

2022

# ANNUAL REPORT AND FINANCIAL STATEMENTS

## CORPORATE INFORMATION

### Board of Directors

Eng. Erastus Mwongera (Chairman)  
Peter Gitonga (Ceased to act as Managing Director 31st December 2022)  
John Mugo (Managing Director - Appointed 1st January 2023)  
Akif Butt  
Lydia Mbuthia  
Mary Ngatia  
Sameer Merali

P.O. Box 10176  
00100 Nairobi GPO.

Waruhiu K'Owade & Ng'ang'a Advocates  
Taj Towers, 4th floor, Wing B,  
Upperhill Road.  
P.O. Box 41722  
00100 Nairobi GPO

### Audit, Risk and Corporate Governance Committee

Lydia Mbuthia (Chairlady)  
Sameer Merali  
Mary Ngatia

### Principal Bankers

NCBA Bank (Kenya) PLC,  
NCBA House,  
P.O.Box 44599,  
00100 Nairobi GPO.

Standard Chartered Bank (Kenya) PLC,  
48, Westlands Road,  
P.O. Box, 30003,  
00100, Nairobi GPO.

### Finance, Strategy and Investment Committee

Akif Butt (Chairman)  
Peter Gitonga  
Sameer Merali  
Lydia Mbuthia

### Auditors

RSM Eastern Africa LLP  
Certified Public Accountants  
1st Floor, Pacis Centre  
Slip road, Off Waiyaki Way, Westlands  
P.O. Box 349-00606  
Nairobi

### Nominations and Remuneration Committee

Mary Ngatia (Chairlady)  
Eng. Erastus Mwongera  
Peter Gitonga

### Registered Office & Principal Place of Business

LR No. 12081/13  
Mombasa Road  
P.O. Box 30429  
00100 Nairobi GPO.

### Company Secretary

Mercy Mbijiwe

### Listing

Nairobi Securities Exchange

### Share Registrars

Custody & Registrars Services Limited  
Bruce House, 6th Floor,  
Standard Street,  
P.O. Box 8484,  
00100 Nairobi GPO

### Principal Advocates

Kipkorir, Titoo & Kiara,  
Posta Sacco Plaza,

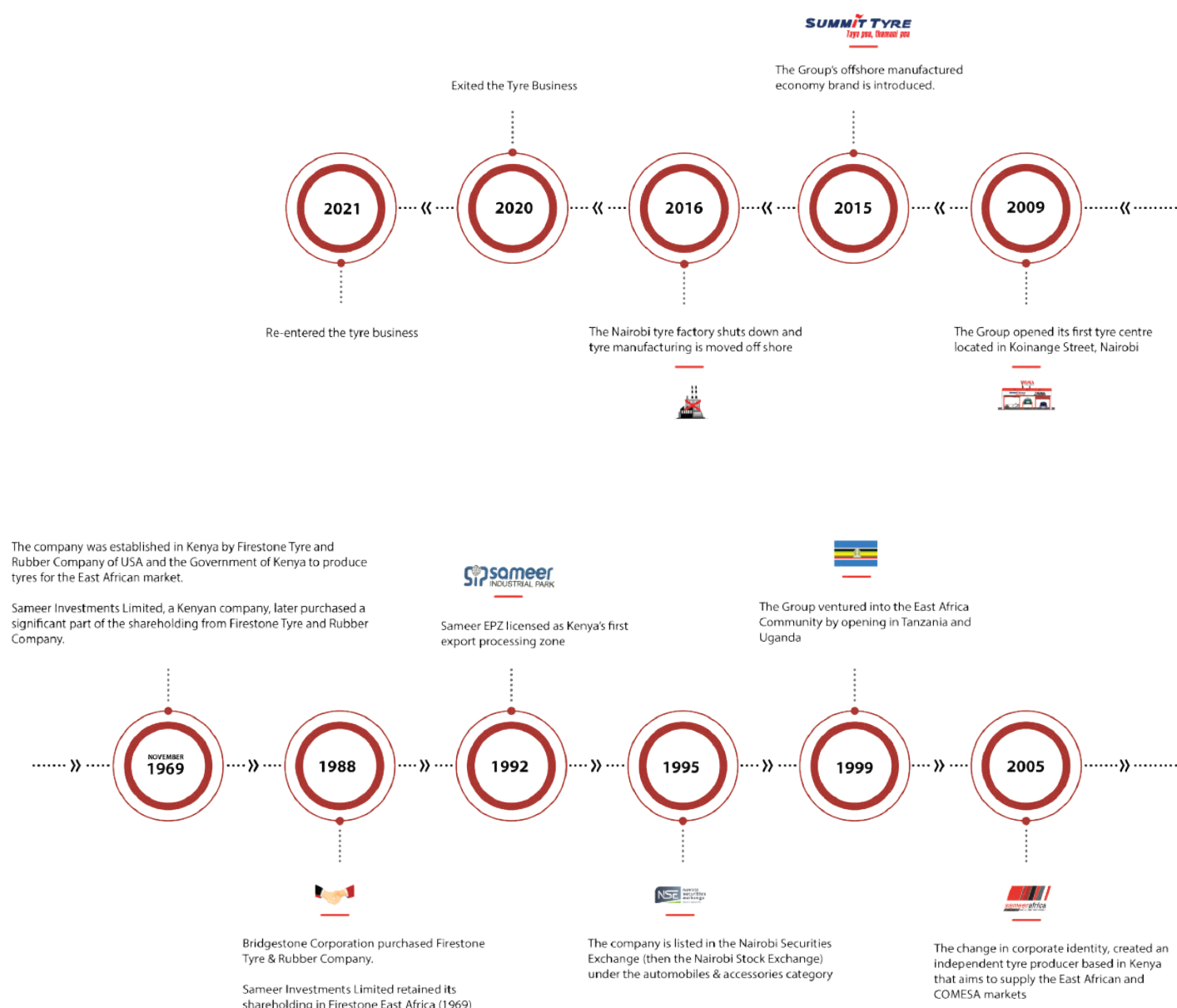
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## Who We Are

Sameer Africa PLC is a public limited company that is listed on the Nairobi Securities Exchange. The company's principal business is the letting of investment property and importation and sale of tyres and allied products and we operate primarily in Kenya.

## Historical Timeline







Sameer Business Park (SBP) is perfectly situated between Nairobi's central business district and Jomo Kenyatta International airport, SBP is a modern office and showroom complex boasting many impressive facilities and amenities of the highest international standard.

The park comprises five units totaling approximately 400,000 sq.ft of office and showroom space, each easily accessible from the Nairobi-Mombasa highway.

Sameer Business Park is a unique development from Sameer Group, one of Kenya's largest and most respected investment firms.



Sameer EPZ, licensed as Kenya's first Export Processing Zone (EPZ) 30 years ago, is a prominent industrial zone dedicated to promoting export-oriented industries and economic growth in the country. Established in 1992, it has played a significant role in Kenya's economic development and international trade.

From its strategic location off enterprise road, Sameer EPZ offers various advantages to businesses looking to set up operations. It provides a range of infrastructure and facilities tailored to meet the needs of export-oriented industries. These include factory spaces, warehouses, utility services, and transportation networks, ensuring a conducive environment for production and trade.



# What We Do

OVERVIEW

## Our Property Business

The Group owns a large property holding part of which is built up and on which our investment property income is derived and other parcels earmarked for future development.

## Our Tyre Business

We import and sell quality tyres engineered for the African terrain. Our tyre range includes tyres for various applications including passenger vehicles, light and medium truck, truck and bus and agricultural use.

We engage with our customers through our extensive partner network and directly to large fleets, government and other consumers.

OUR BUSINESS



- 185/70R14 Monarch II
- 195/65R15 Monarch III
- 205R16 Moran
- 225/75R15 Moran
- 750 -16 14 Ply Pamoja



- 185/70R14 Hawk
- 185/70R13 Hawk
- 195R15 Tosha
- 9.5R17.5 Kifaru
- 315/80R22.5 Kifaru AP

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## Our Property Investments



Our fully owned subsidiaries, Sameer EPZ Limited and Sameer Industrial Park Limited let space for tenants licensed to operate in an EPZ.



Sameer Business Park, owned through our associate company Sameer Business Park Limited, is a world-class rented facility that is located conveniently along Mombasa Road.



Sameer Africa lets rented space in its Mombasa Road premises.

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## CHAIRMAN'S STATEMENT

**“Despite the uncertainties in our operating environment, we remain confident in the long-term potential of the industrial real estate sector, and we are well-positioned to capitalize on emerging opportunities.”**

Eng. Erastus Mwongera  
Chairman



On behalf of the Board, Management and Employees of Sameer Africa PLC, it is a great honour for me to present to you the Annual Report for the year ended 31 December 2022.

#### ECONOMIC OUTTURN

In the year under review, Kenya's economy continued to experience headwinds as a result of lingering effects of the COVID-19 pandemic, suppressed agricultural output due to severe drought, a rise in the price of commodities due to the Eastern Europe conflict, uncertainty in the run up to the general elections, weakening local currency and increased public debt load. According to the National Bureau of Statistics, Gross Domestic Product (GDP) grew at a slower pace of 4.8% in 2022 compared to 7.1% in 2021.

Inflation remained well above the official target of 5% (+/-2.5%), peaking at 9.6% in October 2022. In a bid to tame inflation, the Central Bank Rate was revised upwards from 7.0% in March 2022 to 9.5% in March 2023, and as a result, lending rates are at the highest level since 2018. These pressures continued to impact on consumer purchase power.

During the year, the company

continued to implement its growth strategy focused on extracting value from our existing portfolio of investment properties, and targeted sale of our flagship Yana and Summit brands.

#### STRATEGY

The tyre industry in Kenya and the region has continued to suffer from the double scourge of illicit trade and dumping from some major manufacturing nations. In September 2022, the South African Revenue Authority imposed additional anti-dumping duties of 38.33% on eight categories of Chinese tyre imports for a period of 6 months following a preliminary determination by the International Trade Administration Commission of South Africa.

In light of the persisting systemic challenges, and to ensure gains in the property segment are not eroded by losses in the tyre-trading segment, the Board and Management of the Company are undertaking a detailed review of the segment together with key stakeholders to inform the company's approach going forward.

We have made significant progress in planning for expansion of our industrial real estate portfolio and

capitalizing on new opportunities in the industrial real estate segment. We will be breaking ground on our infill project at our Mombasa Road complex in the second half of 2023. This underlines our commitment to delivering quality industrial properties that meet the evolving needs of our customers and contribute to the communities in which we operate, and in return, provide attractive and sustainable returns to our shareholders.

During the period under review, the company entered into an agreement to sell a portion of undeveloped leasehold land, and subject to customary terms and conditions, the sale will conclude in 2023. The net proceeds from the sale will fund the infill project, and retire debt and consequently provide savings in finance costs and reduce exposure to foreign exchange losses.

#### SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

At Sameer Africa, we firmly believe in the importance of sustainable development and corporate social responsibility. We have taken various initiatives to reduce our environmental footprint and promote energy efficiency across our properties. We are incorporating green building

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practices in new projects, which not only contribute to environmental preservation but also offer long-term cost savings to our clients.

### RISK MANAGEMENT

Risk management plays an integral role in our business operations, enabling us to identify, assess, mitigate, and monitor risks that may affect our operations, financial performance, and reputation. By effectively managing risks, we strive to ensure the long-term sustainability and success of your company.

The Board of Directors is responsible for setting up an appropriate risk management framework with clear policies and procedures to facilitate risk management across the organization. As we navigate an ever-evolving business landscape, we are committed to continuously improving our risk management practices and we remain vigilant to identify and address emerging risks and opportunities. By doing so, we aim to sustain our growth, protect shareholder value, and maintain the trust of our stakeholders.

### GOVERNANCE

Governance is the foundation of our business. It encompasses the systems, processes, and principles by which we are directed, controlled, and held accountable. We firmly believe that strong governance practices not only promote transparency and accountability but also contribute to the long-term sustainable positioning of our organization.

During the year under review, there were no changes in directors of the Board or the constitution of the various Board Committees.

Mr. Peter Gitonga's contract as Managing Director expired on 31 December 2022. Under Mr. Gitonga's leadership, the company successfully navigate the unprecedented

challenges presented by the COVID-19 pandemic and the resulting economic downturn. As you will recall, Mr. Gitonga was serving as a Director before his appointment to the position of Managing Director, and the Board invited Mr. Gitonga to serve as an additional non-executive Director from 1 January 2023.

The Board appointed Mr. John Mugo as the Managing Director from 1 January 2023. Mr. Mugo brings a wealth of experience in corporate transformation and growth leadership, and we are confident that we will continue on our path of transformation and growth under his leadership.

### OUTLOOK

Global economic growth is projected to decline sharply in 2023 to its third weakest pace in nearly three decades as the coordinated policy tightening by central banks, worsening financial conditions and the uncertainty brought by the conflict in Eastern Europe continue to weigh heavily on economic activity. In our primary market, Kenya, the new Administration is seeking to drive economic turnaround and inclusive growth by implementing the 'Bottom-Up Economic Transformation Agenda', with an emphasis on aggressive fiscal revenue mobilization to bridge budget deficits and fund key projects.

Given the volatility of the global economy and the uncertainties around the fiscal and monetary policies in Kenya, we will continue to closely monitor regulatory changes, market trends, and macroeconomic factors to ensure we adapt our strategies accordingly.

Despite the uncertainties in our operating environment, we remain confident in the long-term potential of the industrial real estate sector, and we are well positioned to capitalize on emerging opportunities.

I take this opportunity to express my deepest gratitude to the Board of Directors, Management, Employees, esteemed Shareholders, valued Customers, and all Stakeholders who have contributed to our success. Together, we will forge ahead, building on our achievements, and create a brighter future for Sameer Africa.

God bless Sameer Africa and God bless each one of you.

**Eng. Erastus Kabutu Mwongera**

FIEK, RCE, CBS

**Chairman**



## Kauli Ya Mwenyekiti

**“Licha ya uwepo wa hali ya sintofahamu katika mazingira yetu ya uendeshaji, tunasalia na uhakika katika uwezo wa muda mrefu wa sekta ya mali isiyohamishika ya viwanda, na tumejipanga vyema kutumia fursa zinazojitokeza.”**

### RIPOTI YA MWAKA YA SAMEER AFRICA PLC KWA MWAKA ULIOKAMILIKA TAREHE 31 DISEMBA 2022

Kwa niaba ya Bodi, Uongozi na Wafanyakazi wa Sameer Africa PLC, ni heshima kubwa kwangu kuwasilisha kwenu Ripoti ya Mwaka, kwa mwaka uliokamilika tarehe 31 Desemba 2022.

#### MATOKEO YA KIUCHUMI

Katika mwaka unaoangaziwa, uchumi wa Kenya uliendelea kukumbwa na misukosuko mathalan, athari zilizoibuliwa na janga la UVIKO-19, ukandamizaji wa pato la kilimo kutokana na ukame mkali, mfumuko wa bei ya bidhaa kutokana na mzozo wa Ulaya Mashariki, hali tatanishi kuelekea uchaguzi mkuu, kudhoofika kwa sarafu za ndani na kuongezeka kwa mzigo wa deni kwa Umma. Kwa mujibu wa Ofisi ya Taifa ya Takwimu, Pato la Kitaifa (GDP) lilikua kwa kasi ndogo ya 4.8% mwaka 2022 ikilinganishwa na 7.1% mwaka 2021.

Mfumuko wa bei ulisalia kuwa juu ya makadirio rasmi ya asilimia 5% (+/-2.5%), na kufikia kilele cha asilimia 9.6% Oktoba 2022. Katika jitihada za kudhibiti mfumuko wa bei, Kiwango cha Benki Kuu kilirekebisha kutoka 7.0% Machi 2022 hadi 9.5% Machi 2023, hivyo basi, viwango vya mikopo vikawa katika kiwango cha juu zaidi

tangu 2018. Shinikizo hili liliendelea kuathiri nguvu za ununuzi.

Katika mwaka huo, kampuni iliendelea kutekeleza mkakati wake wa ukuaji unaolenga kupata thamani kutoka kwa jalada letu lililopo la mali za uwekezaji, na uuzaji uliolengwa wa chapa zetu kuu za Yana pamoja na Summit.

#### MKAKATI

Sekta ya matairi nchini Kenya na ukanda huu wa Afrika umeendelea kukumbwa na janga maradufu la biashara haramu na utupaji taka kutoka kwa baadhi ya mataifa makubwa ya viwanda. Mnamo Septemba 2022, Mamlaka ya Mapato ya Afrika Kusini iliweka ushuru wa ziada wa 38.33% kwa aina nane za uagizaji wa matairi kutoka China kwa muda wa miezi 6 kufuatia uamuzi wa awali wa Tume ya Kimataifa ya Utawala wa Biashara ya Afrika Kusini. Kwa misingi ya changamoto za kimfumo zinazoendelea, na ili kuhakikisha faida katika sehemu ya mali haiharibiwi na ili kuzuia hasara katika sehemu ya biashara ya matairi, Bodi na Usimamizi wa Kampuni wanafanya uhakiki wa kina wa sehemu hiyo pamoja na washikadau wakuu ili kuielekeza vema kampuni jinsi ya kujiendelea.

Tumepiga hatua kubwa katika mkakati wa upanuzi wa jalada letu la mali isiyohamishika ya viwanda na kutumia fursa mpya katika sehemu ya mali isiyohamishika ya viwanda. Tutaanzisha mradi wetu wa kujaza bidhaa katika jumba letu la Mombasa Road katika nusu ya pili ya 2023. Hii inaashiria dhamira yetu ya kutoa mali bora za kiviwanda zinazokidhi mahitaji yanayobadilika ya wateja wetu na kuchangia kwa jamii tunamofanyia kazi, na upande mwingine, kutoa mapato ya kuvutia na endelevu kwa wanahisa wetu.

Katika kipindi kinachorejelewa, kampuni iliingia katika makubaliano ya kuuza sehemu ya ardhi ya kukodisha ambayo haijaendelezwa, na kwa kuzingatia sheria na masharti ya kimila, mauzo yatakamilika mwaka

wa 2023. Mapato halisi kutokana na mauzo yatafadhili mradi wa kujaza, na kusitisha madeni hivyo basi, kutoa akiba katika gharama za fedha na kupunguza madhara yatokanayo na upotevu wa fedha za kigeni.

#### UENDELEU NA WAJIBU WA KIJAMII NA WA KAMPUNI

Katika Sameer Africa, tunaamini kwa dhati umuhimu wa maendeleo endelevu na uwajibikaji wa kijamii wa shirika. Tumechukua hatua madhubuti ili kupunguza athari zetu kwa mazingira na kukuza ufanisi wa nishati katika mali zetu zote. Tunajumuisha mazoea ya ujenzi wa kijani kibichi katika miradi mipya, ambayo sio tu inachangia uhifadhi wa mazingira ila pia hutoa hupunguza gharama ya muda mrefu kwa wateja wetu.

#### UDHIBITI WA HATARI

Udhibiti wa hatari una jukumu muhimu katika shughuli zetu za kibiashara, hutuwezesha kutambua, kutathmini, kupunguza na kufuatilia hatari zinazoweza kuathiri shughuli zetu, utendakazi wa kifedha na sifa. Kwa kudhibiti hatari kwa ufanisi, tunajitahidi kuhakikisha uendelevu wa muda mrefu na mafanikio ya kampuni yako.

