

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023 (Audited)

CONSOLIDATED AND COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP		COMPANY			GROUP		COMPANY	
	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000		30-Sep-23 Kshs '000	30-Sep-22 Kshs '000	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000
Revenue	5,718,437	7,345,305	1,722,611	2,792,609	Other comprehensive income:				
Cost of sales	(4,345,369)	(5,544,659)	(1,603,217)	(2,487,331)	<i>Items that are or may be reclassified subsequently to profit or loss</i>	(17,917)	(10,832)	-	-
Gross profit	1,373,068	1,800,646	119,394	305,278	Net change in FV of Debt investments at FVOCI	(17,917)	(10,832)	-	-
Fair value changes on biological assets	223,541	543,413	230,160	241,425					
Other income	115,427	144,684	241,586	609,887	<i>Items that will not be reclassified subsequently to profit or loss</i>				
Total operating income	1,712,036	2,488,743	591,140	1,156,590	Remeasurement of post employment benefit , net of tax	1,397	(8,799)	2,377	1,026
Administration and establishment expenses	(1,004,187)	(997,739)	(470,024)	(460,321)					
Selling and distribution expenses	(46,511)	(44,372)	-	-	Total comprehensive income:	526,036	1,148,381	56,505	573,121
Results from operations	661,338	1,446,632	121,116	696,269	Profit attributable to:				
					Owners of the company	549,628	1,166,383	-	-
Finance income	267,313	134,573	25,873	20,995	Non-controlling interest	(7,072)	1,629	-	-
Finance cost	(55,653)	(28,252)	(55,653)	(38,782)		542,556	1,168,012	-	-
Net Finance income / (costs)	211,660	106,321	(29,780)	(17,787)	Total Comprehensive income attributable to:				
					Owners of company	532,936	1,146,654	-	-
Profit before tax	872,998	1,552,953	91,336	678,482	Non-controlling interest	(6,900)	1,727	-	-
Income tax expense	(30,442)	(384,941)	(37,208)	(106,387)		526,036	1,148,381	-	-
Profit for the Year	542,556	1,168,012	54,128	572,095	Earning per share:				
					Basic and diluted (Kshs)	2.41	5.12	0.24	2.51
					Issued and fully paid shares of Kshs 1 each	228,055	228,055	228,055	228,055

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs '000	Capital Reserve Kshs '000	Revaluation Reserve Kshs '000	Biological Assets Fair Value Reserve Kshs '000	Defined Benefit Reserve Kshs '000	Bond Fair Value Deficit Kshs '000	Retained Earnings Kshs '000	Proposed Dividends Kshs '000	Total Attributable to Owners Kshs '000	Non-Controlling Interest Kshs '000	Total Kshs '000
2022:											
Balance as at 1 October 2021	228,055	98,530	9,741,029	289,179	139,427	-	2,526,452	114,028	13,136,700	307,291	13,443,991
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	1,166,383	-	1,166,383	1,629	1,168,012
Other comprehensive income											
Fair value loss on investment in bonds	-	-	-	-	-	(10,832)	-	-	(10,832)	-	(10,832)
Reclassification of fair value gain on biological assets	-	-	-	-	-	-	-	-	-	-	-
net of tax, from retained earnings to separate equity reserve	-	-	-	72,026	-	-	(72,026)	-	-	-	-
Revaluation reversal on disposal of buildings	-	-	(28,444)	-	-	-	28,444	-	-	-	-
Remeasurement of post employment benefit net of tax	-	-	-	-	(8,897)	-	-	-	(8,897)	98	(8,799)
Total comprehensive income for the year	-	-	(28,444)	72,026	(8,897)	(10,832)	1,122,801	-	1,146,654	1,727	1,148,381
Transactions with owners of the company recorded directly in equity											
Dividend declared and paid to											
Non-controlling interest	-	-	-	-	-	-	-	-	-	(9,000)	(9,000)
Final 2021 dividend paid	-	-	-	-	-	-	-	(114,028)	(114,028)	-	(114,028)
Interim 2022 dividend declared and paid	-	-	-	-	-	-	(228,056)	-	(228,056)	-	(228,056)
Total distribution to owners of the company	-	-	-	-	-	-	(228,056)	(114,028)	(342,084)	(9,000)	(351,084)
At 30 September 2022	228,055	98,530	9,712,585	361,205	130,530	(10,832)	3,421,197	-	13,941,270	300,018	14,241,288
2023:											
Balance as at 1 October 2022	228,055	98,530	9,712,585	361,205	130,530	(10,832)	3,421,197	-	13,941,270	300,018	14,241,288
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	549,628	-	549,628	(7,072)	542,556
Other comprehensive income											
Fair value loss on investment in bonds	-	-	-	-	-	(17,917)	-	-	(17,917)	-	(17,917)
Reclassification of fair value loss on biological assets	-	-	-	-	-	-	-	-	-	-	-
net of tax, from retained earnings to separate equity reserve	-	-	-	(72,987)	-	-	72,987	-	-	-	-
Revaluation reversal on disposal of Land	-	-	(27,031)	-	-	-	27,031	-	-	-	-
Remeasurement of post employment benefit net of tax	-	-	-	-	1,225	-	-	-	1,225	172	1,397
Total comprehensive income for the year	-	-	(27,031)	(72,987)	1,225	(17,917)	649,646	-	532,936	(6,900)	526,036
Transactions with owners of the company recorded directly in equity											
Dividend declared and paid to											
Interim 2023 dividend declared and paid	-	-	-	-	-	-	(228,056)	-	(228,056)	-	(228,056)
Final proposed dividend 2023	-	-	-	-	-	-	(114,028)	114,028	-	-	-
Total distribution to owners of the company	-	-	-	-	-	-	(342,084)	114,028	(228,056)	-	(228,056)
At 30 September 2023	228,055	98,530	9,685,554	288,218	131,755	(28,749)	3,728,759	114,028	14,246,150	293,118	14,539,268

