and effectively settlement date was 30th September 2025, the actual cash payouts and transfer of values had not been completed by this date and is still on going.

A settlement loss of Shs 229,539,000 has been recognised in the profit and loss account and a surplus of Shs 158,314,000 due to the sponsor has been accrued for and booked under other receivables.

Upon completion of the transfer of values, the group will have no further legal or constructive obligation in respect of the defined benefit pension scheme.

Notes to the consolidated financial statements (continued)

25 Post employment benefit obligations/(asset) (continued)

(b) Defined benefit retirement scheme (continued)

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

	Group		Company	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Present value of funded obligations	-	424,638	-	251,896
Fair value of scheme assets	-	(577,279)	-	(342,443)
Effect of asset ceiling	-	44,913	-	26,642
Net asset in statement of financial position	-	(107,728)	-	(63,905)

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

	Group	
	2025	2024
	Shs'000	Shs'000
Opening defined benefit asset	(107,728)	(62,385)
Amounts recognised in profit or loss:		
Current service cost net of employees' contributions	534	820
Loss on settlements	229,539	-
Interest on obligation	57,708	66,587
Interest on effect of asset ceiling	6,872	1,901
Interest income on plan assets	(68,951)	(78,664)
Net debit/(credit) for the year included in staff costs (Note 7)	225,702	(9,356)
Employer's contributions	157,248	(4,885)
Amount recognised in other comprehensive income/(loss)		
Actuarial loss – obligation	(90,624)	(48,556)
Return on plan assets (excluding amount in interest cost)	(132,813)	(13,604)
Change in effect of asset ceiling (excluding amount in interest cost)	(51,785)	31,058
Total amount recognised in other comprehensive income	(275,222)	(31,102)
Defined benefit asset at the end of the reporting period	-	(107,728)
Reconciliation of benefit obligation		
Opening benefit obligation	424,640	430,140
Current service cost	533	820
Interest cost	57,708	66,587
Employee contributions	685	4,077
Actuarial loss – change of assumptions	15,202	(9,655)
Actuarial loss – experience	(105,826)	(38,900)
Benefits paid	(96,673)	(28,429)
Settlements	(296,269)	-
Closing benefit obligation	-	424,640

Notes to the consolidated financial statements (continued)

25 Post employment benefit obligations/(asset) (continued)

(b) Defined benefit retirement scheme (continued)

	Group	
	2025	**2024**
Reconciliation of scheme assets	**Shs'000**	**Shs'000**
Opening market value of assets	(577,279)	(504,478)
Interest income on plan assets	(68,951)	(78,664)
Employer contributions	157,247	(4,885)
Employee contributions	(685)	(4,077)
Return on plan assets	(132,814)	(13,606)
Benefits paid	96,673	28,429
Settlements	525,809	-
	-	(577,279)

Employer's contributions is made up of the employer's share of surplus on wind-up net of cash contributions during the year.

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

	Company	
	2025	**2024**
	Shs'000	**Shs'000**
Opening defined benefit asset	(63,905)	(35,237)
Amounts recognised in profit or loss:		
Current service cost net of employees' contributions	353	486
Loss on settlements	152,136	-
Interest on obligation	38,249	39,499
Interest on effect of asset ceiling	4,556	1,128
Interest income on plan assets	(45,700)	(46,663)
Net debit/(credit) for the year included in staff costs	149,594	(5,550)
Employer's contributions	104,223	(2,899)
Amount recognised in other comprehensive income	(189,912)	(20,219)
Defined benefit asset at the end of the reporting period	-	(63,905)

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

Notes to the consolidated financial statements (continued)

25 Post employment benefit obligation/(asset) (continued)

(b) Defined benefit retirement scheme (continued)

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

	2025	**2024**
- discount rate	12.80%	15.30%
- future salary increases	8.00%	10.00%
- future pension increases	0%	0%

Other disclosures

The scheme was of a salary and service related nature, with benefits determined by final salary and years of service.

During the financial period, the scheme was formally wound up in accordance with the provisions of the Retirement Benefits Act, 1997 and the Regulations thereunder. All member benefits were fully settled, and the scheme's liabilities extinguished. The funding position at the date of wind up was sufficient to meet all obligations, and no deficit remained.

In line with regulatory requirements, any surplus arising on wind up, was apportioned equally between the members of the scheme and the sponsoring employer. Consequently, no residual asset or liability remains on the Group's statement of financial position.