Bodi ya Wakurugenzi ina jukumu la kuweka mfumo ufao wa udhibiti wa hatari uliojikita kwenye sera na taratibu zilizo wazi ili kuwezesha usimamizi wa hatari kote katika shirika. Tunapopitia mazingira ya biashara yanayoendelea kubadilika, tumejitolea kuendelea kuboresha mbinu zetu za udhibiti wa hatari na tunaendelea kuwa macho ili kutambua na kushughulikia hatari na fursa zinazojitokeza. Kwa kufanya hivyo, tunalenga kudumisha ukuaji wetu, kulinda thamani ya wanahisa, na kudumisha imani ya washikadau wetu.

#### UONGOZI

Uongozi ndio msingi wa biashara yetu. Inajumuisha mifumo, taratibu, na kanuni ambazo kwazo tunaeelekezwa, tunadhibitiwa na kuwajibishwa. Tunaamini kwa uthabiti kwamba kanuni dhabiti za utawala haziendelezi tu uwazi na uwajibikaji bali pia huchangia katika nafasi endelevu ya

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muda mrefu ya shirika letu. Katika mwaka unaomalizika, hakukuwa na mabadiliko ya wakurugenzi wa Bodi au katiba ya Kamati mbalimbali za Bodi.

Kandarasi ya Bw. Peter Gitonga kama Mkurugenzi Mkuu iliisha tarehe 31 Desemba 2022. Chini ya uongozi wa Bw. Gitonga, kampuni hii imefanikiwa kukabiliana na changamoto ambazo hazijawahi kushuhudiwa zilizoletwa na janga la UVIKO-19 na kuzorota kwa uchumi. Kama mtakumbuka, Bw. Gitonga alikuwa akihudumu kama Mkurugenzi kabla ya kuteuliwa kwa wadhifa wa Mkurugenzi Mkuu, na Bodi ilimwalika Bw. Gitonga kuhudumu kama Mkurugenzi wa ziada asiye mtendaji kuanzia tarehe 1 Januari 2023.

Bodi ilimteua Bw. John Mugo kama Mkurugenzi Mkuu kuanzia tarehe 1 Januari 2023. Bw. Mugo analeta tajiriba na uzoefu katika mabadiliko ya shirika na uongozi wa ukuaji, na tuna imani kwamba tutaendelea katika njia yetu ya mabadiliko na ukuaji chini ya uongozi wake.

## MTAZAMO

Ukuaji wa uchumi wa dunia unatarajiwa kupungua kwa kasi katika 2023, hadi kasi yake ya tatu dhaifu katika karibu miongo mitatu huku sera iliyoratibiwa inayoimarishwa na benki kuu, hali mbaya ya kifedha na uwepo wa hali tatanishi unaoletwa na mzozo wa Mashariki mwa Ulaya kunaendelea kuelemea shughuli za kiuchumi. Katika soko letu la msingi Kenya, Utawala mpya unalenga kuleta mabadiliko ya kiuchumi na ukuaji shirikishi kwa kutekeleza 'Ajenda ya Mabadiliko ya Kiuchumi ya Chini Juu', kwa kusisitiza uhamasishaji wa mapato ya fedha ili kupunguza nakisi ya bajeti na kufadhili miradi muhimu.

Kwa misingi wa hali hii tatanishi wa uchumi wa dunia na kutokuwa na uhakika kuhusu sera za fedha hususan nchini Kenya, tutaendelea kufuatilia

kwa karibu mabadiliko ya udhibiti, mwelekeo wa soko, na mambo ya uchumi mkuu ili kuhakikisha tunarekebisha na kuoanisha mikakati yetu ipasavyo.

Licha ya upungufu wa uhakika katika mazingira yetu ya uendeshaji, tunasalia na uhakika katika uwezo wa muda mrefu wa sekta ya mali isiyohamishika ya viwanda, na tuna nafasi nzuri ya kutumia fursa zinazojitokeza.

Nachukua fursa hii kutoa shukurani zangu za dhati kwa Bodi ya Wakurugenzi, Uongozi, Wafanyakazi, Wanahisa waheshimiwa, Wateja wa thamani, na Wadau wote ambao wamechangia mafanikio yetu. Kwa pamoja, tutasonga mbele, tukijenga mafanikio yetu, na kuunda mustakabali mzuri wa Sameer Africa.

Mungu aibariki Sameer Africa na Mungu awabariki kila mmoja wenu.

## Mhandisi Erastus Kabutu Mwongera

FIEK, RCE, CBS

## Mwenyekiti

## MANAGING DIRECTOR'S STATEMENT

"I would like to thank all our clients and business partners for their unwavering goodwill. I would also like to appreciate the Board of Directors for their support and oversight. Finally, I recognise and appreciate our teams who daily live out our values – I CARE – and make it possible for us to serve our clients with excellence, as their business partner of choice."

John Mugo  
Managing Director



## A LEADER IN PROPERTY BUSINESS

The Company ventured into the property business in 1991 with the establishment of Sameer Industrial Park, the first Export Processing Zone (EPZ) to be gazetted in Kenya and among the first in Africa. To date, the Company has extended its property offering to more than 750,000 square feet of lettable industrial space with a mix of EPZ and non-EPZ facilities.

We have prioritised customer service and our clients trust us to provide their warehousing needs, serving over 40 tenants in various sectors including distribution, retail, manufacturing, agro-processing, business process outsourcing and energy, with over 90% occupancy and high retention rates.

The benefits our clients enjoy include:

- 10 minutes' drive to JKIA, Kenya's largest aviation facility and gateway to the rest of Africa, consistently ranked as handling the highest volume of freight in Africa
- 10 minutes' drive to the Nairobi Inland Container Depot linking to the Mombasa port by rail with capacity to handle 180,000 TEUs per annum
- Less than 2 hour's driving radius to cover the Nairobi Metropolitan Area with a population of more than 10 million
- Secure site having a single entry and exit gatehouse, with 24/7 security and CCTV coverage

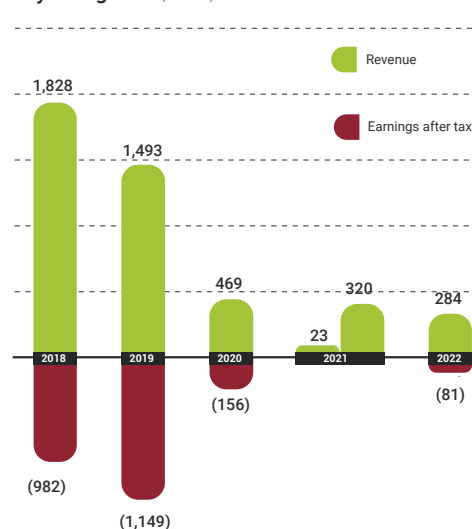
- 10 MVA installed electrical power on reliable 66kV transmission line
- Fast and reliable fibre connectivity
- Adequate utility water supplemented by dedicated boreholes and back-up storage
- In-house property management team

## PERFORMANCE REVIEW

Performance in our property segment has been impressive over the years and remained resilient in 2022 despite the challenging macro-economic environment. Over the last five years, revenue and earnings after tax have registered compounded annual growth rate of 8.2% and 46.5% respectively, demonstrating the positive impact of scale on earnings coupled with a disciplined approach to managing costs. In 2022, revenue and earnings after tax declined compared to prior year mainly due to a fire incident that led to a loss in rental income. We expect to recoup part of the loss from our insurance policy.

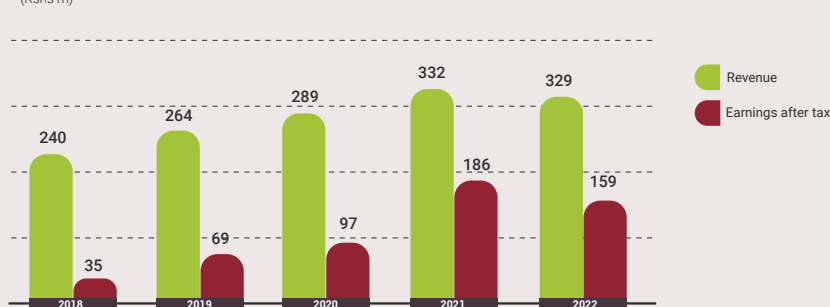
Over the same 5-year period, the tyre trading segments registered a downward trend with revenue declining 84% from KShs 1.83 billion in 2018 to KShs 284.4 million in 2022 and a total of KShs 2.34 billion in losses accumulated over this period, significantly weakening the Company's balance sheet.

## Tyre Segment (Kshs m)



## Property Segment

(Kshs m)



# Managing Director's Statement (...Continued)

OVERVIEW

## 5 YEAR CAGR

Revenue Growth

# 8.2% ▲

## 5 YEAR CAGR

Earning After Tax

# 46.5% ▲

\*CAR (Compound Annual Growth) Rate

OUR BUSINESS

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# 750K

**SQUARE FT OF INDUSTRIAL  
PROPERTY WITHIN NAIROBI.**

We employ a disciplined approach to expansion by working with existing and prospective tenants to develop built-to-suit infrastructure backed by pre-construction long-term lease agreements.

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## OUR APPROACH TO VALUE CREATION

The Company has significant advantages in the property segment. As the first EPZ in the region, the Company is the most experienced EPZ developer and is well placed to support the ambition of the Kenyan government to promote export oriented industrial investments by expanding our infrastructure footprint. With over 750,000 square feet of industrial property within Nairobi, the Company is a major player in the industry, having gained the trust of our clients to provide them with a conducive environment to run their operations.

We employ a disciplined approach to expansion by working with existing and prospective tenants to develop built-to-suit infrastructure backed by pre-construction long-term lease agreements. In this way, we offer our clients the benefit of a property that is appropriate for their operations while securing attractive and predictable rental income for the Company. The infill project that will add over 45,000 square feet of warehousing space is scheduled to commence in the second half of 2023 and follows this model.

## OUTLOOK

Prospects for the property business in Kenya and the region are bright. Nairobi metropolitan area, with a population of more than 10 million, has a large and growing market that is attractive for manufacturing and retail enterprises. Africa, with the youngest population in the world and projected by the IMF to have more people reaching working age than the rest of the world combined by 2035, is touted to be the next growth frontier for the world economy. The favourable demographics, coupled

with increased urbanisation, adoption of new technology and regional integration efforts through the Africa Continental Free Trade Area present compelling drivers of the growth for Africa as the source of labour for the global economy and a key consumer market into the future. The enterprises looking to exploit the opportunities in Kenya and the wider African region will require real estate to house their operations, and Sameer Africa is well positioned to be the partner of choice.

We are committed to building a resilient, sustainable and profitable business and our teams are engaged, equipped and motivated to make this vision a reality.

John Mugo  
**Managing Director**



# Ripoti Ya Mkurugenzi Mkuu

**"Ningependa kuwashukuru wateja wetu wote na washirika wa biashara kwa nia yao njema isiyoyumba. Pia ningependa kushukuru Bodi ya Wakurugenzi kwa usaidizi na usimamizi wao. Hatimaye, ninatambua na kuthamini timu zetu ambazo kila siku zinaishi kulingana na maadili yetu - NINAJALI - na hutuwezesha kuwahudumia wateja wetu kwa ubora, kama mshirika wao wa chaguo la biashara."**

## KIONGOZI KATIKA BIASHARA YA MALI

Kampuni ilijitosa katika biashara ya kumiliki mali mwaka wa 1991 kwa kuanzishwa kwa Sameer Industrial Park, Eneo la kwanza la Uchakataji Uuzaji Nje (EPZ) kutangazwa katika gazeti la serikali nchini Kenya na kati ya la kwanza barani Afrika. Hadi sasa, Kampuni imepanua mali yake kwa zaidi ya futi za mraba 750,000 za eneo la viwanda linaloweza kutumika na mchanganyiko wa EPZ na vifaa visivyo vya EPZ.

Tumeweka kipaumbele cha huduma kwa wateja na wateja wetu wanatuamini kutoa mahitaji yao ya ghala, kuwahudumia wapangaji zaidi ya 40 katika sekta mbalimbali ikiwa ni pamoja na usambazaji, rejareja, viwanda, usindikaji wa kilimo, mchakato wa biashara ya nje na nishati, na umiliki wa zaidi ya 90% na viwango vya juu vya kuhifadhi.

Faida ambazo wateja wetu wanafurahia ni pamoja na:

- Dakika 10 kwa gari hadi JKIA, kituo kikubwa zaidi cha usafiri wa anga nchini Kenya na lango la Afrika nzima, iliyoorodheshwa mara kwa mara kama kushughulikia mizigo ya juu zaidi barani Afrika.
- Dakika 10 kwa gari hadi Bohari ya Kontena ya Ndani ya Nairobi inayounganisha bandari ya Mombasa kwa reli yenye uwezo wa kuhudumia TEU 180,000 kwa mwaka
- Chini ya mwendo wa masaa 2 ili kufikia Eneo la Metropolitan la Nairobi lenye wakazi zaidi ya milioni 10
- Salama tovuti kuwa na lango moja la

kuingilia na kutoka, na usalama wa 24/7 na chanjo ya CCTV

- 10 MVA imeweka nguvu ya umeme kwenye njia ya kutegemewa ya 66kV ya upokezaji
- Uunganisho wa nyuzi za haraka na za kuaminika
- Maji ya matumizi ya kutosha yakiongezewa na visima vilivyojitolea na uhifadhi wa chelezo
- Timu ya usimamizi wa mali ya ndani

## UHAKIKI WA UTENDAJI

Utendaji katika sehemu yetu ya mali umekuwa wa kuvutia kwa miaka mingi na ulisalia kuwa thabiti mnamo 2022 licha ya changamoto ya mazingira ya uchumi mkuu. Katika kipindi cha miaka mitano iliyopita, mapato halisi na mapato baada ya ushuru zimejumuishwa katika kiwango cha ukuaji cha kila mwaka cha 8.2% na 46.5% mtawalia, jambo linaloonyesha matokeo chanya ya viwango kwenye mapato pamoja na mbinu ya nidhamu ya kudhibiti gharama. Mnamo 2022, mapato halisi na mapato baada ya ushuru yalipungua ikilinganishwa na mwaka uliopita hasa kutokana na tukio la moto ambalo lilisababisha hasara ya mapato ya kukodisha. Tunatarajia kufidia sehemu ya hasara kutoka kwa sera yetu ya bima.

Katika kipindi kama hicho cha miaka 5, sehemu za biashara ya tairi zilisajili mwelekeo wa kushuka huku mapato yakipungua kwa asilimia 84% kutoka KShs 1.83 bilioni mwaka wa 2018 hadi KShs 284.4 milioni mwaka wa 2022 na jumla ya KShs 2.34 bilioni za hasara iliyokusanywa katika kipindi hiki, na kudhoofisha mapato pamoja na Mizania ya kampuni kwa kiasi kikubwa.

## MBINU YETU YA KUTHAMINI UUMBAJI

Kampuni ina faida kubwa katika sehemu ya mali. Kama EPZ ya kwanza katika eneo hili, Kampuni ndiyo msanidi programu mwenye uzoefu mkubwa zaidi wa EPZ na iko katika nafasi nzuri ya kuiendeleza azma ya serikali ya Kenya kukuza uwekezaji wa viwanda unaolenga mauzo ya nje kwa kupanua wigo wetu wa miundombinu. Ikiwa na zaidi ya futi za mraba 750,000 za mali ya viwanda

jijini Nairobi, Kampuni ni mdau mkuu katika sekta hii, baada ya kupata imani ya wateja wetu kuwaandalia mazingira mazuri ya kuendesha shughuli zao.

Tunatumia mbinu yenye nidhamu ya upanuzi kwa kufanya kazi na wapangaji waliopo na wanaotarajiwa kuunda miundomsingi iliyojengwa ili kuambatana na makubaliano ya upangaji wa muda mrefu ya ujenzi. Kwa njia hii, tunawapa wateja wetu manufaa ya mali inayofaa kwa shughuli zao huku tukipata mapato ya kuvutia na yanayoweza kutabirika ya kukodisha kwa Kampuni. Mradi wa ujazo ambao utaongeza zaidi ya futi za mraba 45,000 za nafasi ya kuhifadhi umepangwa kuanza katika nusu ya pili ya 2023 na unafuata mkondo huu.

## MTAZAMO

Matarajio ya biashara ya mali nchini Kenya na kanda ni mazuri. Eneo la jiji la Nairobi, lenye wakazi zaidi ya milioni 10, lina soko kubwa linalokua na kuvutia kwa viwanda na biashara za reja reja. Afrika, ina idadi ndogo zaidi ya watu duniani na inakadiriwa na IMF kuwa na watu wengi zaidi wanaofikia umri wa kufanya kazi kuliko dunia nzima ikijumuishwa ifikapo 2035, unatajwa kuwa kiwango kinachofuata wa ukuaji wa uchumi wa dunia. Idadi ya watu inayopendeza, pamoja na endelevu za miji, kupitishwa kwa teknolojia mpya na juhudi za ujumuishaji wa kikanda kupitia Eneo la Biashara Huria la Bara la Afrika zinawasilisha vichochezi vya ukuaji wa Afrika kama chanzo cha kazi, kwa uchumi wa kimataifa na soko kuu la watumiaji katika siku zijazo. Biashara zinazotafuta kutumia fursa nchini Kenya na eneo kubwa la Afrika zitahitaji mali isiyohamishika kuandaa shughuli zao, na Sameer Africa iko katika nafasi nzuri ya kuwa mshirika anayechaguliwa.

Tumejitolea kujenga biashara thabiti, endelevu na yenye faida na timu zetu zinajishughulisha, zimeandaliwa na kuhamasishwa ili kufanya maono haya kuwa na uhalisi.

John Mugo  
**Mkurugenzi Mkuu**

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# Our Strategy

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## OUR STRATEGIC ENABLERS



### Culture

The behaviors and attitudes that define us as a Company and Individuals



### Market Conditions

Proactively anticipating and responding to opportunities and risks



### Competitive Return On Capital

Generate sustainable returns that exceed the cost of funding



### Clarity on strategy

Where we choose to play and how we intend to win



### Competence

Having the required skill, knowledge and experience to execute on strategy

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## THE PILLARS

### Industrial Property

Our portfolio of investment property offers convenience, accessibility, and proximity to key transportation hubs. Its strategic positioning ensures seamless logistics and easy market access.



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Cost Optimization

Our strategic focus on cost optimization drives sustainable growth and maximizes returns. By implementing innovative processes, streamlining operations, and leveraging technology, we identify and eliminate inefficiencies at every level.

Our goal is to deliver exceptional value to our clients while reducing expenses and enhancing profitability. With a relentless commitment to cost optimization, we ensure that resources are utilized effectively, budgets are optimized, and opportunities for savings are capitalized upon.