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs '000	Capital Reserve Kshs '000	Revaluation Reserve Kshs '000	Biological Assets Fair Value Reserve Kshs '000	Defined Benefit Reserve Kshs '000	Bond Fair Value Deficit Kshs '000	Retained Earnings Kshs '000	Proposed Dividends Kshs '000	Total Equity Kshs '000
2022:									
Balance as at 1 October 2021	228,055	40,594	7,046,471	216,737	9,826	-	1,023,467	114,028	8,679,178
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	572,095	-	572,095
Other comprehensive income									
Reclassification of fair value gain on biological assets	-	-	-	-	-	-	-	-	-
net of tax, from retained earnings to separate equity reserve	-	-	-	(16,378)	-	-	16,378	-	-
Remeasurement of post employment benefit net of tax	-	-	-	-	1,026	-	-	-	1,026
Total comprehensive income for the year	-	-	-	(16,378)	1,026	-	588,473	-	573,121
Transactions with owners of the company recorded directly in equity									
Final 2021 dividend paid	-	-	-	-	-	-	-	(114,028)	(114,028)
Interim 2022 dividend declared and paid	-	-	-	-	-	-	(228,056)	-	(228,056)
Total distribution to owners of equity	-	-	-	-	-	-	(228,056)	(114,028)	(342,084)
At 30 September 2022	228,055	40,594	7,046,471	200,359	10,852	-	1,383,884	-	8,910,215
2023:									
Balance as at 1 October 2022	228,055	40,594	7,046,471	200,359	10,852	-	1,383,884	-	8,910,215
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	54,128	-	54,128
Other comprehensive income									
Reclassification of fair value gain on biological assets	-	-	-	37,658	-	-	(37,658)	-	-
net of tax, from retained earnings to separate equity reserve	-	-	-	-	2,377	-	-	-	2,377
Remeasurement of post employment benefit net of tax	-	-	-	-	2,377	-	-	-	56,505
Total comprehensive income for the year	-	-	-	37,658	2,377	-	16,470	-	56,505
Transactions with owners of the company recorded directly in equity									
Interim 2023 dividend declared and paid	-	-	-	-	-	-	(228,056)	-	(228,056)
Final dividend proposed 2023	-	-	-	-	-	-	(114,028)	114,028	-
Total distribution to owners of the company	-	-	-	-	-	-	(342,084)	114,028	(228,056)
At 30 September 2023	228,055	40,594	7,046,471	238,017	13,229	-	1,058,270	114,028	8,738,664

The above extract is based on the consolidated financial statements of Sasini PLC for the year ended 30th September 2023 as audited by KPMG Kenya.