As the scheme has been wound up and all liabilities settled, there is no further exposure to risks relating to salary escalation, discount rate movements, demographic experience, or funding requirements. The Group has no ongoing cashflow obligations in respect of the scheme.

Accordingly, no maturity analysis or sensitivity disclosures are presented, as the defined benefit obligation has been fully extinguished.

Notes to the consolidated financial statements (continued)

25 Post employment benefit obligations/(asset) (continued)

(b) Defined benefit retirement scheme (continued)

Scheme assets

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

	2025 Shs'000	%	2024 Shs'000	%
Government securities	-	-	462,784	80.2
Quoted equities	-	-	88,950	15.4
Cash and contributions due	-	-	3,989	0.7
Money market	-	-	21,556	3.7
	-	-	577,279	100.0

Other post employment benefit obligations

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

	Group		Company	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Defined contribution benefit scheme	11,730	8,529	4,332	2,906

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

	Group		Company	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
National Social Security Fund	100,766	95,710	15,888	14,520

Notes to the consolidated financial statements (continued)

26 Borrowings

	Group 2025 Shs'000	Group 2024 Shs'000
Bank overdrafts	104,213	-
Bank loans	66,824	44,699
Total borrowings	171,037	44,699
Less current portion	(149,821)	(15,413)
Non-current portion	21,216	29,286
Maturity of non-current borrowings		
Between 1 and 2 years	21,216	16,997
Between 2 and 5 years	-	12,289
	21,216	29,286

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

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

	2025 Shs'000	Effective Interest Rates	2024 Shs'000	Effective Interest Rates
Bank overdrafts				
Kenya Shillings	66,478	16.87%	-	
Tanzania Shillings	23,117	16%	-	
US Dollars	14,618	8.87%	-	
	104,213		-	
Bank loans				
Tanzania Shillings	16,407	8.5%	-	
US Dollars	50,417	9.81%	44,699	8%
	66,824		44,699	

Notes to the consolidated financial statements (continued)

27 Payables and accrued expenses

	Group		Company	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Trade payables	205,827	88,564	38,068	7,405
Amount due to related parties (Note 32 (v))	12,255	13,863	1,670	2,363
Provision for leave pay	43,932	40,941	9,322	10,999
Advance payment from customers	-	1,910	-	-
Accrued expenses	107,939	108,439	21,679	14,663
Other payables	46,230	112,297	10,509	22,932
Vat payable	1,452	-	1,031	-
	417,635	366,014	82,279	58,362

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

28 Lease liabilities

	Group		Company	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Current	6,996	8,485	4,119	4,499
Non-current	29,835	12,361	4,232	8,348
	36,831	20,846	8,351	12,847
Maturity of non-current lease liability				
Between 1 and 2 years	7,797	4,664	4,232	4,118
Between 2 and 5 years	10,193	5,603	-	4,230
Between 5 and 10 years	11,845	2,094	-	-
	29,835	12,361	4,232	8,348

Notes to the consolidated financial statements (continued)

28 Lease Liabilities (continued)

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

	Group		Company	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
USD	8,351	11,988	8,351	11,988
Kenya Shillings	28,480	8,858	-	859
	36,831	20,846	8,351	12,847

The effective interest rates on the lease liability at the end of the year ranged between 9.25% to 16.87% (2024: 9.25% to 15.35%).

29 Contingent liabilities

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

During the year, the company's subsidiary, Amboni Plantations Limited, managed to successfully object, to a large extent, the tax assessments by Tanzania Revenue Authority from prior year. A portion of the assessments still remains challenged by the company as the directors consider them to have no valid basis.

Notes to the consolidated financial statements (continued)

30 Commitments

Capital commitments

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

	Group		Company	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Authorised and contracted for	47,988	56,647	-	-

Operating lease commitments

The group as lessee

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

	Group & Company	
	2025	2024
	Shs'000	Shs'000
Not later than 1 year	697	697
Between 2 and 5 years	638	1,335
	1,335	2,032

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

Group as lessor

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

	2025	2024
	Shs'000	Shs'000
Rent received	581	604
Rent receivable		
Within 1 year		
Within 2-5 years	456	420
Over 5 years	1,931	1,786
	2,756	2,953
	5,143	5,159

Notes to the consolidated financial statements (continued)