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Our Values



Integrity

I do right, in the right way



Collaborate

I work jointly with partners to achieve shared objective

Our Values



Agility

I respond and quickly adapt to market changes and client needs



Respect

I believe that our partners and planet are important and should not be harmed



Excellence

I am the best at what I do

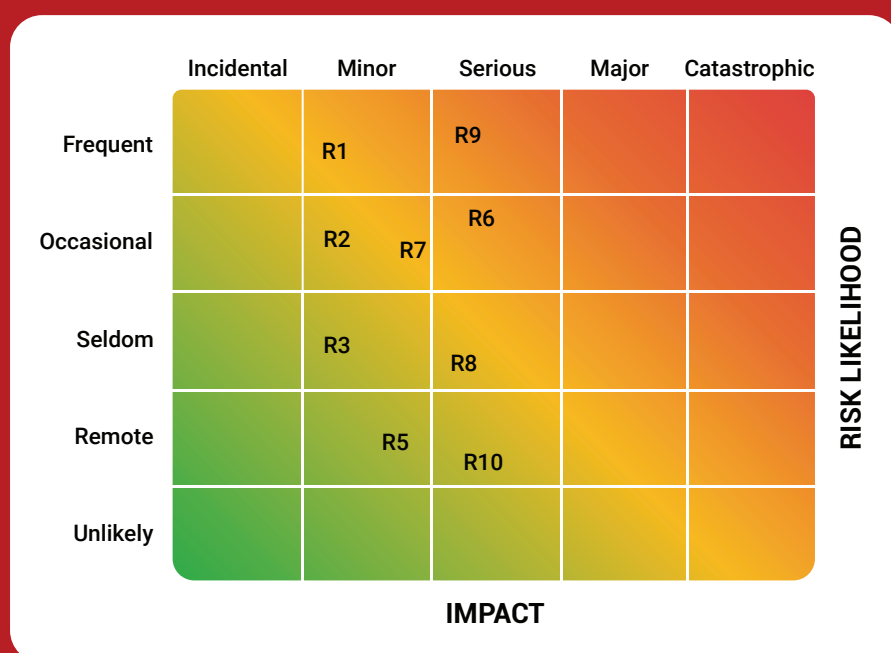
## Risk & Opportunities

In today's dynamic business environment, managing risk has become an indispensable aspect of corporate governance and strategic decision-making. Sameer Africa recognizes the importance of effectively identifying, assessing, and mitigating risks to ensure sustainable growth and protect stakeholder interests.

Management has identified some of the key risk that our business will face in the coming year.

### KEY RISKS

#### RISK HEAT MAP



#### KEY

RISK	RANKING
Market demand risk	R1
Competition risk	R2
Technological risk	R3
Environmental and regulatory risk	R4
Trade disputes and Tariffs risk	R5
Currency exchange rate volatility risk	R6
Geopolitical risk	R7
Regulatory changes and policy uncertainty	R8
Supply chain risk	R9
Data privacy and cyber security	R10

The industrial property real estate sector faces a range of risks associated with market demand, competition, technology, regulations, and the global economy. However, these risks also present opportunities for innovative property development, sustainable practices, and adapting to changing market dynamics.

The tyre-trading sector continues to face frequent challenges in supply chain, which has led to continuous disruption in the availability of our key-stocking units.

#### OPPORTUNITIES

- E-Commerce and last mile logistics.
- Supply chain resilience and localization.
- Technological advancements.
- Infrastructure development and transportation hubs.
- Urban revitalization and adaptive reuse.
- Sustainable and green initiatives.
- Expansion of manufacturing and industrial sectors.
- Emerging markets and International Investments.



## Risk Management Framework

Sameer Africa's risk management policy is modelled across the COSO framework, while the latest COSO enterprise risk management framework retains many of the same characteristics as the original, it places greater emphasis on strategy. The updated framework places greater emphasis on the importance of integrating risk considerations when designing and implementing strategies to accomplish the organization's performance goals and objectives.

The COSO framework is summed up by the diagram below;



Besides focusing more on strategic objectives, the new framework places greater emphasis on culture, risk appetite and integrating risk management throughout the organization.

### The framework includes five components:

**1. Governance and Culture** – Forms the basis of the other components by providing guidance on board oversight responsibilities, operating structures, leadership's tone, and attracting, developing, and retaining the right individuals.

**2. Strategy & Objective-Setting** – This component focuses on strategic planning and how the organization can understand the effect of internal and external factors on risk. This section provides guidance on analyzing business context, defining risk appetite, and formulating objectives.

**3. Performance** – After an organization develops its strategy, it then moves on to identify and assess risks that could affect its ability to achieve these goals. This section not only helps guide the organization's risk identification

and assessment, but also how to prioritize and respond to risks.

**4. Review and Revision** – After risks have been prioritized and a course of action chosen, the organization moves into the review and revision phase where it assesses any changes that have taken place. This provides the opportunity to understand how the enterprise risk management process in the organization can be improved.

**5. Information, Communication, and Reporting** – The last component of the framework involves sharing information from internal and external sources throughout the organization. Systems are used to capture, process, manage, and report on the organization's risk, culture, and performance.

# Sustainability

At Sameer Africa PLC, we are steadfast in our commitment to sustainability, recognizing our responsibility to protect the environment, support communities, and uphold ethical business practices. Our sustainability initiatives are embedded throughout our operations, and we strive to make a positive impact in society.

## Environmental Stewardship

We prioritize environmental conservation by implementing sustainable building practices. Our properties are designed with energy-efficient systems, utilizing renewable energy sources wherever possible.

We actively promote water conservation, waste reduction, and recycling initiatives to minimize our ecological footprint.



We have achieved carbon neutrality by effectively managing our Scope 1 and Scope 2 emissions. Through rigorous monitoring, reduction initiatives, and offsetting programs, we have successfully neutralized our direct and indirect greenhouse gas emissions.

Our commitment to sustainability drives us to continuously seek innovative solutions, reduce our environmental impact, and contribute to a greener future for all.

## Ethical Governance

Our governance practices embody transparency, accountability, and integrity. We adhere to stringent ethical standards, complying with all relevant laws and regulations.

We promote diversity and inclusion in our workforce, ensuring equal opportunities and fostering a culture of respect and fairness.

MEN

62%



WOMEN

38%



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Staff Christmas

Medical Camp

Staff Engagement

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We recognize that providing competitive and livable wages is essential for the well-being of our employees and their communities. We are proud to report that our entry-level wages are set at 165% above the minimum wage.

### Commitment to Responsible Tax Practices

We are dedicated to conducting business with integrity, including responsible tax practices. We prioritize compliance with tax laws, regulations, and reporting requirements. Our commitment extends to transparent and ethical tax planning, ensuring a fair contribution to the communities in which we operate. By adhering to sustainable tax practices, we strive to uphold our social and environmental responsibilities, fostering trust, and contributing to a sustainable and equitable economic landscape.

During the year, Sameer Africa PLC (the group) paid Ksh 130.6 million in income tax.

### Partnerships and Innovation

We actively seek collaborations with industry peers, experts, and innovators to drive sustainable solutions. By staying at the forefront of emerging technologies and best practices, we continuously strive to improve our environmental performance and contribute to a more sustainable future.

We have embraced cloud technology for data management, reducing paper usage, optimizing resources, and promoting sustainable practices. By leveraging the cloud, we enhance efficiency, reduce environmental impact, and contribute to a greener future.



Looking ahead, Sameer Africa PLC remains committed to setting ambitious sustainability targets, monitoring our progress, and reporting transparently on our sustainability journey. We firmly believe that by integrating sustainability into our core business practices, we can create enduring value for our stakeholders while safeguarding the planet and fostering thriving communities.

# Our Stakeholder Groups

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Our stakeholders are crucial to the success of Sameer Africa, as they hold a stake in its outcomes. From employees to customers, investors to suppliers, each stakeholder brings unique perspectives and expectations. Engaging and satisfying our stakeholders, whether through employee empowerment, customer-centric approaches, transparent communication with investors, or responsible practices in the community, is vital for building strong relationships and driving sustainable success.

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### Investors and Shareholders

Investors and shareholders are vital stakeholders as they provide the financial capital necessary for the company's growth and development with expectations of increased share value over the longterm.

### Tenants and Occupiers

Tenants and occupiers of our industrial properties are critical stakeholders for Sameer Africa. Our tenants are primarily concerned with the availability, suitability, and cost-effectiveness of the industrial spaces offered by the company.

Their satisfaction and ongoing occupancy contribute to the company's rental income, long-term lease agreements, and overall property portfolio performance.

### Employees and Workforce

Our employees and workforce play a vital role in the company's success. Employees are interested in fair employment practices, career development opportunities, and a safe working environment.

Effective communication, training programs, and employee engagement initiatives are important to maintain a motivated and productive workforce.

### Local Communities and Residents

The local communities and residents in the areas where Sameer Africa operates are essential stakeholders. Communities are interested in the company's contribution to the local economy, job creation, and responsible corporate citizenship.

Building positive relationships with local communities through community outreach programs, environmental stewardship, and social responsibility initiatives is crucial for maintaining a good reputation and social license to operate.

### Regulatory Authorities and Government Agencies

Regulatory authorities and government agencies are key stakeholders that enforce laws and regulations governing the industrial property real estate sector. They are concerned with compliance, adherence to building codes and safety regulations, and adherence to environmental standards.

Maintaining transparent and cooperative relationships with regulatory bodies is crucial for smooth operations and regulatory compliance.

### Industry Associations and Trade Organizations

Industry associations and trade organizations represent the collective interests of companies operating in the industrial property real estate sector. Engaging with these stakeholders provides opportunities for networking, knowledge sharing, and industry advocacy.

Active participation in industry events, conferences, and collaborative initiatives can help shape industry standards and foster industry-wide best practices.

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# Audit Risk and Corporate Governance Committee

The audit, risk and corporate governance committee is established by the Board of directors of the company to assist in fulfilling its responsibilities for internal controls, risk management, corporate governance, compliance with laws and regulations and oversight of internal and external audit and the risk management function.

## Composition of the Committee

- Dr. Lydia M. Mbuthia (Chair)
- Mr. Sameer N. Merali
- Ms. Mary Ngatia

## Attendance of the committee

Attendance			
Member	29.03.2022	25.07.2022	17.11.2022
Dr. Lydia M. Mbuthia (Chair)	✓	✓	✓
Mr. Sameer N. Merali	✓	✓	✓
Ms. Mary Ngatia	✓	✓	✓

## Other attendees at committee meetings in 2022 included:

- The Managing Director
- The Head of Operations and Strategy
- The Head of Internal Audit and Risk
- The Company Secretary

All of whom are permanent invitees to committee meetings.

## Committee responsibilities

The committee's role is to review, on behalf of the board, the Group's internal financial controls. It is also responsible for oversight and advice to the board on matters relating to reporting and risk and has exercised oversight of the work undertaken by the internal auditor and the external auditor, RSM Eastern Africa LLP.

## Activities in the year

During the year the committee:

- Reviewed the report on exposure of outstanding receivables and provided their recommendations.
- Reviewed and approved the risk identification, assessment, and planned audit review schedule.
- Actively monitored the work of the internal auditor.
- Reviewed the risk management reports, with particular emphasis on risks that had crystallized during the reporting period.
- Reviewed and approved the corporate governance framework, ensuring its alignment with best practices and regulatory requirements.
- Reviewed the legal compliance audit report and assessed the status of implementation on recommendations.
- Reviewed litigation status reports and provided recommendations on expediting outstanding legal cases.
- Reviewed new and updated policies to ensure their compliance with regulatory requirements and alignment with the organization's strategic objectives.
- Reviewed the non-compliance report on company policies, addressing any instances of policy violations.
- Reviewed the organization's general insurance policies and provided recommendations for improvements.
- Engaged the external auditor and received their reports.
- Considered and reviewed the external auditor's appointment and fees. The committee evaluated the auditor's qualifications, expertise, and experience to ensure their suitability for the organization's needs. The committee also reviewed and approved the auditor's fees, ensuring they were fair and reasonable.
- Received and discussed the key audit matters highlighted by the external auditor.
- Actively followed up on the closure of issues raised by both the internal and external auditors.

The Board Audit Risk and Corporate Governance Committee's commitment to oversight and risk management has contributed to the company's financial integrity and compliance. The committee's thorough review of key audit matters, and diligent follow-up on audit issues have strengthened the organization's control environment.

We express our appreciation to the committee members for their valuable contributions during the reporting period.

# Governance

## Board of Directors

Our board of directors promotes sound corporate governance and provides the leadership that makes this possible. Sameer Africa has a strong board that comprises of members with appropriate skills and experience.

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**Engineer Erastus Mwongera**  
**Chairman (Non-Executive)**  
**Appointed: 23 July 2010**

Eng Mwongera is a Civil Engineer by profession, a Registered Consulting Engineer, Fellow of the Institution of Engineers of Kenya, Chairman of Engineers Board of Kenya and Chairman of Eminent Engineers Forum. He is a board member of Federation of Kenya Employers and

Honorary Secretary of Automobile Association of Kenya. Eng Mwongera is a consultant specialising in engineering, leadership, management and strategic planning.

Eng Mwongera has a distinguished career in both public and private sectors spanning over forty years. He started his career in the water sector where he rose through the ranks to be Principal of Kenya Water Institute and Director of Water Development for a combined period of twelve years. He served as Permanent Secretary in the Office of the Vice President; Ministry of Home affairs; Ministry of Lands and Housing; Ministry of Roads, Public Works and Housing;

Ministry of Water Resources; and Ministry of Land Reclamation, Regional and Water Development for a period of twelve years before retiring from the Civil Service in December 2005. Engineer Erastus Mwongera has served in other capacities including chairman in the boards

of Kenya Airports Authority, Kenya National Highways Authority, Linksoft Group Limited, Fountain Enterprise Program Holdings, Karen and Hillside Green Growers and Exporters; a board member of National Social Security Fund, National Bank of Kenya, National Aids Control Council, Kenya Private Sector Alliance; and a member of the Ad Hoc Taskforce on Performance Contracting.

Eng Mwongera is actively engaged in social responsibility where he has served in his Church (Nairobi Baptist Church) as elder and Chairman of Elders Court; Karen and Langata District Association as Chairman; and currently serving as director of Leadership Foundation of Kenya; and Chairman of Tanari Trust Board and Karen and Langata Trustees Board.

Eng Mwongera is the Chairman of the Board of Directors of Sameer Africa PLC and also a member of Nominations and Remuneration Committee.

**John Mugo**  
**Managing Director (Executive)**

**Appointed: 1 January 2023**

Mr. Mugo holds a Bachelor of Science Degree in Mechanical Engineering from the University of Nairobi and is a Member of the Institute of the Certified Public Accountants of Kenya (ICPAK) and the Institute of Directors of Kenya (IDK).

Mr. Mugo is a seasoned business leader with over fifteen (15) years of managerial and executive leadership experience. He has

executed transformation and growth leadership roles at various companies, having served as Chief Operations Officer at a Kenyan-based real estate investment holding company, Group Chief Operations Officer at a listed infrastructure investment group with operations in six (6) African Countries, and General Manager at a Tanzanian-based electrical goods manufacturing company. Mr. Mugo started his professional career at PwC Kenya.



**Peter M. Gitonga**  
**Director (Non-Executive)**

**Appointed: 1 August 2005**

Peter has previously served in various capacities at senior management level in Sameer Africa. He holds a Bachelor of Science Degree in Business Administration and a Master of Science in Strategic Management from the United States International University (USIU).

Peter is a member of the Institute of Directors of Kenya, Chairman of Excel Girls High School and a Board member of Abothuguchi Secondary School. Peter is a member of the nominations and remuneration and the finance and investment committee of the board.



**Dr. Lydia Muthoni Mbuthia - Director (Independent Non-Executive)****Appointed: 4 May 2017**

Lydia holds a PhD in Commerce from Nelson Mandela Metropolitan University (NMMU), South Africa, an MBA (Finance) and a Bachelor of Education (Science) from Kenyatta University.

She is a qualified accountant and a member of The Association of Chartered Certified Accountants. Lydia is also a member of The Kenya Institute of Management and The Institute of Directors of Kenya. She has previously served in various capacities

at Catholic University of Eastern Africa (CUEA) including Director of University Advancement and University Examinations Officer. Lydia also served as Chair of the University's Advancement Advisory Board. She has published several books and articles in refereed journals.

Lydia is the chair of the audit risk and corporate governance committee of the board and a member of the finance, strategy and investments committee.

**Sameer N. Merali - Director (Non-Executive)****Appointed: 22 November 2012**

Sameer holds a Master of Science degree in Banking and International Finance and a BSc (Hons) in Management Science. Sameer initially worked with Merrill Lynch International Bank Limited in the United Kingdom as an Investment Analyst between October 2000 and February 2003 and joined Sameer Investments Limited in March 2003.

He is the Chairman of Ryce East Africa Limited and Nandi Tea Estates Limited. He is the Chief Executive Officer of Sameer Investments Limited and a Director of Sasini PLC, a company listed on the Nairobi Securities Exchange.

Sameer is a member of the finance and investments committee and audit risk and corporate governance committee of the board.

**Mrs. Mary Ngatia - Director (Independent Non-Executive)****Appointed: 4 May 2017**

Mrs. Ngatia is a seasoned banker with more than 30 years of experience in Retail, Corporate Banking, Treasury Management and Microfinance operations. She holds an MBA in Strategic Management from Moi University and a Bachelor of Science (BSc) in Business Administration from the University of Maryland (USA). She is a member of the Kenya Institute of Bankers and Institute of Directors of Kenya.

Mrs. Ngatia is a board member of Bank of India and serves as the Chair of the Board's Risk and Compliance Committee of the Bank. She previously

served as the Vice Chair of the board of Kenya Women Microfinance Bank ( KWFT ) for several years before retiring in 2018.

She also serves as the Treasurer for the Kenyatta National Hospital League of Friends, a nonprofit organization that works closely with Kenyatta National Hospital in providing assistance to the needy patients in the form of equipment such as wheel chairs, crutches, walking frames etc.

In the board of Sameer Africa PLC, Mrs. Ngatia is the Chair of the Nominations and Remuneration Committee and a member of the Audit, Risk and Corporate Governance Committee of the board.

**Akif H. Butt - Director (Non-Executive)****Appointed: 24 July 2008**

Akif is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Public Accountant of Kenya (CPA (K)) and has a wealth of experience in financial management, corporate planning and strategic management. He previously worked with PricewaterhouseCoopers in Kenya and the East Africa region, Liberia and England. He joined the Sameer Group in 1989

and is currently the Group's Finance Director. He represents the interests of the Sameer Group on the boards of various companies.

Akif is the Chair of the Finance, Strategy and Investments Committee of the Board. He is also a Director of Sasini PLC and Eveready East Africa PLC, which are both quoted on the Nairobi Securities Exchange.



# Management

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## John Mugo - Managing Director

Mr. Mugo holds a Bachelor of Science Degree in Mechanical Engineering from the University of Nairobi and is a Member of the Institute of the Certified Public Accountants of Kenya (ICPAK) and the Institute of Directors of Kenya (IDK).

Mr. Mugo is a seasoned business leader with over fifteen (15) years of managerial and executive leadership experience. He has executed transformation and growth leadership roles at various companies,

having served as Chief Operations Officer at a Kenyan-based real estate investment holding company, Group Chief Operations Officer at a listed infrastructure investment group with operations in six (6) African Countries, and General Manager at a Tanzanian-based electrical goods manufacturing company. Mr. Mugo started his professional career at PwC Kenya.

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## Benard Ndirangu -- Head of Operations & Strategy

Benard is responsible for leading the financial operations, supply chain management and executing the Company's strategy.

Benard joined the company in August 2013 as the Manager-Management Accounting. Previously, he headed the finance department at Booth Extrusions Limited, a part of the Comcraft Group. Prior to Booth Extrusions Limited, Benard held various

finance roles in ARM Cement Ltd.

Benard holds a Bachelor of Commerce degree (Accounting & Finance) from Strathmore University.

He is a Certified Public Account-CPA (K) and a member of the institute of Certified Public Accountants of Kenya.