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	11,151,429	11,132,410	7,304,773	7,330,442
Capital Work-in-progress	200,955	203,594	62,398	50,693
Intangible Assets	8,895	14,526	6,100	9,699
Biological Assets	1,217,362	1,346,829	255,503	225,601
Right of use Asset	59,193	69,133	49,191	59,029
Investment in Subsidiaries	-	-	637,727	637,727
Other Investments	247,806	277,691	-	-
	12,885,640	13,044,183	8,315,692	8,313,191
CURRENT ASSETS				
Inventories	1,216,682	739,051	469,583	331,589
Biological Assets	223,174	197,094	191,306	167,411
Trade and Other receivables	1,065,898	812,426	245,233	202,018
Current income tax recoverable	33,978	7,411	24,072	-
Amount due from related companies	-	-	91,113	233,918
Short term Deposits	2,317	467,146	-	165,269
Cash and Bank balances	871,119	1,088,406	99,662	368,475
	3,413,168	3,311,534	1,120,969	1,468,680
TOTAL ASSETS	16,298,808	16,355,717	9,436,661	9,781,871
EQUITY AND LIABILITIES				
Capital and reserves				
Share Capital	228,055	228,055	228,055	228,055
Non - Distributable Reserves	10,175,308	10,292,018	7,338,311	7,298,276
Distributable Reserves	3,842,787	3,421,197	1,172,298	1,383,884
	14,246,150	13,941,270	8,738,664	8,910,215
Non-controlling Interest	293,118	300,018	-	-
Total equity	14,539,268	14,241,288	8,738,664	8,910,215
Non- current liabilities				
Deferred tax liability	1,175,772	1,166,212	471,085	457,220
Lease Liability	47,363	48,869	47,363	48,869
Post-employment benefits	117,025	130,410	21,364	21,306
	1,340,160	1,345,491	539,812	527,395
Current liabilities				
Bank Loan	28,882	-	28,882	-
Amounts due to related parties	-	-	21,877	60,334
Trade and Other Payables	368,990	510,020	99,925	222,777
Lease Liability	6,637	10,160	6,637	10,160
Current income tax payable	-	238,145	-	49,288
Post-employment benefits	14,871	10,613	864	1,702
	419,380	768,938	158,185	344,261
TOTAL EQUITY AND LIABILITIES	16,298,808	16,355,717	9,436,661	9,781,871

CASHFLOW STATEMENT

	GROUP		COMPANY	
	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000	30-Sep-23 Kshs '000	30-Sep-22 Kshs '000
Cash flows from operating activities				
Cash flow generated/(used) from operating activities	339,041	1,660,038	(62,917)	610,749
Gratuity paid	(29,579)	(47,150)	(1,745)	(1,005)
Interest paid on Lease Liability	(6,746)	(744)	(6,746)	(744)
Income taxes paid	(586,193)	(128,189)	(97,722)	(84,978)
Net cash (used in) /generated from operating activities	(283,477)	1,483,955	(169,130)	524,022
Cash flows from investing activities				
Interest received	105,869	59,522	17,389	9,531
Purchase of other Investments -(infrastructure bonds)	-	(288,523)	-	-
Redemption of other Investments	29,408	-	-	-
Placement / (Realisation) of short- term deposits	464,829	(467,146)	165,269	(165,269)
Purchase of Property, and equipment	(191,577)	(133,995)	(47,619)	(44,094)
Purchase of capital work- in -progress assets	(141,950)	(59,593)	(14,287)	(7,471)
Purchase of intangible assets	(242)	(424)	-	(333)
Proceeds from sale of property, and equipment	38,526	10,152	798	7,383
Net cash (used in)/generated from investing activities	304,863	(880,007)	121,550	(200,253)
Cash flows from financing activities				
Interest paid on other borrowings	(17,030)	(13,416)	(17,030)	(27,385)
Payment of lease liability - principal	(5,029)	(17,697)	(5,029)	(17,697)
Borrowing received	816,566	852,548	816,566	852,548
Borrowing repaid	(787,684)	(852,548)	(787,684)	(852,548)
Proceeds from redeemed preference shares	-	-	-	180,000
Dividend paid to Non-controlling Interest	-	(9,000)	-	-
Dividend paid on ordinary shares	(228,056)	(342,084)	(228,056)	(342,084)
Net cash used in financing activities	(221,233)	(382,197)	(221,233)	(207,166)
Net (decrease)/increase in cash and cash equivalents	(199,847)	221,751	(268,813)	116,603
Cash and cash equivalents at the beginning of the year	1,088,406	821,973	368,475	247,324
Effects of movement in exchange rates on cash	(17,440)	44,682	-	4,548
Cash and cash equivalents at the end of the year	871,119	1,088,406	99,662	368,475

COMMENTS ON THE RESULTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

The Group's performance endured an extremely challenging environment posed by the prolonged adverse weather conditions in the country during the first half of the year. The effect on the business was drastic in all units as manifested in lower production volumes, lower price realizations, and higher costs of production.