31 (a) Notes to the consolidated statement of cash flows

	Group 2025 Shs'000	2024 Shs'000
(i)Reconciliation of (loss)/profit before tax to net cash generated from operations		
(Loss)/profit before tax	(137,312)	352,395
Adjustment for:		
Defined benefit retirement scheme charge/(credit) recognised in profit before tax (Note 7)	225,702	(9,356)
Employer's contributions to defined benefit retirement scheme (Note 25 (b))	157,248	(4,885)
Net exchange (gain)/loss on bank loans and other borrowings (Note 31 (a)(ii))	(5,592)	24
Exchange loss/(gain) on lease liability (Note 31 (a)(iii))	6	(5,063)
Interest costs (Note 8(b))	23,031	17,062
Interest receivable (Note 8(a))	(5,563)	(21,082)
Depreciation of property, plant and equipment (Note 6)	411,824	381,731
Depreciation on intangible assets (Note 6)	374	-
Depreciation of investment property (Note 6)	151	151
Depreciation of right of use asset (Note 6)	9,120	9,404
Modification of scope of lease	-	(868)
Fair value loss on of biological assets (Note 14(a))	88,836	59,322
Gain on sale of property, plant and equipment (Note 6)	(11,131)	(8,097)
Operating profit before working capital changes	756,694	770,738
Working capital changes		
- receivables and prepayments	97,372	(193,355)
- inventories	(243,551)	161,759
- payables and accrued expenses	35,855	163,210
- Staff retirement gratuity	4,425	24,140
Net cash generated from operations	650,795	926,492

	Group 2025 Shs'000	2024 Shs'000
(ii)Analysis of changes in bank loans (excluding bank overdrafts)		
At start of year	44,699	83,312
Interest expense on bank loans	6,229	1,527
Loans received during the year	50,049	52,395
Exchange adjustments	(5,592)	24
Translation adjustment	5,963	(6,992)
Repayment of principal and interest	(34,524)	(85,567)
At end of year	66,824	44,699

Notes to the consolidated financial statements (continued)

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

	Group 2025	2024
	Shs'000	Shs'000
(iii)Analysis of changes in lease liabilities		
At start of year	20,846	33,529
Present value of future lease payments recognised	25,167	5,670
Modification of scope of lease	-	(2,965)
Payments during the year	(9,188)	(10,325)
Interest charge	2,812	2,324
Interest paid	(2,812)	(2,324)
Exchange adjustment	6	(5,063)
At end of year	36,831	20,846

31(b) Notes to the company statement of cash flows

	Company 2025	2024
	Shs'000	Shs'000
(i) Reconciliation of loss before tax to net cash generated from operations		
Loss before tax	(99,519)	(33,198)
Adjustments for:		
Defined benefit retirement scheme debit/(credit) recognised in profit before tax (Note 7)	149,594	(5,550)
Employer's contributions to defined benefit retirement scheme (Note 25(b))	104,223	(2,899)
Interest receivable (Note 8(a))	(29,808)	(22,284)
Interest costs (Note 8(b))	928	1,108
Depreciation of right of use asset (Note 6)	4,733	4,980
Depreciation of property, plant and equipment (Note 6)	61,081	62,660
Depreciation on intangible assets (Note 6)	189	-
Depreciation of investment properties (Note 6)	151	151
Gain on sale of property, plant and equipment	(3,466)	(5,961)
Fair value adjustment of sisal agricultural produce (Note 14(b)	4,781	44,195
Exchange loss/(gain) on lease liability (Note 31(b)(ii))	6	(5,063)
Net exchange gain on loan to subsidiary (Note 31(b)(iii))	(88)	-
Modification of scope of lease	-	(719)
Operating profit before working capital changes	192,805	37,420
Working capital changes		
- receivables and prepayments	(27,635)	189,596
- inventories	(108,441)	15,626
- payables and accrued expenses	23,917	14,681
- Staff retirement gratuity	9,361	12,842
Net cash generated from operations	90,007	270,165

Notes to the consolidated financial statements (continued)

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

(ii) Analysis of changes in lease liabilities

	Company 2025 Shs'000	Company 2024 Shs'000
At start of year	12,847	19,805
Present value of future lease payments recognised	-	5,670
Payments during the year	(4,502)	(4,947)
Interest charge	928	1,108
Interest paid	(928)	(1,108)
Exchange adjustment	6	(5,063)
Modification of scope of lease	-	(2,618)
At end of year	8,351	12,847