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## Mercy Mbiijiwe - Company Secretary

Mercy Kagiri Mbiijiwe has been working both in the public and private corporate sector. In her career she has served in the position of a Company Secretary for a number of years in the banking and hospitality industry.

Mercy is a graduate holder of Bachelors of Laws (LLB) from the University of Nairobi and Diploma in Law from the Kenya School

of Law. She is also a holder of a Masters in Business Administration (MBA) majoring in HR from the African Nazarene University. Mercy is an Advocate of the High Court of Kenya and a Member of the Law Society of Kenya (LSK) and also the Institute of Certified Secretaries (ICS) where she is registered as a Certified Public Secretary.

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## Jones Mutinda - Head of Property

Jones is the Head of Property, a division of Sameer Africa PLC that endeavors to maximize net income through increasing rental income, minimizing operating expenses and arrears in the company leased properties which include the Sameer Ex-factory Complex, Sameer Industrial Park, Sameer EPZ Limited among other properties within the country.

Jones joined the company in January 2022 from New Kenya Co-operative Creameries Limited (New KCC) where he was in charge of

the company's land, investments and property portfolio since 2016.

Jones is a Registered Valuer by the Valuers' Registration Board (VRB) and also a Full Member of the Institution of Surveyors of Kenya (ISK).

He holds a First Class Degree in Land Economics from the University of Nairobi, and a Master of Arts Degree in Valuation and Property Management from the same university.

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## Misiga Onkundi - Head of Internal Audit and Risk

Misiga is responsible for evaluating and monitoring the adequacy of internal controls, risk management processes and corporate governance in order to safe guard company assets and business performance. Misiga joined the company in October 2014 in credit control department. He became Internal Auditor in September 2016 a position he has held since then.

He previously worked with Unga Group Plc for 4 years.

Misiga is a graduate with a degree in Business Administration from USIU-A, Certified Public Accountant (CPA), a member of Institute of Certified Public Accountants (ICPAK) and also a member of the Institute of Internal Auditors Kenya (IIA-Kenya).

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## Alice Okutah- Human Resources Officer

Alice joined Sameer Africa PLC in December 2022. Prior to joining the company, she served as a HR professional at Vegpro Kenya Ltd, where she was in charge of HR services. Alice is a seasoned Human Resource Practitioner with expertise in building employee-centric cultures, strategic human resource support systems and promoting positive morale.

She holds a Higher National Diploma and Diploma in Human Resources Management from CHRM and is a Certified Human Resource Professional as well as a member of the Institute of Human Resource Management (IHRM). With a diverse background across Service, Manufacturing, Health Care, and Agricultural sectors, Alice brings a wealth of knowledge and skills to her role.

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## Our Whistle Blowing Policy



An important aspect of accountability and transparency is a mechanism to enable all individuals to voice concerns internally in a responsible and effective manner when they become aware, or reasonably believe that others are not meeting the expected standards in business ethics. We have an ethics email: **[whistleblowing@sameerafrica.com](mailto:whistleblowing@sameerafrica.com)** through the email, anonymous reports on unethical/suspicious activity can be made without fear of retaliation from the suspected individuals.

Our whistle blowing policy is fundamental to our professional integrity and reinforces the Group's core values of ICARE. The objectives of the policy are summarized below:

- To give employees, shareholders, customers, vendors, and other stakeholders a platform whereon they can raise their concern against any wrongdoing done by the company.
- To protect employees against retaliation due to whistle blowing policy.
- To identify and mitigate any risk or potential risks.
- To keep employees vigilant on our core values.
- To encourage inclusivity by giving each employee authority to raise concerns.

The key aspects of the policy include:

- Anonymity
- Good faith
- Confidentiality

The whistleblowing policy has been uploaded on the Company's website.

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# Directors' Report

The directors have the pleasure of presenting their report together with the audited financial statements for the year ended 31 December 2022, which discloses the state of affairs of the Group and the Company.

## 1. Principal activities

The principal activities of the Group are the letting of investment property and sourcing, importation and sale of tyres and related products and services.

## 2. Results

The results for the year are set out on page 36 and 37.

## 3. Dividend

The directors do not recommend the payment of a dividend (2021 – Nil).

## 4. Directors

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

## 5. Business overview

During the year under review, total revenue was KShs 613 million which showed a 6% decrease from the previous year (2021 – KShs 652 million). The reduced performance was mainly attributable to unavailability of key stocking units in our tyre business.

Total operating expenses were KShs 145 million which was a 23% increase against the previous year (2021 – KShs 118 million).

The Board will continue to both challenge and support the actions of management as they work to ensure the Group transitions successfully over the next coming years to a more profitable and cash-generating business model in the future.

The information on management of risks facing the business is disclosed in Note 5 to the financial statements.

## 6. Relevant audit information

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

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

## 7. Auditors

RSM Eastern Africa LLP having expressed their willingness, continues in office in accordance with Section 719 (2) of the Kenya Companies Act, 2015. The Directors approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of KShs 2,068,000 has been charged to profit or loss in the year.

## 8. Approval of financial statements

The financial statements were approved and authorized for issue at a meeting of the directors held on 20 April 2023.

## BY ORDER OF THE BOARD



**Mercy Mbijiwe**  
**COMPANY SECRETARY**

**Date: 20 April 2023**

# Directors' Remuneration Report

The directors have the pleasure of presenting their report together with the audited financial statements for the year ended 31 December 2022, which discloses the state of affairs of the Group and the Company.

## A. Non-auditable section of the Directors Remuneration Report

This report covers the remuneration governance arrangements and the remuneration outcomes for the executive director, non-executive directors and other members of the executive committee. The report fulfils the disclosure requirements under the Kenya Companies Act, 2015 and the Capital Markets Authority (CMA) Code and Listing Rules.

Details of directors' remuneration in 2022, namely remuneration paid to directors and executive management during 2022 are included in page 29.

### The remuneration policy

Aligning the interests of the executive directors with those of shareholders and with group's strategic goals is central to Sameer Africa Plc's remuneration policy.

In line with shareholders' interests being managed within a robust governance framework, the company aims to retain and incentivise high calibre executive directors by paying competitive base salary and benefits, together with a short-term annual bonus and terminal benefits linked to:

- Profits and contribution;
- The achievement of individual objectives, which are consistent with the strategy of the company and building sustainable profitability;
- The achievement of long-term strategic KPIs in line with the long-term focus of the company;
- The creation of long-term shareholders' value;
- Ongoing oversight of a robust risk management framework;
- Maintenance of strong capital and liquidity positions; and
- Addition of senior talent, building succession for leadership and setting a strong governance structure for the board's delegated authorities.

### Executive director and senior management remuneration

The table below summarizes the main elements of the remuneration packages for the Executive Director and senior management.

Function	Purpose and link to strategy	Operation	Performance metrics
Basic Salary	Reflects the individual's skills, responsibilities and experience. Supports the recruitment and retention of executive directors of the calibre required to deliver the business strategy within the competitive market environment the company operates.	Reviewed annually and paid monthly in cash. Consideration is given to a range of factors when determining salary levels, including: <ul style="list-style-type: none"><li>- Personal and companywide performance.</li><li>- Pay levels in relevant markets for each executive whilst recognising the need for an appropriate premium to attract and retain superior talent, balanced against the need to provide a cost-effective overall remuneration package.</li><li>- The wider employee pay review.</li><li>- Basic salary is subject to tax and other statutory deductions such as NSSF and NHIF paid monthly.</li></ul>	Continued good performance. Overall individual and business performance is considered when setting and reviewing salaries.

Function	Purpose and link to strategy	Operation	Performance metrics
Housing Allowance	Allowances paid monthly to cater for executive housing. This is determined on the basis of housing rates for executives of comparable entities.	Paid in cash and is subjected to tax under the PAYE system.	None
Provision for an income in retirement	To provide competitive post-retirement benefits or cash allowance as a framework to save for retirement. Supports the recruitment and retention of Executive Directors of the calibre required to deliver the business strategy.	Executives can choose to participate in the Sameer Africa Plc defined contribution scheme or receive a gratuity allowance. Contributions are set as a percentage of base salary. Post-retirement benefits do not form part of the base salary for the purposes of determining incentives.  Contract gratuity is payable at the end of the contract period and is subject to tax under the PAYE system.	None  The maximum contributions for gratuity allowances for the executive directors are 25% of base salary.
Benefits	To provide non-cash benefits which are competitive in the market in which the executive is employed. Ensures the overall package is competitive and provides financial protection for executives and their families.	The Company provides a range of market competitive benefits including leave passages, private medical insurance and other life benefits. Additional benefits include company car, education support and club membership subscriptions.  Other ad-hoc benefits such as relocation can be offered, depending on personal circumstances. Non- cash benefits are taxable in accordance with the Income Tax Act.	None
Performance bonus	Incentivises executives and senior management to achieve key strategic outcomes on an annual basis. Focus on key financial metrics and objectives to deliver the business strategy.	Measures and targets are set annually based on business plans at the start of the financial year and pay-out levels are determined by the nomination and remuneration Committee following the year-end based on performance against objectives. Paid once per annum. The Committee has the discretion to amend the bonus pay-out based on performance.	The bonus is based on the remuneration committee's assessment of executive directors' performance over the financial year against objectives, which cover: 1. Strategy, structure and people. 2. Profit and loss performance and sales. 3. Financial health. 4. Risk, compliance and reputation.



## Non-executive directors' remuneration policy

Non-executive directors have formal letters of appointment. These do not contain any notice provisions or provision for compensation in the event of early termination. Non-executive directors are encouraged to build a shareholding in the company.

The table below summarises the main elements of remuneration for non-executive directors:

Function	Purpose and link to strategy	Operation	Performance metrics
Fees	To attract and retain non-executive directors of the highest calibre and experience relevant to Sameer Africa. Directors' fees are fixed and payable monthly in arrears.	The committee determines the directors' fees at a level that is considered to be appropriate, taking into account the size and complexity of the business and the expected time commitment and contribution of the role.  Fees are reviewed annually by the board at the year-end taking into account market benchmarks for non-executives of companies of similar size and complexity with consideration of sector relevance.  The chairman's remuneration is recommended by the nomination and remuneration committee and approved by the board. Director's fees are subject to tax under the PAYE regulations.	None
Sitting allowances	To encourage directors' full participation in board and committee meetings.	Sitting allowances are paid on the basis of actual meetings attended by each director.	None
Benefits	To ensure the overall compensation is competitive.	Non- executive directors are entitled to annual medical insurance.	None

## B. Auditable section of the Directors Remuneration Report

The table below provides an analysis of the emoluments paid to the executive and non-executive directors.

	2022			2021		
	Fees KShs' 000	Sitting allowances KShs' 000	Total KShs' 000	Fees KShs' 000	Sitting allowances KShs' 000	Total KShs' 000
Eng. E.K. Mwongera	2,700	340	3,040	2,700	260	2,960
S.N. Merali	480	280	760	480	300	780
A.H. Butt	480	300	780	480	240	720
L.M. Mbuthia	480	320	800	480	300	780
M.W. Ngatia	480	360	840	480	300	780
<b>Total</b>	<b>4,620</b>	<b>1,600</b>	<b>6,220</b>	<b>4,620</b>	<b>1,400</b>	<b>6,020</b>

Managing Director P.Gitonga	2022	2021
	KShs' 000	KShs' 000
Basic pay and other allowances	13,126	12,000
<b>Total</b>	<b>13,126</b>	<b>12,000</b>
<b>Total 29 (b) iii</b>	<b>13,126</b>	<b>12,000</b>

## BY ORDER OF THE BOARD

Mercy Mbijiwe  
COMPANY SECRETARY  
Date: 20 April 2023

## Statement Of Directors' Responsibilities

The Directors are responsible for the preparation and fair presentation of the Consolidated and Separate financial statements of Sameer Africa Plc set out on pages 36 to 117 which comprise the Consolidated and Company statements of financial position at 31 December 2022, Consolidated and Company statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

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

Under the Kenyan Companies Act, 2015 the Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of the profit or loss of the Group and Company for that year. It also requires the Directors to ensure the Group keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and Company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Group and the Company and of the Group's profit or loss.

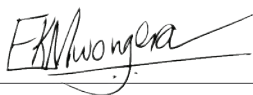
The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

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

### Approval of the financial statements

The financial statements, as indicated above, were approved and authorised for issue by the board of directors on 20 April 2023.



Eng. Erastus Kabutu Mwongera  
FIEK, RCE, CBS  
**Chairman**



John Mugo  
**Managing Director**

**Date: 20 April 2023**



**RSM Eastern Africa LLP**  
**Certified Public Accountants**

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## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SAMEER AFRICA PLC

### Opinion

We have audited the accompanying financial statements of Sameer Africa PLC ("the Company") and its subsidiaries (together, "the Group"), set out on pages 36 to 117, which comprise, for both the Group and the Company, the balance sheet as at 31st December 2022, the statement of profit and loss and other comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December 2022 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## THE POWER OF BEING UNDERSTOOD

### AUDIT | TAX | CONSULTING

**Registration number:** LLP-3A1VXM, a limited liability partnership under the Limited Liability Partnership Act, 2011.  
**Partners:** Ashif Kassam, Lina Ratansi, Nihla Mazrui, Elvis Ogeto, George Mutua

RSM Eastern Africa LLP is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM Network. Each member of the RSM network is an independent accounting and consulting firm each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.



## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SAMEER AFRICA PLC (CONTINUED)

### Key Audit Matters (continued)

Key audit matter	How the matter was addressed
Valuation and existence of trade and other receivables	<p>Trade and other receivables constitute a significant portion of the total assets of the Group and Company. The profile of the customers who constitute the trade receivables balance varies in character and risk. Amounts due from customers may be outstanding for long periods of time before being received by the Group and Company thus potentially exposing the Group and Company to impairment losses.</p> <p>The Group and Company has also to comply with IFRS 9 which involves significant judgement and estimates from management. Our procedures performed included the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the expected credit loss (ECL) model for compliance with the principles of IFRS 9;</li> <li>• Tested the ageing of trade receivables, reviewing the data and assumptions made by management in arriving at the provisions;</li> <li>• Examined the historical recovery records and current credit status of customers; and</li> <li>• Performed alternative procedures where confirmations were not received by checking subsequent receipts from customers after the year end.</li> </ul>
Disclosure of fair value of investment property	<p>The Group had investment property as at 31 December 2022 for which the fair value disclosure is required.</p> <p>The valuation of investment property depends on certain key assumptions that require significant management judgement.</p> <p>The group fair value is determined by a external independent valuer every three years. In the intervening periods between valuations, management adjust fair values on the basis of annual housing index report provided by professional consultant.</p> <p>Our procedures in relation to the key assumptions used in management's valuation of investment property held by the Group's included:</p> <ul style="list-style-type: none"> <li>• Evaluating the last independent valuers' competence, capabilities and objectivity;</li> <li>• Checking the accuracy of the input data, on a sample basis, used by the independent valuers and management including rental income, occupancy rates and risk margins by agreeing them back to management's records, invoices received or other supporting documentation including: key terms of lease agreements, rental income schedules; and prevailing market rents to leasing transactions of comparable properties.</li> <li>• Obtain latest housing index provided by independent consultant.</li> <li>• Evaluate the consultant's competence.</li> </ul>





## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SAMEER AFRICA PLC (CONTINUED)

### Other information

The directors are responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015, as set out below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

### Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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.



## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SAMEER AFRICA PLC (CONTINUED)

### Auditor's responsibilities for the audit of the financial statements (continued)

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

- identify and assess the risks of material misstatement of the 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 internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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 entities or business activities within the Group to express an opinion on the Group's 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 those charged with governance 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 OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SAMEER AFRICA PLC (CONTINUED)

### Auditor's responsibilities for the audit of the financial statements (continued)

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

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

In our opinion,

- i. the information given in the report of the directors on page 26 is consistent with the financial statements; and
- ii. the auditable part of the directors' remuneration report has been properly prepared in accordance with the Act.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Elvis Ogeto** Practising Certificate No. 2303.

for and on behalf of RSM Eastern Africa LLP  
Certified Public Accountants  
Nairobi

20 April

.....2023.

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 KShs'000	2021 KShs'000
Revenue	8	613,065	651,606
Cost of sales	9 (b) (i)	(242,974)	(160,517)
<b>Gross profit</b>		<b>370,091</b>	<b>491,089</b>
Other operating income	9 (a)	22,294	4,480
Selling and distribution costs	9 (b) (ii)	(14,824)	(9,885)
Administrative expenses	9 (b) (ii)	(94,740)	(82,324)
Other operating expenses	9 (b) (ii)	(35,814)	(25,520)
<b>Operating profit</b>		<b>247,007</b>	<b>377,840</b>
Finance income	10	11,168	57,399
Finance costs	10	(82,086)	(125,175)
Share of profit of equity accounted investees (net of income tax)	19 (a)	12,275	8,454
<b>Profit before income tax</b>		<b>188,364</b>	<b>318,518</b>
Income tax expense	11 (a)	(88,100)	(101,130)
<b>Profit for the year</b>		<b>100,264</b>	<b>217,388</b>
<b>Other comprehensive income (net of tax)</b>			
<b>(a) Items that are or may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences for foreign operations		(4,194)	1,995
<b>Total other comprehensive (loss)/income for the year</b>		<b>(4,194)</b>	<b>1,995</b>
<b>Total comprehensive profit for the year</b>		<b>96,070</b>	<b>219,383</b>
<b>Earnings per share:</b>			
<b>Basic and diluted (KShs)</b>	12 (a)	<b>0.36</b>	<b>0.78</b>

The notes set out on pages 44 to 117 form an integral part of these financial statements.



**COMPANY STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 KShs'000	2021 KShs'000
Revenue	8	539,576	566,461
Cost of sales	9 (b) (i)	(236,202)	(162,060)
<b>Gross profit</b>		<b>303,374</b>	<b>404,401</b>
Other operating income	9 (a)	5,406	3,578
Selling and distribution costs	9 (b) (ii)	(14,723)	(5,805)
Administrative expenses	9 (b) (ii)	(50,370)	(58,229)
Other operating expenses	9 (b) (ii)	(28,598)	(14,050)
<b>Operating profit</b>		<b>215,089</b>	<b>329,895</b>
Finance income	10	5,764	54,008
Finance costs	10	(76,604)	(120,251)
<b>Profit before income tax</b>		<b>144,249</b>	<b>263,652</b>
Income tax expense	11 (a)	(72,748)	(62,814)
<b>Profit for the year</b>		<b>71,501</b>	<b>200,838</b>
<b>Other comprehensive income (net of tax)</b>			
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>71,501</b>	<b>200,838</b>

The notes set out on pages 44 to 117 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 KShs '000	2021 KShs '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13 (a)	13,648	27,744
Investment properties	15 (a)	643,647	575,734
Prepaid operating lease rentals	17 (a)	330	334
Investment in associate	19	189,837	177,561
<b>Total non-current assets</b>		<b>847,462</b>	<b>781,373</b>
<b>Current assets</b>			
Inventories	20	30,323	35,705
Non-current assets held for sale	16	15	-
Trade and other receivables	21	166,742	256,270
Current income tax	11 (c)	25,270	11,866
Cash and cash equivalents	22	142,874	38,876
<b>Total current assets</b>		<b>365,224</b>	<b>342,717</b>
<b>TOTAL ASSETS</b>		<b>1,212,686</b>	<b>1,124,090</b>
<b>EQUITY</b>			
Share capital	23 (a)	1,391,712	1,391,712
Retained earnings		(787,240)	(887,504)
Translation reserve	23 (b)	(174,303)	(170,109)
<b>Total equity</b>		<b>430,169</b>	<b>334,099</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	24 (a)	445,446	495,994
Deferred income tax	25 (b)	6,940	5,630
<b>Total non-current liabilities</b>		<b>452,386</b>	<b>501,624</b>
<b>Current liabilities</b>			
Trade and other payables	26 (a)	328,119	255,537
Current income tax	11 (c)	2,012	32,830
<b>Total current liabilities</b>		<b>330,131</b>	<b>288,367</b>
<b>Total liabilities</b>		<b>782,517</b>	<b>789,991</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,212,686</b>	<b>1,124,090</b>

The financial statements on pages 36 to 117 were approved and authorised for issue by the Board of Directors on **20 April 2023**



**Eng. E.K. Mwongera**  
Chairman



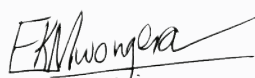
**John Mugo**  
Managing Director

The notes set out on pages 44 to 117 form an integral part of these financial statements.