The prolonged drought in the first half of the financial year resulted in a substantial loss in tea production that also manifested in the Avocado and Coffee units adversely impacting production volumes. This was coupled with a significant drop in global coffee prices, the total collapse of the macadamia market occasioned by recession in the main market, the USA, the delay in the opening of the Avocado export season in Kenya due to late maturing of fruits, and the inflationary effects of doing business. However, management was able to leverage production efficiency, cost containment measures, automation, and returns from other investments in the second half to achieve strong operational results.

Although the performance was not as expected, the Group showed resilience and remained profitable on the backdrop of a weaker local currency that buoyed the overall results.

PERFORMANCE AT A GLANCE

22.1%

DECREASE IN TURNOVER

to Kes. 5.72 billion from Kes. 7.34 billion in the previous year.



21.6%

DECREASE IN COST OF SALES

to Kes. 4.35 billion from Kes. 5.54 billion in the previous year.



Kes. 542.55 M

GROUP ATTAINED PROFIT AFTER TAX

and non-controlling interest (including the changes in the fair value of biological assets) (prior year Kes 1,168.01 million)

As a result of the multiple shocks and economic uncertainties aggravated by the effects of climate change, some of the business units were more adversely affected than others. Only the Tea, Avocado, and Coffee trading units were profitable. The Coffee estates and the Macadamia units recorded negative results.

- **The Avocado unit** rebounded after a slow start to post impressive results.
- **The Coffee business** was drastically affected by the effects of the adverse weather and climate changes, supply chain disruptions, and recession in the key markets. The results were manifested in **a drop in production volumes, bean size, and quality issues that affected the price realizations.** The prices remained low during the year. However, the coffee sales were buoyed by the coffee milling, marketing, and trading division which generated profits.
- **The Tea business unit** achieved the **highest-ever registered performance over the history of the business from operating activities.** This strong performance was achieved despite the adverse weather conditions early in the year that affected the production volumes and the recession in the target market. The cumulative effects of automation of processes in the fields, manufacturing efficiencies, cost leadership, and expansion of the out-grower farmer's catchment areas contributed to the profitability.

Despite the unfavorable effects on the business, our **liquidity is strong and will be sufficient to support the business units going forward.** We continue to exercise prudent business decisions to withstand these negative effects and aim to continue delivering the desired results in this very difficult and unpredictable environment.

OUTLOOK

Although the effects of the pandemic have eased, **geopolitical risks, climatic changes, economic downturns, rising inflation, and other challenges in the country are still a threat to doing business in Kenya.** The global recession has continued to cause supply chain disruptions, a surge in inflation, reduced incomes for exporters, and a reduced inflow of foreign currency.

Given the lower-than-expected performance during the year, the **management will continue to seek and establish strategic partnerships to expand our reach and explore new lines and ideas in a bid to fit in with the changing business environment to expand and enhance shareholder value.** Emphasis on quality coupled with quantity based on a sustainable model continues to be at the top of the agenda for delivery.

DIVIDEND

The Directors recommend the payment of a **final dividend of 50% being Kes. 0.50 per share** for the year ended 30th September 2023, amounting to Kes. 114.25 million, payable on or about 22nd March 2024 to the members on the register at the close of business on 22nd February 2024 subject to withholding tax where applicable.

This amounts to a **total dividend payout of 150%** (Total declared Kes. 1.50 per share for the year). In 2022 dividend payment was Kes.1.00 per share.

Annual General Meeting

Notice is hereby given that the 72nd Annual General Meeting of the members will be via electronic communication on Thursday, **7th March 2024 at 11.00 a.m.** Formal notice of the meeting will follow.

By order of the Board,

FCPA, Dr. James Boyd McFie, Ph. D.
Chairman
5th January 2024

Mr. Martin R. Ochien'g, MBA, BSc.
Group Managing Director
5th January 2024