(iii) Analysis of changes in loan to subsidiary

	2025	2024
At the start of the year	234,170	-
Loan advanced	-	232,560
Interest charge	24,300	1,610
Exchange adjustments	88	-
Interest repayment	(24,300)	-
Loan repayment	(41,164)	-
At end of year	193,094	234,170

(iv) Analysis of charges in other borrowings

	2025	2024
At the start of the year	-	15,088
Loan repayment	-	(15,088)
At end of year	-	-

Notes to the consolidated financial statements (continued)

32 Related party transactions

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

REA Trading Plc is owned by the Robinow family.

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

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

A director of the company is a director of I & M Group Plc.

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

(i) Sales of goods and services

	Group	
	2025	**2024**
	Shs'000	**Shs'000**
Wigglesworth & Company Limited – UK		
Sale of sisal fibre and yarns	2,878,824	3,506,467
	2,878,824	3,506,467

	Company	
	2025	**2024**
	Shs'000	**Shs'000**
Wigglesworth & Company Limited – UK		
Sisal fibre	612,265	765,717
Management services		
Amboni Plantations Limited	24,990	26,286
Amboni Spinning Mill Limited	5,499	8,715
Dwa Estate Limited	97,767	94,349
Wigglesworth Exporters Limited	630	525
	128,886	129,875

Income from management services has been declared under other income.

Notes to the consolidated financial statements (continued)

32 Related party transactions (continued)

(ii) Purchase of management and other services

	Group 2025 Shs'000	Group 2024 Shs'000
REA Trading Plc (consultancy services)	5,176	6,164
I & M Bank Limited (banking services)	126	212
	5,302	6,376

	Company 2025 Shs'000	Company 2024 Shs'000
REA Trading Plc (consultancy services)	5,176	6,164
Wigglesworth Exporters Limited (shipping services)	6,791	8,618
Amboni Spinning Mill Limited - (sisal ropes)	8,549	13,040
I & M Bank Limited (banking services)	116	134
	20,632	27,956

	Group and Company 2025 Shs'000	Group and Company 2024 Shs'000
(iii) Payments on behalf of REA Trading Plc	608	772

(iv) Key management compensation

	Group 2025 Shs'000	Group 2024 Shs'000
Remuneration paid to directors and key management staff was as follows:		
Salaries and other short term benefits	206,876	208,683
Post employment benefits	6,810	6,125
Directors fees	9,812	9,365
	223,498	224,173

Notes to the consolidated financial statements (continued)

32 Related party transactions (continued)

(iv) Key management compensation (continued)

	Company 2025 Shs'000	Company 2024 Shs'000
Salaries and other short term benefits	134,117	141,610
Post-employment benefits	1,472	1,417
Directors fees	7,710	7,080
	143,299	150,107

(v) Outstanding balances

	Group 2025 Shs'000	Group 2024 Shs'000
Current receivables (Note 21)		
Wigglesworth & Company Limited – UK	206,280	331,919
REA Trading Plc – UK	552	67
	206,832	331,986
Current payables (Note 27)		
Wigglesworth & Company Limited - UK	12,255	13,863

	Company 2025 Shs'000	Company 2024 Shs'000
Current receivables (Note 21)		
Amounts due from group companies		
Amboni Plantations Limited	24,722	25,288
Wigglesworth Exporters Limited	2,374	2,021
Dwa Estate Limited	36,314	82,393
Amboni Spinning Mill Limited	2,247	2,917
	65,657	112,619
Amount due from related parties		
Wigglesworth & Company Limited – UK	66,818	72,562
REA Trading Plc – UK	552	67
	67,370	72,629

Notes to the consolidated financial statements (continued)

32 Related party transactions (continued)

	Company 2025 Shs'000	Company 2024 Shs'000
(v) Outstanding balances (continued		
Loan to subsidiary - Dwa Estate Limited	193,094	234,170
Maturity of loan to subsidiary		
Current	73,848	41,135
Between 1 and 2 years	82,262	73,825
Between 2 and 5 years	36,984	119,210
	119,246	193,035
Total loan to subsidiary	193,094	234,170
Current payables (Note 27)		
Amount due to related parties		
Wigglesworth & Company Limited – UK	1,670	2,363
	1,670	2,363

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

------000------