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 KShs '000	2021 KShs '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13 (a)	11,339	10,064
Investment properties	15 (a)	554,382	477,591
Prepaid operating lease rentals	17 (a)	330	334
Investment in subsidiaries	18	120,000	130,000
Equity accounted investees	19	137,026	137,026
<b>Total non-current assets</b>		<b>823,077</b>	<b>755,015</b>
<b>Current assets</b>			
Inventories	20	29,486	34,576
Non-current assets held for sale	16	15	-
Trade and other receivables	21	144,813	248,485
Current income tax	11 (c)	12,961	-
Cash and cash equivalents	22	141,071	32,048
<b>Total current assets</b>		<b>328,346</b>	<b>315,109</b>
<b>TOTAL ASSETS</b>		<b>1,151,423</b>	<b>1,070,124</b>
<b>EQUITY</b>			
Share capital	23 (a)	1,391,712	1,391,712
Retained earnings		(1,192,551)	(1,264,052)
<b>Total equity</b>		<b>199,161</b>	<b>127,660</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	24 (a)	445,446	495,994
Amounts due to subsidiaries	26 (a)	226,299	209,620
<b>Total non-current liabilities</b>		<b>671,745</b>	<b>705,614</b>
<b>Current liabilities</b>			
Trade and other payables	26 (a)	280,517	210,981
Current income tax	11 (c)	-	25,869
<b>Total current liabilities</b>		<b>280,517</b>	<b>236,850</b>
<b>Total liabilities</b>		<b>952,262</b>	<b>942,464</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,151,423</b>	<b>1,070,124</b>

The financial statements on pages 36 to 117 were approved and authorised for issue by the Board of Directors on **20 April 2023**



**Eng. E.K. Mwongera**  
Chairman



**John Mugo**  
Managing Director

The notes set out on pages 44 to 117 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

2022	Share capital KShs'000	Accumulated losses KShs'000	Translation reserve KShs'000	Total KShs'000
<b>At start of year</b>	<u>1,391,712</u>	<u>(887,504)</u>	<u>(170,109)</u>	<u>334,099</u>
<b>Comprehensive income</b>				
<b>For the year</b>				
Profit for the year	-	100,264	-	100,264
Other comprehensive loss	-	-	(4,194)	(4,194)
<b>Total comprehensive income</b>	<u>-</u>	<u>100,264</u>	<u>(4,194)</u>	<u>96,070</u>
<b>At end of year</b>	<u><b>1,391,712</b></u>	<u><b>(787,240)</b></u>	<u><b>(174,303)</b></u>	<u><b>430,169</b></u>
<b>2021</b>				
<b>At start of year</b>	<u>1,391,712</u>	<u>(1,104,892)</u>	<u>( 172,104)</u>	<u>114,716</u>
<b>Comprehensive income</b>				
<b>For the year</b>				
Profit for the year	-	217,388	-	217,388
Other comprehensive income	-	-	1,995	1,995
<b>Total comprehensive income</b>	<u>-</u>	<u>217,388</u>	<u>1,995</u>	<u>219,383</u>
<b>At end of year</b>	<u><b>1,391,712</b></u>	<u><b>( 887,504)</b></u>	<u><b>( 170,109)</b></u>	<u><b>334,099</b></u>

The notes set out on pages 44 to 117 form an integral part of these financial statements.



**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital KShs'000	Accumulated losses KShs'000	Total KShs'000
<b>2022</b>			
<b>At start of year</b>	<u>1,391,712</u>	<u>(1,264,052)</u>	<u>127,660</u>
<b>Comprehensive income For the year</b>			
Profit for the year	<u>-</u>	<u>71,501</u>	<u>71,501</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>71,501</u>	<u>71,501</u>
<b>At end of year</b>	<u><b>1,391,712</b></u>	<u><b>( 1,192,551)</b></u>	<u><b>199,161</b></u>
<b>2021</b>			
<b>At start of year</b>	<u>1,391,712</u>	<u>(1,464,890)</u>	<u>( 73,178)</u>
<b>Comprehensive income For the year</b>			
Profit for the year	<u>-</u>	<u>200,838</u>	<u>200,838</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>200,838</u>	<u>200,838</u>
<b>At end of year</b>	<u><b>1,391,712</b></u>	<u><b>( 1,264,052)</b></u>	<u><b>127,660</b></u>

The notes set out on pages 44 to 117 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 KShs'000	2021 KShs'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers	27	685,937	592,867
Cash payments for purchases	27	(217,929)	(167,354)
Cash payments for expenses	27	(73,648)	(57,854)
Cash generated from operating activities		394,360	367,659
Interest paid	10	(38,603)	(56,843)
Income tax paid	11(c)	(130,636)	(30,858)
<b>Net cash generated from operating activities</b>		<b>225,121</b>	<b>279,958</b>
<b>Cash flows from investing activities</b>			
Interest received	10	2,440	5,152
Purchase of property, plant and equipment	13 (a)	(3,388)	-
Additions to investment property	15 (a)	(69,764)	(60,818)
<b>Net cash used in investing activities</b>		<b>(70,712)</b>	<b>(55,666)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	24 (a)	( 50,548)	( 248,214)
<b>Net cash used in financing activities</b>		<b>( 50,548)</b>	<b>( 248,214)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>103,861</b>	<b>( 23,922)</b>
<b>Movement in cash and cash equivalents:</b>			
At start of year		38,876	63,533
Increase/(decrease) in cash and cash equivalents		103,861	(23,922)
Effects of exchange movements on cash held		137	(735)
<b>At end of year</b>	22	<b>142,874</b>	<b>38,876</b>

The notes set out on pages 44 to 117 form an integral part of these financial statements.

**COMPANY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 KShs'000	2021 KShs'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers	27	615,259	505,038
Cash payments for purchases	27	(227,529)	(174,781)
Cash payments for expenses	27	(13,315)	29,368
Cash generated from operating activities		374,415	359,625
Interest paid	10	(38,603)	(56,843)
Income tax paid	11(c)	( 111,572)	(25,022)
<b>Net cash generated from operating activities</b>		<b>224,240</b>	<b>277,760</b>
<b>Cash flows from investing activities</b>			
Interest received	10	2,440	5,152
Purchase of property, plant and equipment	13(a)	(1,978)	-
Additions to investment property	15(a)	(65,131)	(51,472)
<b>Net cash used in investing activities</b>		<b>(64,669)</b>	<b>(46,320)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	24 (a)	( 50,548)	(248,214)
<b>Net cash used in from financing activities</b>		<b>( 50,548)</b>	<b>(248,214)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>109,023</b>	<b>(16,774)</b>
<b>Movement in cash and cash equivalents:</b>			
At start of year		32,048	48,822
Increase/(decrease) in cash and cash equivalents		109,023	(16,774)
<b>At end of year</b>	22	<b>141,071</b>	<b>32,048</b>

The notes set out on pages 44 to 117 form an integral part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2022**

### **1. REPORTING ENTITY**

Sameer Africa Plc is a limited liability Company incorporated in Kenya under the Kenyan Companies Act 2015, and is domiciled in Kenya. The Consolidated financial statements of the company for the year ended 31 December 2022 comprise the company, its subsidiaries and associate (together referred to as the "Group"). The Group primarily is involved in the letting of investment properties and sourcing, importation and sale of tyres, tubes and flaps. The address of its registered office is as follows:

LR No. 12081/13  
Mombasa Road  
PO Box 30429 - 00100  
Nairobi

The Company's shares are listed on the Nairobi Securities Exchange.

The Company's parent Company is Sameer Investments Limited, a company incorporated in Kenya and which holds 72.48% of the company's equity interest.

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

### **2. BASIS OF PREPARATION**

#### **(a) Statement of compliance**

The Consolidated and Separate financial statements (the financial statements) are prepared in accordance with and comply with International Financial Reporting Standards (IFRSs) and the Kenya Companies Act, 2015. Details of the Group's and Company's significant accounting policies are included in Note 3.

#### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis, except where otherwise indicated.

#### **(c) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Kenya shillings (KShs), which is the Group's and Company's functional and presentation currency. All financial information presented in Kenya shillings (KShs) has been rounded to the nearest thousand, except where otherwise indicated.

#### **(d) Use of estimates and judgment**

In preparing these Consolidated and Separate financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

### **2. BASIS OF PREPARATION**

#### **(d) Use of estimates and judgement (continued)**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 7.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

Except for changes noted in Note 4, the Group has consistently applied the following accounting policies to all periods presented in these financial statements.

References to the Group's accounting policies apply equally to the Company unless otherwise specified.

#### **(a) Basis of Consolidation**

##### **(i) Subsidiaries**

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred.

Investments in subsidiaries are accounted for at cost less impairment in the Separate financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group, and adjustments made where necessary.

##### **(ii) Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) Basis of consolidation (continued)**

**(iii) Loss of control**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**(iv) Interests in equity accounted investees**

The Group's interest in equity accounted investees, comprises its interest in an associate.

Associates are those entities in which the Group has between 20% and 50% of the voting rights and over which the Group exercises significant influence but which it does not control.

Interests in the associate is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements includes the Group's share of profit or loss and other comprehensive income of the equity accounted investees until the date on which significant influence or joint control ceases.

Losses of an equity accounted investee in excess of the Group's interest in that entity are recognised only to the extent that the Group has incurred legal or constructive obligations to make payments on behalf of the investee.

Unrealised gains arising from transaction with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investments in equity accounted investees are measured at cost less impairment loss in the separate financial statements of the Company. They are initially recognised at cost which includes transaction costs.

**(b) Foreign currencies**

**(i) Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities that are based on historical cost in a foreign currency are not retranslated.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Foreign currencies (continued)**

**(ii) Foreign operations**

The results and financial position of all Group entities (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:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date.
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

**(c) Segment reporting**

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group organizes its activity by business and geographical lines and these are defined as the Group's reportable segments. The four business segments are Sourcing and Distribution, Regional Operations, Yana Tyre Centres and Property Rentals.

**(d) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group and Company's activities. Net revenue is stated net of value-added tax (VAT), excise duty, returns, rebates and discounts and after eliminating sales within the Group.

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

The Group and Company recognises revenue in accordance with that core principle by applying the following five steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Finance income and finance costs**

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- Dividend income;
- Foreign currency exchange gain or loss on financial assets and financial liabilities;
- Impairment losses recognised on financial assets (other than trade receivables);
- Reclassification of net gains previously recognised in other comprehensive income.

Interest expense on borrowings is recognised in profit or loss using the effective interest rate unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized to that asset.

Foreign exchange gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

**(f) Employee benefits**

**(i) Short-term employee benefits**

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

**(ii) Defined contribution plans**

The group and all its employees contribute to the respective National Social Security Funds in the countries in which the Group operates, which are defined contribution schemes.

The group and its employees also contribute to a retirement benefit scheme. The scheme is managed by an independent fund manager. The post-employment benefits received by an employee from the scheme are determined by the amount of contributions by the Group and the employee, together with investment returns arising from the contributions. In consequence, both the actuarial and investment risks fall, in substance, on the employee.

The group's contributions to the retirement benefit schemes are charged to the profit or loss in the year to which they relate. The group has no further obligation in respect of the retirement benefit scheme once the contributions have been paid.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Employee benefits (continued)**

**(iii) Termination benefits**

Termination benefits are recognised as an expense when the Group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of a restructuring or an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**(g) Taxation**

Income tax expense comprises both current tax and change in deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation. The current income tax charge is calculated on the basis of the tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured using tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset and liability are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Property, plant and equipment**

**(i) Recognition and measurement**

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Items of property, plant and equipment are initially recorded at cost and subsequently depreciated. After initial recognition, plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of the asset.

Where an item of property, plant and equipment is developed or constructed over a period of time, the costs attributable to the item are accumulated in a "capital work in progress" account until the item is commissioned and the cost transferred to the relevant class of property, plant and equipment. Assets under capital work in progress are not depreciated until they are commissioned or are put into active use and transferred to the relevant class of property, plant and equipment.

Assets still under development or construction at the reporting date are shown under "capital works in progress" in the notes to the financial statements. These are capitalised when ready for intended use.

**(ii) Reclassification to investment property**

When the use of a material part of property, or part thereof, changes from owner – occupied to investment property, the property is classified accordingly using the depreciated cost less impairment loss or a proportionate share of the depreciated cost less impairment loss in cases where only a portion of the property is transferred.

**(iii) Subsequent costs**

The cost of replacing a component of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

**(iv) Depreciation**

Depreciation of an item of property, plant and equipment begins when the item is available for use and continues being depreciated until it is derecognised.

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The annual rates of depreciation used are as follows:

Buildings	5-25 years
Tyre and tube molds and fittings	3 - 8 years
Computer equipment	3 years

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Property, plant and equipment (continued)**

**(iv) Depreciation (continued)**

Vehicles	4 years
Furniture, fittings and equipment	8 years

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

**(v) De-recognition**

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition is included in profit or loss. The gain or loss is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

**(i) Investment property**

Investment property is property held to earn rentals or for capital appreciation or both. Investment property, which can include right-of-use assets, is initially recognised at cost including the transaction costs. It is subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to write down the cost of the property to its residual value over its estimated useful life. Gains or losses on disposal are recognised in profit or loss.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

**(j) Intangible assets – computer software**

Computer software development costs and the acquisition cost of software licenses are capitalized on the basis of the costs incurred to develop or acquire and bring to use the specific software. Software costs are capitalized only if the expenditure can be reliably measured, the product is technically and commercially viable, future economic benefits are probable and the Group intends to and has resources to complete development and use or sell the asset. Subsequent to initial recognition, software acquisition and development expenditure is carried at cost less accumulated amortisation and any accumulated impairment losses. Computer software development and acquisition costs are amortised on a straight line basis over 8 years.

**(k) Inventories**

Stores and supplies, and finished goods are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimate of the selling price in the ordinary course of business, less any costs of completion and selling expenses. If the purchase or production cost is higher than net realisable value, inventories are written down to net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(I) Financial instruments**

**(i) Classification**

The Group and Company classify financial instruments into the following categories:

- a. Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost.
- b. Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income.
- c. All other financial assets are classified and measured at fair value through profit or loss.
- d. Notwithstanding the above, the Group and Company may:
  - i. on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income;
  - ii. on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- e. Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- f. All other financial liabilities are classified and measured at amortised cost.

Financial instruments held during the year were classified as follows:

- Trade and other receivables were classified as at amortised cost;
- Borrowings and trade and other liabilities were classified as at amortised cost.

**(ii) Recognition and initial measurement**

Financial assets and financial liabilities are recognised in the Group and Company's statement of financial position when the Group or Company becomes a party to the contractual provisions of the instrument.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Financial instruments (continued)**

**(ii) Recognition and initial measurement (continued)**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**(iii) Classification and subsequent measurement**

The Group and Company classify their financial assets in the following categories; amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of financial assets and their subsequent accounting will be determined by the application of dual tests examining the contractual cash flow characteristics of the financial instruments and the Group's business model for managing the assets.

Financial assets may be held at amortised cost only where both:

- the asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that consist solely of principal and interest on the outstanding principal.

**(iv) Offsetting financial instruments**

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 offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**(v) Impairment of financial assets**

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(l) Financial instruments (continued)**

**(v) Impairment of financial assets (continued)**

For financial assets carried at amortised cost (including loans and other receivables such as trade debtors), impairment losses are recognised under the “expected loss model”, building up a debtors’ provision / allowance account against credit losses over the life of the financial asset (including an estimate of initial credit risk).

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

**(vi) Derecognition**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

**(m) Leases**

**(i) Leases under which the Group is the lessee**

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

For leases that contain non-lease components, the Group allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Leases (continued)**

**(i) Leases under which the Group is the lessee (continued)**

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

Leasehold land and buildings are subsequently carried at revalued amounts, based on annual/triennial valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses. All other right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Company at the end of the lease term, the estimated useful life would not exceed the lease term.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the profit and loss account. Annually, the difference between the depreciation charge based on the revalued carrying amount of the asset charged to the profit and loss account and depreciation based on the asset's original cost (excess depreciation) is transferred from the revaluation surplus reserve to retained earnings.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

**(ii) Leases under which the Group is the lessor**

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognised as income in the profit and loss account on a straight-line basis over the lease term. The Group has not entered into any finance leases.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (n) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

- (i) **Restructuring:** A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for.

#### (o) Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

The group measures the fair value of an instrument using the quoted price, if one is available, in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- 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 prices) or indirectly (i.e. derived from prices).
- 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).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(o) Fair value measurement (continued)**

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting period during which the change occurred.

**(p) Dividends**

Dividends are recognised as a liability in the period in which they are declared. Proposed dividends are not recognised until they have been declared at an annual general meeting.

**(q) Share capital**

Ordinary shares are classified as 'share capital' in equity. Equity instruments issued by a Group entity are recognised at the value of proceeds received, net of direct issue costs. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a reduction from equity.

**(r) Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**(s) Non-current assets held for sale**

A non-current asset held for sale represents an asset whose carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the sale must be highly probable and the non-current asset must be available for immediate sale in its present condition. The appropriate level of management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from its classification. Non-current assets held for sale are included in the consolidated statement of financial position at fair value less costs to sell, if this is lower than the previous carrying amount.

Once an asset is classified as held for sale no further depreciation or amortisation is recorded.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

### 4. NEW STANDARDS, AMENDMENT AND INTERPRETATIONS

#### a. New standards, amendments and interpretations effective and adopted during the year

Five Amendments to standards became effective for the first time in the financial year beginning 1st January 2022 and have been adopted by the Company. None of the Amendments has had an impact on the Company's financial statements.

#### b. New and revised standards and interpretations published but not yet effective for the year beginning 1<sup>st</sup> January 2022

The Group has not applied any of the new or revised Standards and Interpretations that have been published but are not yet effective for the year beginning 1st January 2022, and the Directors do not plan to apply any of them until they become effective. Below are the new or revised standards and interpretations, with their effective dates, none of which is expected to have a significant impact on the Group's financial statements in the period of initial application.

##### i. IFRS 17 Insurance Contracts (issued in May 2017 and amended in June 2020)

The new standard, effective for annual periods beginning on or after 1st January 2023, establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.

##### ii. Amendments to IAS 1 titled Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)

The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

##### iii. Amendments to IAS 8 titled Definition of Accounting Estimates (issued in February 2021)

The amendments, applicable to annual periods beginning on or after 1st January 2023, introduce a definition of 'accounting estimates' and include other amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

##### iv. Amendments to IAS 1 titled Disclosure of Accounting Policies (issued in February 2021)

The amendments, applicable to annual periods beginning on or after 1st January 2023, require entities to disclose their material accounting policy information rather than their significant accounting policies.

##### v. Amendments to IFRS 16 titled Covid-19-Related Rent Concessions Beyond 30th June 2021 (issued in March 2021)

The previous amendment to IFRS 16 permitted the practical expedient to be applied only to reductions in lease payments that did not extend beyond 30th June 2021. This amendment, applicable to annual periods beginning on or after 1st April 2021 allows the practical expedient to be applied to reductions in lease payments that do not extend beyond 30th June 2022.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**4. NEW STANDARDS, AMENDMENT AND INTERPRETATIONS (CONTINUED)**

**b. New and revised standards and interpretations published but not yet effective for the year beginning 1<sup>st</sup> January 2022 (continued)**

**vi. Amendments to IAS 12 titled Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021)**

The amendments, applicable to annual periods beginning on or after 1st January 2023, narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

**vii. Amendments to IFRS 10 and IAS 28 titled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)**

The amendments, applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.

**viii. Amendments to IFRS 9 and IFRS 17 titled Initial application of IFRS 17 and IFRS 9 – Comparative Information (issued in December 2021)**

The amendments, applicable on initial application of IFRS 17, add a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

**ix. Amendment to IFRS 16 titled Lease Liability in a Sale and Leaseback (issued in September 2022)**

The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains.

**x. Amendments to IAS 1 titled Non-current Liabilities with Covenants (issued in October 2022)**

The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE**

**Overview**

The Group's activities expose it to a variety of financial risks including credit, liquidity and market risks. The Group's overall risk management policies are set out by the board and implemented by the management, and focus on the unpredictability of changes in the business environment and seek to minimise the potential adverse effects of such risks on the Group's performance by setting acceptable levels of risk. The Group does not hedge against any risks.

**(a) Credit risk and expected credit losses**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a group-wide basis.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings.

***Trade and other receivables***

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting a credit limit and credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

In assessing whether the credit risk on a financial asset has increased significantly, the Group compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Group considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For these purposes default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that default does not occur later than when a financial asset is 90 days past due.

If the Group does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the Company groups financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument
- industry in which the debtor operates
- nature of collateral



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(a) Credit risk and expected credit losses (continued)**

***Trade and other receivables (continued)***

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties

The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date was as follows:

**(i) Group**

	Basis for measurement of loss allowance				
	12-month expected credit losses	Lifetime expected credit losses (see note below)			
		(a)	(b)	(c)	Total
	KSh'000	KSh'000	KSh'000	KSh'000	KSh'000
<b>At 31st December 2022</b>					
Trade receivables	-	-	-	92,707	92,707
Other receivables	95,912	-	-	-	95,912
Cash at bank	142,874	-	-	-	142,874
<b>Gross carrying amount</b>	<b>238,786</b>	<b>-</b>	<b>-</b>	<b>92,707</b>	<b>331,493</b>
Loss allowance	-	-	-	( 49,849)	( 49,849)
<b>Exposure to credit risk</b>	<b>238,786</b>	<b>-</b>	<b>-</b>	<b>42,858</b>	<b>281,644</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(a) Credit risk and expected credit losses (continued)**

**i) Group**

	Basis for measurement of loss allowance				
	12-month expected credit losses	Lifetime expected credit losses (see note below)			
	KSh'000	(a) KSh'000	(b) KSh'000	(c) KSh'000	Total KSh'000
<b>At 31st December 2021</b>					
Trade receivables	-	-	-	137,583	137,583
Other receivables	102,807	-	-	-	102,807
Cash at bank	38,876	-	-	-	38,876
<b>Gross carrying amount</b>	<b>141,683</b>	<b>-</b>	<b>-</b>	<b>137,583</b>	<b>279,266</b>
Loss allowance	-	-	-	( 47,781)	( 47,781)
<b>Exposure to credit risk</b>	<b>141,683</b>	<b>-</b>	<b>-</b>	<b>89,802</b>	<b>231,485</b>

**(ii) Company**

	Basis for measurement of loss allowance				
	12-month expected credit losses	Lifetime expected credit losses (see note below)			
	KSh'000	(a) KSh'000	(b) KSh'000	(c) KSh'000	Total KSh'000
<b>At 31st December 2022</b>					
Trade receivables	-	-	-	88,214	88,214
Amount due from subsidiaries	-	-	316,138	-	316,138
Other receivables	13,081	-	-	-	13,081
Cash at bank	141,071	-	-	-	141,071
<b>Gross carrying amount</b>	<b>154,152</b>	<b>-</b>	<b>316,138</b>	<b>88,214</b>	<b>558,504</b>
Loss allowance	-	-	(253,127)	(46,040)	(299,167)
<b>Exposure to credit risk</b>	<b>154,152</b>	<b>-</b>	<b>63,011</b>	<b>42,174</b>	<b>259,337</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(a) Credit risk and expected credit losses (continued)**

**(ii) Company**

	Basis for measurement of loss allowance				
	12-month expected credit losses	Lifetime expected credit losses (see note below)			
	KSh'000	(a) KSh'000	(b) KSh'000	(c) KSh'000	Total KSh'000
<b>At 31st December 2021</b>					
Trade receivables	-	-	-	108,254	108,254
Amount due from subsidiaries	-	-	349,501	-	349,501
Other receivables	23,550	-	-	-	23,550
Cash at bank	32,048	-	-	-	32,048
<b>Gross carrying amount</b>	<b>55,598</b>	<b>-</b>	<b>349,501</b>	<b>108,254</b>	<b>513,353</b>
Loss allowance	-	-	(253,127)	(41,283)	(294,410)
<b>Exposure to credit risk</b>	<b>55,598</b>	<b>-</b>	<b>96,374</b>	<b>66,971</b>	<b>218,943</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE  
(CONTINUED)**

**(a) Credit risk and expected credit losses (continued)**

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

- (a) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;
- (b) financial assets that are credit impaired at the balance sheet date; and
- (c) trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

The age analysis of the trade receivables at the end of each year was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>
<b>Not past due</b>	<b>690</b>	<b>6,629</b>	<b>485</b>	<b>5,041</b>
Past due				
:by 31 to 60 days	12,388	7,450	12,126	6,184
:by 61 to 90 days	26,542	53,362	26,491	38,930
:by 91 to 180 days	3,238	22,361	3,072	16,816
:over 181 days	-	-	-	-
<b>Total past due</b>	<b>42,169</b>	<b>83,173</b>	<b>41,689</b>	<b>61,930</b>
<b>Total</b>	<b>42,858</b>	<b>89,802</b>	<b>42,174</b>	<b>66,971</b>
<b>Loss allowance</b>	<b>49,849</b>	<b>47,781</b>	<b>46,040</b>	<b>41,283</b>
<b>Total trade receivables</b>	<b>92,707</b>	<b>137,583</b>	<b>88,214</b>	<b>108,254</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(a) Credit risk and expected credit losses (continued)**

The changes in the loss allowance during the year were as follows:

(i)	Group	Basis for measurement of loss allowance				Total KSh'000
		12- month expected credit losses	Lifetime expected credit losses (see note above)			
		(a) KSh'000	(b) KSh'000	(c) KSh'000		
<b>Year ended 31st December 2022</b>						
	At start of year	-	-	-	47,781	47,781
	The changes in the loss allowance during the year were as follows:					
	Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	-	2,068	2,068
	<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,849</b>	<b>49,849</b>
<b>Year ended 31st December 2021</b>						
	At start of year	-	-	-	158,120	158,120
	The changes in the loss allowance during the year were as follows:					
	Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	-	(110,339)	(110,339)
	<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,781</b>	<b>47,781</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(a) Credit risk and expected credit losses (continued)**

The changes in the loss allowance during the year were as follows:

		Basis for measurement of loss allowance				
(ii)	Company	12-month expected credit losses	Lifetime expected credit losses (see note above)			Total KSh'000
		(a) KSh'000	(b) KSh'000	(c) KSh'000		
Year ended 31st December 2022						
	At start of year	-	-	253,127	41,283	294,410
	Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	-	4,757	4,757
	At end of year	-	-	253,127	46,040	299,167
Year ended 31st December 2021						
	At start of year	-	-	253,127	51,786	304,913
	Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	-	(10,503)	(10,503)
	At end of year	-	-	253,127	41,283	294,410

The Company does not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due receivables.

**(b) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group also monitors the level of expected cash flows from trade and other receivables together with expected cash outflows on trade and other payables.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include expected interest payments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

### 5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

#### (b) Liquidity risk

##### (i) Group

	Carrying amount	1 - 3 months	3 months - 1 year	1 - 3 years	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
<b>31 December 2022:</b>					
<b>Non - derivative financial liabilities</b>					
Borrowing (Note 24 (a))	445,446	-	-	445,446	445,446
Trade and other payables (Note 26 (a))	328,119	328,119	-	-	328,119
<b>At 31 December 2022</b>	<b>773,565</b>	<b>328,119</b>	<b>-</b>	<b>445,446</b>	<b>773,565</b>

#### 31 December 2021:

##### Non - derivative financial liabilities

Borrowing (Note 24 (a))	495,994	-	-	495,994	495,994
Trade and other payables (Note 26 (a))	255,537	255,537	-	-	255,537
<b>At 31 December 2021</b>	<b>751,531</b>	<b>255,537</b>	<b>-</b>	<b>495,994</b>	<b>751,531</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(b) Liquidity risk**

**(ii) Company**

	Carrying amount KShs '000	1 - 3 months KShs '000	3months - 1 year KShs '000	1 -3 years KShs '000	Total KShs '000
<b>31 December 2022:</b>					
<b>Non - derivative financial liabilities</b>					
Borrowings (Note 24 (a))	445,446	-	-	445,446	445,446
Trade and other payables (Note 26 (a))	506,816	280,517	-	226,299	506,816
<b>At 31 December 2022</b>	<b>952,262</b>	<b>280,517</b>	<b>-</b>	<b>671,745</b>	<b>952,262</b>
<b>31 December 2021:</b>					
<b>Non - derivative financial liabilities</b>					
Borrowings (Note 24 (a))	495,994	-	-	495,994	495,994
Trade and other payables (Note 26 (a))	420,601	210,981	-	209,620	420,601
<b>At 31 December 2021</b>	<b>916,595</b>	<b>210,981</b>	<b>-</b>	<b>705,614</b>	<b>916,595</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

### 5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

#### (c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange and interest rates will affect the Group's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

#### (i) Foreign exchange risk - Group exchange risk from recognised financial assets and liabilities

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from recognised foreign currency assets and liabilities and net investments in foreign operations.

#### Exposure to currency risk

The summary quantitative data about the Group and Company's exposure to currency risk as reported to the management of the Group is as follows; (amounts in KShs '000)

#### Financial instruments

	31 DECEMBER 2022				31 DECEMBER 2021			
	USD '000	TZS '000	UGX '000	BIF '000	USD '000	TZS '000	UGX '000	BIF '000
<b>Financial assets</b>								
Cash and cash equivalents	30,766	198	74	386	8,650	193	421	448
Trade receivables	1,066	-	-	-	18,928	-	-	-
	<b>31,832</b>	<b>198</b>	<b>74</b>	<b>386</b>	<b>27,578</b>	<b>193</b>	<b>421</b>	<b>448</b>
<b>Financial liabilities</b>								
Long term facilities	(345,446)	-	-	-	(495,994)	-	-	-
Trade and other payables	-	(4,526)	(513)	(2,653)	7,936	(2,223)	(899)	(2,528)
	<b>(345,446)</b>	<b>(4,526)</b>	<b>(513)</b>	<b>(2,653)</b>	<b>(488,058)</b>	<b>(2,223)</b>	<b>(899)</b>	<b>(2,528)</b>
<b>Net financial exposure</b>	<b>(313,614)</b>	<b>(4,328)</b>	<b>(439)</b>	<b>(2,267)</b>	<b>(460,480)</b>	<b>(2,030)</b>	<b>(478)</b>	<b>(2,080)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(c) Market risk (continued)**

**(i) Foreign exchange risk**

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	2022	2021	2022	2021
USD	118.2988	109.8650	123.3735	113.1400
TZS	0.0529	0.0491	0.0508	0.0475
UGX	0.0332	0.0319	0.0319	0.0307
BIF	0.0595	0.0567	0.0577	0.0557

**Sensitivity analysis**

A reasonably possible strengthening or (weakening) of the key currencies against the Kenya shilling, would have affected the measurement of financial instruments denominated in foreign currency and affected the profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant and ignores the impact of forecast sales and purchases.

Effect in KShs '000		Profit or loss/equity	
		Strengthening	Weakening
<b>31 December 2022</b>			
Currency	% movement		
USD	3%	(9,408)	9,408
TSH	10%	(433)	433
UGX	5%	(22)	22
BIF	3%	(68)	68

**31 December 2021**

USD	3%	(13,814)	13,814
TSH	10%	(203)	203
UGX	5%	42	(42)
BIF	3%	(62)	62

The Group does not hold any derivative financial instruments or financial assets measured at fair value through other comprehensive income. All exchange gains and losses arising from exposure to foreign exchange risks on its non-derivative financial instruments, are charged to profit or loss. The above sensitivity analysis would therefore have no direct effect on equity.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(c) Market risk (continued)**

**(i) Foreign exchange risk (continued)**

***Exchange risk from net investments in foreign operations***

The Group has subsidiaries in Uganda, Burundi and Tanzania. Therefore, the net investments in these subsidiaries are exposed to foreign exchange risk upon consolidation of the financial statements and any losses/ (gains) are charged / (credited) to other comprehensive income. The effect of changes in the exchange rates as at 31 December 2022 would have had on the translation reserve are shown below:

**Uganda**

At 31 December 2022, if the Ugandan Shilling had weakened/strengthened by 5% (2021 – 5%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to the other comprehensive income would have been KShs 3,719,940 (2021 – KShs 3,542,274) higher/lower.

**Burundi**

At 31 December 2022, if the Burundi Franc had weakened/strengthened by 3% (2021 – 3%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to other comprehensive income would have been KShs 994,274 (2021 – KShs 861,183) higher/lower.

**Tanzania**

At 31 December 2022, if the Tanzanian Shilling had weakened/strengthened by 10% (2021 – 10%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to other comprehensive income would have been KShs 6,169,812 (2021 – KShs 4,320,738) higher/lower.

***Company exchange risk from recognised financial assets and liabilities***

At 31 December 2022, if the Kenya Shilling had weakened/strengthened by 3% against the US dollar with all other variables held constant, company profit for the year would have been KShs 13,363,374 (2021 – KShs 14,879,829) higher/lower, mainly as a result of US dollar denominated financial instruments.

The company does not hold any derivative financial instruments or financial assets measured at fair value through other comprehensive income. All exchange gains and losses arising from exposure to foreign exchange risks on its non-derivative financial instruments, are charged to profit or loss. The above sensitivity analysis would therefore have no direct effect on equity.

**(ii) Interest rate risk**

The Group also has borrowings at fixed rates. No limits are placed on the ratio of variable rate borrowing to fixed rate borrowing.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(c) Market risk (continued)**

**(ii) Interest rate risk (continued)**

***Exposure to interest rate risk***

The interest rate profile of the Group's and Company's fixed interest-bearing financial instruments as reported to management of the Group is as follows;

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
<b><i>Fixed rate instruments</i></b>				
Financial liabilities (Note 23 (a))	(445,446)	(495,994)	(445,446)	(495,994)
<b>Exposure</b>	<b>(445,446)</b>	<b>(495,994)</b>	<b>(445,446)</b>	<b>(495,994)</b>

Financial liabilities relate to borrowings.

***Fair value sensitivity analysis on fixed rate instruments***

The Group does not account for its fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would have no effect on profit or loss or equity.

**(d) Capital management**

The board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or adjust the amount of capital expenditure. The Group monitors capital on the basis of the debt-to-adjusted capital ratio, calculated as net debt to capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. share capital, retained earnings, and other reserves).

The director's target is to maintain a gearing ratio not exceeding 10% for the Group and 20% for the company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**(d) Capital management (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>
Total borrowings (Note 24)	445,446	495,994	445,446	495,994
Less: Cash and cash equivalents (Note 22)	(142,874)	(38,876)	(141,071)	(32,048)
Net debt	302,572	457,118	304,375	463,946
Total equity	430,169	334,099	199,161	127,660
<b>Total capital</b>	<b>732,741</b>	<b>791,217</b>	<b>503,536</b>	<b>591,606</b>
<b>Gearing ratio</b>	<b>41.29%</b>	<b>57.77%</b>	<b>60.45%</b>	<b>78.42%</b>

**(e) Fair values**

None of the Group's financial instruments are measured at fair value. The Group has not disclosed fair values for financial instruments not measured at fair value, such as short-term trade receivables and payables and borrowings, because their carrying amounts are a reasonable estimation of their fair values.

**6. OPERATING SEGMENTS**

**(a) Basis of segmentation**

The Group identifies primary segments based on the dominant source, nature of risks and returns, geographical distribution and internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit /(loss) is evaluated regularly by the Managing Director and executive management in deciding how to allocate resources and assess performance.

The following summary describes the operations of each segment.

<b>Reportable segment</b>	<b>Operations</b>
Sourcing and distribution	Sourcing, buying and distribution of tyres, tubes and flaps
Regional operations	Buying and distribution of tyres, tubes and flaps in the Eastern Africa Region
Yana Tyre Centre	Retailing of tyres, tubes and flaps and provision of tyre related services
Rental business	Letting of investment properties

There is a significant level of integration between the distribution, regional operations and Yana Tyre Centre segments. This includes inter segment sales of products as well as shared marketing and sales services. Inter-segment pricing is determined on an arm's length basis.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

### 6. OPERATING SEGMENTS (CONTINUED)

#### (b) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit/(loss) after tax is used to measure performance because management believes that this information is the most relevant in evaluating results of the respective segments relative to other entities in similar operations.

	Reportable segments								Total
	Sourcing & distribution		Regional operations		Yana Tyre centres		Rental business		
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000	
External revenues	248,663	266,584	-	2,630	35,760	50,861	328,643	331,532	651,606
Inter-segment revenues	16,087	27,345	-	-	-	-	-	-	27,345
<b>Segment revenue</b>	<b>264,750</b>	<b>293,928</b>	<b>-</b>	<b>2,630</b>	<b>35,760</b>	<b>50,861</b>	<b>328,643</b>	<b>331,532</b>	<b>678,951</b>
Segment profit/(loss) before tax	(53,780)	52,083 (3,986)	(38,646)	(33,396) (20,007)	11,168	27,864	247,347 (88,100)	263,592 (77,138)	166,089 (88,100)
<b>Segment profit after tax</b>	<b>(53,780)</b>	<b>48,097</b>	<b>(38,646)</b>	<b>(53,403)</b>	<b>11,168</b>	<b>27,864</b>	<b>159,247</b>	<b>186,454</b>	<b>77,989</b>
Dividend earned	-	-	-	-	-	-	-	-	-
Interest expense	(38,603)	(56,843)	-	-	-	-	-	-	(38,603)
Depreciation and amortisation	(711)	(240)	-	-	-	(921)	(11,152)	(10,506)	(11,863)
Share of profit from equity accounted investees	12,275	8,454	-	-	-	-	-	-	12,275
<b>Segment assets</b>	<b>621,039</b>	<b>620,967</b>	<b>70,100</b>	<b>64,365</b>	<b>10,892</b>	<b>40,575</b>	<b>1,029,834</b>	<b>880,684</b>	<b>1,731,864</b>
Equity accounted investees	189,837	177,561	-	-	-	-	-	-	189,837
Capital expenditure	-	-	-	-	-	-	(73,152)	(60,818)	(73,512)
<b>Segment liabilities</b>	<b>(963,842)</b>	<b>(959,767)</b>	<b>(137,953)</b>	<b>(88,851)</b>	<b>(173,425)</b>	<b>(214,276)</b>	<b>(201,555)</b>	<b>(152,240)</b>	<b>(1,476,775)</b>
									<b>(1,415,134)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**6. OPERATING SEGMENTS (CONTINUED)**

**(c) Reconciliation of information on reportable segments to IFRS measures**

The Group's internal accounting policies and measures are consistent with IFRS. Therefore, the reconciling items are limited to items that are not allocated to reportable segments and inter-segment eliminations, as opposed to a difference in the basis of preparation of the information.

	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>
<b>(i) Revenues</b>		
Total revenues for reportable segments	629,152	678,951
Elimination of intersegment revenues	(16,087)	(27,345)
<b>Consolidated revenue</b>	<b>613,065</b>	<b>651,606</b>
<b>(ii) Profit before tax</b>		
Segments profit before tax	166,089	310,142
Provision due from subsidiaries	-	-
Share of profit on equity accounted investee	12,275	8,454
Elimination of intersegment expenses	10,000	-
Inter-segment unrealised profits	-	(78)
<b>Consolidated profit before tax</b>	<b>188,364</b>	<b>318,518</b>
<b>(iii) Assets</b>		
Total segment assets	1,731,864	1,606,591
Elimination of inter-segment;		
- Net unrealised profits on inventories	-	(78)
- Receivables	(413,260)	(340,823)
- Intercompany provisions	-	-
Investment in subsidiaries	(184,000)	(194,000)
Share of profit/(loss) of equity accounted investees	52,812	40,534
<b>Consolidated total assets</b>	<b>1,187,416</b>	<b>1,112,224</b>
<b>(iv) Liabilities</b>		
Total segment liabilities	1,476,775	1,415,134
Elimination of inter-segment payables	(703,209)	(630,773)
<b>Consolidated total liabilities</b>	<b>773,565</b>	<b>784,361</b>

Segment assets and liabilities exclude current and deferred taxes.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**6. OPERATING SEGMENTS (CONTINUED)**

**(d) Geographic information**

The Group operates in various markets within the greater Eastern and Southern Africa markets. The sourcing plant is domiciled in Kenya with other markets involved in distribution, retail and trading. The geographic information below analyses the Group's revenues and non-current assets by the country of domicile and other countries. In preparing the following information, segment revenue has been based on geographic location of customers and segment non-current assets were based on the geographic location of the assets. Non-current assets exclude financial instruments, employee benefits assets and deferred tax assets.

	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>
<b>(i) Revenues</b>		
<i><b>Country of domicile</b></i>		
Kenya	613,065	539,116
<i><b>All foreign countries</b></i>		
Uganda	-	-
Tanzania	-	2,630
Burundi	-	-
Others	-	109,860
<b>Consolidated revenue</b>	<b>613,065</b>	<b>651,606</b>
<b>(ii) Non-current assets</b>		
<i><b>Country of domicile</b></i>		
Kenya	847,477	781,373
<i><b>All foreign countries</b></i>		
Uganda	-	-
Tanzania	-	-
Burundi	-	-
<b>Consolidated total non-current assets</b>	<b>847,477</b>	<b>781,373</b>

**(e) Major customer**

The Group and its entities do not place reliance on any particular customer for its operations. None of the Group's individual customers transacts revenues of 10% or more of the Group's turnover.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

**(a) Critical accounting estimates and assumptions**

In preparing the annual financial statements management is required to make estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant estimates and judgements include:

— **Impairment**

The Group assesses its trade receivables and other financial and non-financial assets for impairment at each reporting date. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes assumptions underlying recoverable amounts as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the asset.

— **Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. The Group has established a framework with respect to measurement of fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the team assesses the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS including the fair value hierarchy in which such valuation should be classified.

— **Taxation**

Judgement is required in determining the liability for income taxes due to the complexity of tax legislations. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The company 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 liability in the period in which such determination is made.

The company recognises the net future tax benefit relating to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the reporting date could be impacted.

— **Useful lives and residual values of property, plant and equipment**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

The company tests annually whether the useful life and residual value estimates were appropriate and in accordance with its accounting policy. Useful lives and residual values of property and equipment have been determined based on previous experience and anticipated disposal values when the assets are disposed.

**7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**

**(a) Critical accounting estimates and assumptions (continued)**

— **Investment property**

Critical estimates are made by the directors in determining depreciation rates for investment property.

**(b) Critical judgements in applying the Group's accounting policies**

In the process of applying the Group's accounting policies, management has made judgements which are noted in the following notes:

- (i) Note 3 (a): Basis of consolidation – whether the Group has de facto control over an investee;
- (ii) Note 24: Deferred tax – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.

**8. REVENUE**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>(a) Revenue from contracts with customers Recognised at a point in time:</b>				
Sale of manufactured goods	-	26,238	-	14,365
Sale of imported goods	278,044	292,583	259,714	279,878
Discounts, claims and warranties	4,578	(882)	4,619	(817)
<b>Recognised over time:</b>				
Rendering of services	1,800	2,135	417	503
<b>(b) Other revenue</b>				
Investment property rentals	328,643	331,532	274,826	272,532
	<b>613,065</b>	<b>651,606</b>	<b>539,576</b>	<b>566,461</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**9. OTHER OPERATING INCOME AND EXPENSES**

**(a) Other operating income**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
Insurance compensation	15,440	-	-	-
Other income	6,854	4,480	5,406	3,758
	<b>22,294</b>	<b>4,480</b>	<b>5,406</b>	<b>3,758</b>

Other income includes income from the sale of impaired assets and scrap materials.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)**

**(b) Expenses by function**

**(i) Cost of sales**

	Group		Company	
	2022	2021	2022	2021
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Prime costs</b>				
Inventories expensed during the year (Note 20)	229,780	142,066	226,959	151,503
	<b>229,780</b>	<b>142,066</b>	<b>226,959</b>	<b>151,503</b>
<b>Sourcing and distribution overheads</b>				
Indirect labour	2,451	4,473	2,451	4,473
Depreciation	10,743	9,978	6,792	6,084
	<b>13,194</b>	<b>14,451</b>	<b>9,243</b>	<b>10,557</b>
<b>Total cost of sales</b>	<b>242,974</b>	<b>160,517</b>	<b>236,202</b>	<b>162,060</b>

**(ii) Operating expenses**

	Group		Company	
	2022	2021	2022	2021
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Selling and distribution costs</b>				
Distribution costs	1,828	2,376	1,294	2,322
Selling expenses	7,158	16,529	7,044	10,891
Trade receivables loss allowance	4,425	(12,415)	4,972	(10,503)
Marketing and sales promotions	1,413	3,095	1,413	3,095
	<b>14,824</b>	<b>9,885</b>	<b>14,723</b>	<b>5,805</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)**

**(b) Expenses by function (continued)**

**(ii) Operating expenses (continued)**

**Administrative expenses**

	Group		Company	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
Indirect staff costs	71,756	62,670	63,850	53,880
Impairment of subsidiary	-	-	10,000	-
Other administrative expenses	22,984	19,654	(23,480)	4,349
	<b>94,740</b>	<b>82,324</b>	<b>50,370</b>	<b>58,229</b>
Legal and professional fees	22,878	13,557	18,757	5,839
Travel and vehicle maintenance	624	886	588	530
Establishment expenses	10,378	10,302	7,715	7,422
Bank charges and fees	1,934	775	1,538	259
	<b>35,814</b>	<b>25,520</b>	<b>28,598</b>	<b>14,050</b>
<b>Total operating expenses</b>	<b>145,378</b>	<b>117,729</b>	<b>93,691</b>	<b>78,084</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)**

**(c) Expenses by nature**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
Changes in inventories of finished goods	-	3,859	-	3,859
Cost of imported trading goods sold	229,780	142,207	226,959	147,644
Employee benefits expense (Note 9 (d))	74,353	67,500	66,465	58,709
Audit fees	2,068	2,034	1,100	1,100
Bank charges	1,934	775	1,538	259
Depreciation and amortisation	11,862	11,667	7,499	6,321
General expenses	24,643	3,102	(19,988)	(11,709)
Impairment of subsidiary	-	-	10,000	-
Legal and professional fees	6,601	2,083	4,596	(4,074)
Advertising and promotions	1,433	3,098	1,433	3,098
Electricity, water and fuel	(13,860)	3,817	(15,711)	3,632
Repairs and maintenance	19,260	17,360	16,944	15,909
Trade receivables loss allowance	4,425	(12,415)	4,972	(10,503)
Sales commissions and bonuses	3,781	8,012	3,781	7,935
Rent and rates	3,989	9,086	3,989	3,278
Telephone and postage	2,810	3,713	2,810	3,404
Transport, travelling and insurance	15,272	12,348	13,506	11,282
<b>Total cost of sales, selling and distribution, administrative and other operating expenses</b>	<b>388,351</b>	<b>278,246</b>	<b>329,893</b>	<b>240,144</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**9. OTHER OPERATING INCOME AND EXPENSES (CONTINUED)**

**(d) Employee benefits expense**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
Salaries and wages	53,477	52,445	48,474	46,725
Allowances and other benefits	17,397	11,565	14,673	8,803
Defined contribution scheme	3,405	3,424	3,259	3,133
National Social Security Fund	74	66	59	48
	<b>74,353</b>	<b>67,500</b>	<b>66,465</b>	<b>58,709</b>

**(e) Employee particulars for the year**

**(i) Average number of employees per employee category**

Management and administration	33	28	29	24
<b>Total</b>	<b>33</b>	<b>28</b>	<b>29</b>	<b>24</b>

**10. NET FINANCE (COSTS)/INCOME**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Finance income</b>				
Interest income	2,440	5,152	2,440	5,152
Foreign exchange gains	8,728	52,247	3,324	48,856
	<b>11,168</b>	<b>57,399</b>	<b>5,764</b>	<b>54,008</b>
<b>Finance costs</b>				
Foreign exchange losses	43,483	68,332	38,001	63,408
Interest expense	38,603	56,843	38,603	56,843
	<b>82,086</b>	<b>125,175</b>	<b>76,604</b>	<b>120,251</b>
<b>Net finance (costs)/income</b>	<b>(70,918)</b>	<b>(67,776)</b>	<b>(70,840)</b>	<b>(66,243)</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**11. INCOME TAXES**

**(a) Amounts recognised in profit or loss**

	Group		Company	
	2022	2021	2022	2021
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Current tax expense:</b>				
Current income tax	86,790	77,138	72,748	62,814
Provision in prior period	-	23,625	-	-
	<b>86,790</b>	<b>100,763</b>	<b>72,748</b>	<b>62,814</b>
<b>Deferred tax expense (Note 25(b)):</b>				
Deferred income tax	1,310	367	-	-
	<b>1,310</b>	<b>367</b>	<b>-</b>	<b>-</b>
<b>Income tax expense</b>	<b>88,100</b>	<b>101,130</b>	<b>72,748</b>	<b>62,814</b>

The Group income tax expense excludes the Group's share of income tax expense of its equity accounted investee of KShs'000 -10,686 ( 2021: KShs'000- 4,769) which has been included in "share of profit of equity accounted investee, net of tax".

**(b) Reconciliation of effective tax rate**

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

Group	2022		2021	
	Rate %	KShs'000	Rate %	KShs'000
<b>Profit before income tax</b>		<b>188,364</b>		<b>318,518</b>
Tax calculated at domestic rates applicable to profits in the respective countries – 30% (2021 - 30%)	30%	56,509	30%	95,555
Tax effect of:				
Share of profit of equity accounted investee	(1.96)%	(3,683)	0%	-
Expenses not deductible for income tax purposes	3.27%	6,164	1.75%	5,575
Effects of unrecognised deferred tax	7.88%	14,835	0%	-
Under provision of current income tax in prior years	7.58%	14,275	0%	-
<b>Income tax expense</b>	<b>46.77%</b>	<b>88,100</b>	<b>31.75%</b>	<b>101,130</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**11. INCOME TAXES (CONTINUED)**

**(b) Reconciliation of effective tax rate (continued)**

Company	2022		2021	
	Rate %	KShs'000	Rate %	KShs'000
<b>Profit /(loss) before income tax</b>		<b>144,249</b>		<b>263,652</b>
Tax calculated at domestic rates applicable to profits in the respective countries – 30% (2021 - 30%)	30%	43,275	30%	79,096
Tax effect of:				
Expenses not deductible for income tax purposes	0.17%	246	0.75%	1,989
Under provision of current income tax in prior years	9.90%	14,275	0%	-
Effects of unrecognised deferred tax	10.37%	14,952	(5.74)%	(18,271)
<b>Income tax expense</b>	<b>50.43%</b>	<b>72,748</b>	<b>23.82%</b>	<b>62,814</b>

**(c) Reconciliation of carrying amounts**

	Group		Company	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
Net liability/(asset) at start of year	20,964	(48,920)	25,869	( 11,924)
Charge for the year - profit or loss (note 11(a))	86,790	77,138	72,748	62,814
Provision in prior period	(376)	23,604	(6)	1
Income tax paid	(130,636)	( 30,858)	(111,572)	( 25,022)
<b>Net (asset)/liability at end of year</b>	<b>(23,258)</b>	<b>20,964</b>	<b>(12,961)</b>	<b>25,869</b>
<b>Represented by:</b>				
Income tax assets	(25,270)	(11,866)	(12,961)	-
Income tax liability	2,012	32,830	-	25,869
	<b>(23,258)</b>	<b>20,964</b>	<b>(12,961)</b>	<b>25,869</b>

The Group believes that its accruals for current tax liabilities / assets are adequate for all open tax matters based on its assessment of various factors, including interpretations of tax laws and prior experience.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**12. EARNINGS PER SHARE**

**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>2022</b>	<b>2021</b>
Profit attributable to equity holders of the Company (KShs '000)	100,264	217,388
Weighted average number of ordinary shares in issue ('000)	278,342	278,342
Basic earnings per share (KShs)	0.36	0.78

**(b) Diluted earnings per share**

The calculation of diluted earnings per share is based on profit attributable to ordinary shareholders and the weighted average number of shares outstanding after adjustment for the effect of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at 31 December 2022 or 2021. Diluted earnings per share are therefore the same as basic earnings per share.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**13. PROPERTY, PLANT AND EQUIPMENT**

**(a) Reconciliation of carrying amounts**

Group	Buildings KShs'000	Furniture, fittings & equipment KShs'000	Total KShs'000
<b>2022:</b>			
<b>Cost</b>			
At 1 January 2022	34,805	5,845	40,650
Additions	-	3,388	3,388
Transfer to investment property (Note 15)	(23,032)	-	(23,032)
<b>At 31 December 2022</b>	<b>11,773</b>	<b>9,233</b>	<b>21,006</b>
<b>Accumulated depreciation and impairment</b>			
At 1 January 2022	8,372	4,534	12,906
Charge for the year	471	644	1,115
Transfer to investment property (Note 15)	(6,663)	-	(6,663)
<b>At 31 December 2022</b>	<b>2,180</b>	<b>5,178</b>	<b>7,358</b>
<b>Carrying amounts - At 31 December 2022</b>	<b>9,593</b>	<b>4,055</b>	<b>13,648</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**13. PROPERTY PLANT AND EQUIPMENT (CONTINUED)**

**(a) Reconciliation of carrying amounts (continued)**

Group	Buildings KShs'000	Furniture, fittings & equipment KShs'000	Total KShs'000
2021:			
Cost			
At 1 January 2021	34,805	5,845	40,650
<b>At 31 December 2021</b>	<b>34,805</b>	<b>5,845</b>	<b>40,650</b>
Accumulated depreciation and impairment			
At 1 January 2021	7,218	4,003	11,221
Charge for the year	1,154	531	1,685
<b>At 31 December 2021</b>	<b>8,372</b>	<b>4,534</b>	<b>12,906</b>
Carrying amounts - At 31 December 2021	<b>26,433</b>	<b>1,311</b>	<b>27,744</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**13. PROPERTY PLANT AND EQUIPMENT (CONTINUED)**  
**(a) Reconciliation of carrying amounts (continued)**

Company	Buildings KShs'000	Furniture, fittings & equipment KShs'000	Total KShs'000
<b>2022:</b>			
<b>Cost</b>			
At 1 January 2022	11,773	-	11,773
Additions	-	1,978	1,978
<b>At 31 December 2022</b>	<b>11,773</b>	<b>1,978</b>	<b>13,751</b>
<b>Accumulated depreciation and impairment</b>			
At 1 January 2022	1,709	-	1,709
Charge for the year	471	232	703
<b>At 31 December 2022</b>	<b>2,180</b>	<b>232</b>	<b>2,412</b>
<b>Carrying amounts - At 31 December 2022</b>	<b>9,593</b>	<b>1,746</b>	<b>11,339</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**13. PROPERTY PLANT AND EQUIPMENT (CONTINUED)**

**(a) Reconciliation of carrying amounts (continued)**

Company	Buildings KShs'000	Total KShs'000
<b>2021</b>		
<b>Cost</b>		
At 1 January 2021	11,773	11,773
<b>At 31 December 2021</b>	<b>11,773</b>	<b>11,773</b>
<b>Depreciation and impairment</b>		
At 1 January 2021	1,476	1,476
Charge for the year	233	233
<b>At 31 December 2021</b>	<b>1,709</b>	<b>1,709</b>
<b>Carrying amounts</b>		
At 31 December 2021	10,064	10,064

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**14. INTANGIBLE ASSETS**

**Computer software**

**(a) Reconciliation of carrying amounts**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Cost</b>				
At 1 January and 31 <sup>st</sup> December	138,348	138,348	138,030	138,030
<b>Amortisation and impairment</b>				
At 1 January	138,348	138,348	138,030	138,030
Charge for the year	-	-	-	-
<b>At 31 December</b>	<b>138,348</b>	<b>138,348</b>	<b>138,030</b>	<b>138,030</b>
<b>Carrying amount at 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(b) Impairment loss**

Specialised computer software used for production planning was tested for impairment after the factory closure and an impairment loss of KShs 2,392,000 was recognised. The Group continues to use other modules of this software that remain relevant to its operations.

**(c) Classification**

The Group accounts for computer software development and licenses costs that are not an integral part of the related hardware as intangible assets, which are amortized over their useful lives. All other computer software that form an integral part of the related hardware, are included in property plant and equipment.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**15. INVESTMENT PROPERTIES**

**(a) Reconciliation of carrying amounts**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
At start of year	575,734	524,894	477,591	432,203
Additions	69,764	60,818	65,131	51,472
Impairment	(9,560)	-	-	-
Assets held for sale	(15)	-	(15)	-
Transfer from buildings	18,467	-	18,467	-
Depreciation	(10,743)	(9,978)	(6,792)	(6,084)
<b>At end of year</b>	<b>643,647</b>	<b>575,734</b>	<b>554,382</b>	<b>477,591</b>

Transfer from buildings relates to cost of building and its accumulated depreciated from our subsidiary Yana Tyre Center Limited.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**15. INVESTMENT PROPERTIES (CONTINUED)**

**(a) Reconciliation of carrying amounts (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Comprising</b>				
Cost	912,608	835,093	765,591	677,429
Assets held for sale	(15)	-	(15)	-
Accumulated depreciation	(268,946)	(259,359)	(211,194)	(199,838)
<b>At end of year</b>	<b>643,647</b>	<b>575,734</b>	<b>554,382</b>	<b>477,591</b>

Investment property comprises:

- (i) Leasehold land held for future development or capital appreciation;
- (ii) Residential houses; and
- (iii) Commercial properties.

**(b) Rental income and operating expenses**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Rental income</b>	<b>328,643</b>	<b>331,532</b>	<b>274,826</b>	<b>272,532</b>
<b>Operating expenses</b>				
Staff costs	6,564	12,615	2,826	6,824
Administrative expenses	30,594	19,164	41,323	19,546
Security expenses	14,809	12,647	7,835	9,899
Legal and professional fees	8,948	4,553	5,687	2,552
Repairs and maintenance	9,229	8,455	7,008	7,072
Depreciation	11,152	10,506	6,796	6,088
	<b>81,296</b>	<b>67,940</b>	<b>71,475</b>	<b>51,981</b>
<b>Net rental income before tax</b>	<b>247,347</b>	<b>263,592</b>	<b>203,351</b>	<b>220,551</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**15. INVESTMENT PROPERTIES (CONTINUED)**

**(c) Measurement of fair value**

**(i) Fair value hierarchy**

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications every 3 years. In the intervening periods between valuations, management adjusts fair values on the basis of annual housing index reports provided by professional consultants. During the year, management used the "The Hass Property Index" report provided by Hass Consult – a Real Estate Consultancy firm in association with Investment Managers Stanlib. The annual growth rate used to value the group's investment properties as at 31 December 2022, was 4.8% .

The fair value measurement of – Group KShs'000 – 7,584,939 (2021: KShs'000 -8,076,312); Company KShs'000 –5,593,149 (2021: KShs'000 – 6,175,749) has been categorized as level 2 fair value (2021 level 2) based on the inputs to the valuation techniques used.

The Group accounts for its investment property at cost less accumulated depreciation and any impairment losses. The fair value gains which would have been recognised in profit or loss had the Group accounted for its investment property at fair values would have been as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Fair values</b>				
Properties	7,584,939	8,076,312	5,593,149	6,175,749
	<b>7,584,939</b>	<b>8,076,312</b>	<b>5,593,149</b>	<b>6,175,749</b>
<b>Carrying amounts</b>				
Commercial properties	643,647	575,400	554,382	477,257
Leasehold land	330	334	330	334
	<b>643,977</b>	<b>575,734</b>	<b>554,712</b>	<b>477,591</b>
<b>Fair value gains not recognised in profit or loss</b>	<b>6,940,962</b>	<b>7,500,578</b>	<b>5,038,437</b>	<b>5,698,158</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**15. INVESTMENT PROPERTIES (CONTINUED)**

**(c) Measurement of fair value (continued)**

**(ii) Valuation techniques and significant unobservable inputs**

The table below shows the valuation techniques used in measuring fair values as well as significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationships between unobservable inputs and fair value measurements
<b>(a) Investment property</b>  <b>Discounted cash flows:</b> The valuation model considers the present value of net cash flows to be generated from the property taking into account expected rental growth, occupancy rates and other costs not paid by tenants. The net cash flows are discounted using the risk adjusted discount rate.	1. Expected market rental growth (2022 and 2021: 3.75-5.8%) 2. Occupancy rates (2022 and 2021: 90% - 95%) 3. Risk-adjusted discount rate (2022 and 2021: 9%)	The estimated fair values would increase / (decrease) if; 1. Expected rental growth were higher / (lower) 2. Occupancy rates were higher / (lower) 3. Risk-adjusted discount rate was lower / (higher)
<b>(b) Leasehold land held for value appreciation and development.</b> <b>Market approach:</b> The valuation model uses prices and other relevant information generated by market transactions involving identical or similar assets. The fair value is determined as the price that would be paid to sell the land in an orderly transaction to market participants.	1. Property prices in the locality 2. Infrastructure developments	The estimated fair values would increase / (decrease); 1. If property prices were higher / (lower) 2. Increase with improvements in infrastructure.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**16. NON-CURRENT ASSETS HELD FOR SALE**

Assets held for sale relates to 3.75 acres of undeveloped leasehold land, the sale was initiated in 2022 and likely to conclude by the 3rd quarter of 2023.

The fair value of the asset held for sale is estimated at Ksh 879,036,000

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
Assets held for sale (land)	15	-	15	-
<b>At end of year</b>	<b>15</b>	<b>-</b>	<b>15</b>	<b>-</b>

**17. PREPAID OPERATING LEASE RENTALS**

**(a) Reconciliation of carrying amount**

	<b>Group and Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>
At start of year	334	338
Amortisation charge for the year	(4)	(4)
<b>At end of year</b>	<b>330</b>	<b>334</b>

**(b) Classification**

The Group classifies leasehold land under development of warehouses, administration block, roads and other buildings as prepaid operating leases. Undeveloped leasehold land held for future development or value appreciation is accounted for under investment property.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**18. INVESTMENT IN SUBSIDIARIES - Company**

**(a) Investment and structure**

The company's interest in its subsidiaries, all of which are unlisted and all of which have the same year end as the parent company, were as follows:

	Country of incorporation	% interest held	2022 KShs'000	2021 KShs'000
Sameer Africa (Uganda) Limited	Uganda	100%	26,612	26,612
Sameer Africa (Tanzania) Limited	Tanzania	100%	155,100	155,100
Yana Tyre Centre Limited	Kenya	100%	10,000	10,000
Sameer Industrial Park Limited	Kenya	100%	120,000	120,000
Sameer Africa (Burundi) Limited	Burundi	100%	221,913	221,913
Taqwa Trading Limited	Kenya	100%	<u>35,000</u>	<u>35,000</u>
			568,625	568,625
Less: Provision for impairment			<u>(448,625)</u>	<u>(438,625)</u>
<b>Carrying amount</b>			<b><u>120,000</u></b>	<b><u>130,000</u></b>

The provision for impairment relates to Taqwa Trading Limited which ceased trading in 2017 and has since been dormant. Other impairments of the investments in subsidiary companies done in 2018 were: Sameer Africa (Tanzania) Limited - KShs 155,100,000, Sameer Africa (Burundi) Limited - KShs 221,913,000, Sameer Africa (Uganda) Limited - KShs 26,612,000 and Yana Tyre Centre Limited impaired in 2022 -Kshs 10,000,000.

**(b) Nature and extent of significant restrictions**

The company does not have any significant restrictions on any of its subsidiary companies, whether contractual, statutory or regulatory that limits its ability to access or use the assets and settle liabilities of the Group.

**(c) Nature of risks associated with subsidiaries**

The Group has no contractual arrangements that require the parent or its subsidiaries to provide financial support to a consolidated structured entity.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**19. INVESTMENT IN ASSOCIATE**

The following table summarizes the carrying amounts and the Group's share of profit or loss and other comprehensive income of its investment in associate as well as the carrying amounts in the financial statements of the company.

	Group		Company	
	2022	2021	2022	2021
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Carrying amount</b>				
Interest in associates (Note 18(a))	189,837	177,561	137,026	137,026
<b>At end of year</b>	<b>189,837</b>	<b>177,561</b>	<b>137,026</b>	<b>137,026</b>

**(a) Reconciliation of carrying amount - Group**

	2022 KShs'000	2021 KShs'000
At 1 January 2022	177,561	169,107
Prior year under provision	2,491	-
Share of profit	9,785	8,454
<b>At end of year</b>	<b>189,837</b>	<b>177,561</b>

**(a) Associate**

The Group's has an interest of 25% (2021: 25%) in the equity and voting rights of Sameer Business Park Limited. Sameer Business Park Limited is incorporated in Kenya and is unlisted. The principal place of business is along Mombasa Road, Nairobi.

The principal business of the associate is the letting of investment properties to third parties.

The Group accounts for its investment in associate using the equity method. The investment in associate is measured at cost less any impairment losses in the separate financial statements of the company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**19. INVESTMENT IN ASSOCIATE (CONTINUED)**

**(a) Associate (continued)**

**(i) Summarised financial information**

The summarized financial information of the associate is set out below;

	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>
<b><i>Financial position</i></b>		
Non-current assets	1,854,354	1,904,124
Current assets	296,170	166,344
Current liabilities	(117,235)	(16,425)
Non-current liabilities	(1,273,941)	(1,343,512)
<b>Net assets</b>	<b>759,348</b>	<b>710,531</b>
<b><i>Profit or loss and other comprehensive income</i></b>		
Revenue	324,182	297,183
Expenses	(285,043)	(263,367)
Profit after tax	39,139	33,816
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>39,139</b>	<b>33,816</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**20. INVENTORIES**

	Group		Company	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
Finished goods	30,323	35,705	29,486	34,756
	<b>30,323</b>	<b>35,705</b>	<b>29,486</b>	<b>34,756</b>

The amounts of inventories recognised as an expense during the period are as shown below:

	Group		Company	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
Changes in inventories of work in progress and finished goods	-	3,859	-	3,859
Cost of trading goods sold	229,780	142,207	226,959	147,644
	<b>229,780</b>	<b>146,066</b>	<b>226,959</b>	<b>151,503</b>

**(a) Amounts recognised in profit or loss**

In 2022, inventories of KShs'000 229,780 (2021 – KShs'000 146,066) for the group and KShs '000 226,959 (2021 – KShs '000 151,503) for the company were recognised as an expense during the year and included in 'cost of sales.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**21. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Current</b>				
Trade receivables	92,707	137,583	88,214	108,254
Less: Provision for impairment	(49,849)	(47,781)	(46,040)	(41,283)
	<b>42,858</b>	<b>89,802</b>	<b>42,174</b>	<b>66,971</b>
Amounts due from related companies (Note 31(d)(i))	5,214	2,520	4,335	1,899
Other receivables	90,698	100,287	8,746	21,651
Receivables from subsidiaries net of impairment (Note 31(d)(i))	-	-	63,011	96,374
Trade and other receivables	138,770	192,609	118,266	186,895
Prepayments	27,972	63,661	26,547	61,590
	<b>166,742</b>	<b>256,270</b>	<b>144,813</b>	<b>248,485</b>

**(a) Credit and market risks, and impairment losses**

Information about the Group's exposure to credit and market risks and impairment losses for trade and other receivables is included in Note 5 (a).

**22. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as shown in the statements of financial position and cash flows comprise the following:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
Cash at bank and in hand	<b>142,874</b>	<b>38,876</b>	<b>141,071</b>	<b>32,048</b>

As at 31 December 2022 all cash and cash equivalents balances were available for use by the Group and Company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**23. CAPITAL AND RESERVES**

**(a) Ordinary share capital**

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the General Meetings of the company. All ordinary shares rank *pari passu* with regard to the company's residual assets.

	<b>2022</b>	<b>2021</b>
Authorised ordinary shares	300,000,000	300,000,000
Authorised par value (KShs each)	5	5
<b>Authorised share capital (KShs'000)</b>	<b><u>1,500,000</u></b>	<b><u>1,500,000</u></b>
<b><i>Issued and fully paid up capital</i></b>		
Issued ordinary shares	278,342,393	278,342,393
Issued par value (KShs each)	5	5
<b>Issued and fully paid up capital (KShs'000)</b>	<b><u>1,391,712</u></b>	<b><u>1,391,712</u></b>

**(b) Nature and purpose of reserves**

**(i) Translation reserve**

The translation reserve comprise all foreign currency differences arising from the translation of financial statements of foreign operations. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

**(ii) Retained earnings**

Retained earnings comprises accumulated profit or loss from continuing operations and other comprehensive income net of any dividends declared and paid out to ordinary shareholders. Retained earnings represent amounts available to the shareholders of the Group and are usually utilised to finance business activity.

**(c) Dividends**

The directors do not recommend the declaration of a dividend for the year (2021:Nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**24. BORROWINGS**

	Group		Company	
	2022	2021	2022	2021
(a) Carrying amounts	KShs'000	KShs'000	KShs'000	KShs'000
<b>Non-current</b>				
Sameer Investments Limited	345,446	375,994	345,446	375,994
Sameer Telkom Limited	100,000	100,000	100,000	100,000
<b>Total borrowings</b>	<b>445,446</b>	<b>495,994</b>	<b>445,446</b>	<b>495,994</b>

**Reconciliation of liabilities arising from financing activities:**

	31 December 2022		31 December 2021	
	Bank loan KShs'000	Related parties loan KShs'000	Bank loan KShs'000	Related parties loan KShs'000
At start of year	-	495,994	134,468	608,740
Repayments of long-term borrowings	-	(50,548)	(134,468)	(112,746)
	<b>-</b>	<b>445,446</b>	<b>-</b>	<b>495,994</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**24. BORROWINGS (CONTINUED)**  
**Terms and repayment schedule**

Group and company	Currency	Nominal interest	Maturity	31 December 2022		31 December 2021	
				Face value	Carrying amount	Face value	Carrying amount
				KShs'000	KShs'000	KShs'000	KShs'000
Term Loan-NCBA	KSH	11.50%	2024	-	-	135,411	-
Term loan –Sameer Investments Limited	USD	7.00%	2025	395,994	345,446	395,994	395,994
Term loan –Sameer Telkom Limited	KSH	11.00%	2025	100,000	100,000	100,000	100,000
				<b>495,994</b>	<b>445,446</b>	<b>631,405</b>	<b>495,994</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**24. BORROWINGS (CONTINUED)**

**(b) Effective interest rates**

The weighted average effective interest rates at the year-end were:

	<b>2022</b> %	<b>2021</b> %
Bank borrowings – KShs	-	11.50
Related party borrowings - USD	7.00	7.00
Related party borrowings - KShs	<u>11.00</u>	<u>11.00</u>

In the opinion of the directors, the carrying amounts of borrowings approximate to their fair values. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the Group at the statement of financial position date.

**(c) Compliance with loan covenants**

The Group has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting periods.

**25. DEFERRED INCOME TAX**

**(a) Carrying amounts**

Deferred income tax is calculated using the enacted income tax rates of 30% (2021: 30%) that apply to the different Group companies. The movement on the deferred income tax account is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b> KShs'000	<b>2021</b> KShs'000	<b>2022</b> KShs'000	<b>2021</b> KShs'000
At start of year	5,630	5,263	-	-
Charge to statement of profit or loss (Note 11 (a))	1,310	-	-	-
Currency translation differences (Note 11(a))	-	-	-	-
Prior period under provisions	-	367	-	-
<b>At end of year</b>	<b><u>6,940</u></b>	<b><u>5,630</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>As disclosed on the balance sheet:</b>				
Deferred income tax assets	-	-	-	-
Deferred income tax liabilities	6,940	5,630	-	-
	<b><u>6,940</u></b>	<b><u>5,630</u></b>	<b><u>-</u></b>	<b><u>-</u></b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**25. DEFERRED INCOME TAX (CONTINUED)**

**(b) Movement in deferred tax balances**

<b>Group 2022</b>	<b>Net balance at 1 January KShs'000</b>	<b>Recognised in profit or loss KShs'000</b>	<b>Net balance at 31 December KShs'000</b>
<b><i>Deferred income tax asset</i></b>			
Property, plant and equipment and intangibles	(63,924)	3,002	(60,922)
Investment property	126,540	10,603	137,143
Provisions	(149,832)	(3,197)	(153,029)
Tax losses	(626,240)	(25,098)	(651,338)
Effects of movements in exchange rates	1,252	(8,691)	(7,439)
Prior year under provision	1,144	-	1,144
	<b>(711,060)</b>	<b>(23,381)</b>	<b>(734,441)</b>
Total deferred tax asset	<b>(711,060)</b>	<b>(23,381)</b>	<b>(734,441)</b>
Unrecognized deferred tax asset	<b>711,060</b>	<b>23,381</b>	<b>734,441</b>
	<b>-</b>	<b>-</b>	<b>-</b>
<b><i>Deferred income tax liability</i></b>			
Investment property	6,229	1,454	7,683
Provisions	( 532)	-	( 532)
Effects of movements in exchange rates	(67)	(144)	(211)
	<b>5,630</b>	<b>1,310</b>	<b>6,940</b>
<b>Net deferred income tax liabilities</b>	<b>5,630</b>	<b>1,310</b>	<b>6,940</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**25. DEFERRED INCOME TAX (CONTINUED)**

**(b) Movement in deferred tax balances (continued)**

**Group 2021**

	Net balance at 1 January KShs'000	Recognised in profit or loss KShs'000	Net balance at 31 December KShs'000
<b><i>Deferred income tax asset</i></b>			
Property, plant and equipment and intangibles	(46,831)	(17,093)	(63,924)
Investment property	65,334	61,206	126,540
Provisions	(139,303)	(10,529)	(149,832)
Tax losses	(681,821)	(14,419)	(626,240)
Effects of movements in exchange rates	(187)	1,439	1,252
Prior year under provision	(11,229)	12,373	1,144
Total deferred tax asset	(744,037)	32,977	(711,060)
Unrecognized deferred tax asset	<b>744,037</b>	<b>(32,977)</b>	<b>711,060</b>
	-	-	-
<b><i>Deferred income tax liability</i></b>			
Investment property	6,229	-	6,229
Provisions	(899)	367	(532)
Effects of movements in exchange rates	(67)	-	(67)
	<b>5,263</b>	<b>367</b>	<b>5,630</b>
<b>Net deferred income tax asset</b>	<b>5,263</b>	<b>367</b>	<b>5,630</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**25. DEFERRED INCOME TAX (CONTINUED)**

**(b) Movement in deferred tax balances (continued)**

<b>Company 2022</b>	<b>Net balance at 1 January KShs'000</b>	<b>Recognised in profit or loss KShs'000</b>	<b>Net balance at 31 December KShs'000</b>
<b><i>Deferred income tax asset</i></b>			
Property, plant and equipment and intangibles	(75,257)	7,566	(67,691)
Investment property	63,625	10,603	74,228
Provisions for expenses	(160,702)	3,586	(157,116)
Tax losses	(399,295)	(19,481)	(418,776)
Exchange differences	(2,633)	(8,672)	(11,305)
Total deferred tax asset	(574,262)	(6,398)	(580,660)
Unrecognized deferred tax asset	574,262	6,398	580,660
	<u>-</u>	<u>-</u>	<u>-</u>

<b>Company 2021</b>	<b>Net balance at 1 January KShs'000</b>	<b>Recognised in profit or loss KShs'000</b>	<b>Net balance at 31 December KShs'000</b>
<b><i>Deferred income tax asset</i></b>			
Property, plant and equipment and intangibles	(58,145)	(17,112)	(75,257)
Investment property	2,419	61,206	63,625
Provisions for expenses	(148,399)	(12,303)	(160,702)
Tax losses	(441,201)	41,906	(399,295)
Under provision on prior year	(12,373)	12,373	-
Exchange differences	(4,217)	1,584	(2,633)
Total deferred tax asset	(661,916)	87,654	(574,262)
Unrecognized deferred tax asset	661,916	(87,654)	574,262
	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**25. DEFERRED INCOME TAX (CONTINUED)**

**(c) Carrying amount**

The Group has recognised all deferred tax liabilities arising from temporary differences associated with the Group's investments in subsidiaries and equity accounted investees.

**(d) Unrecognised deferred tax assets**

The deferred tax asset has not been recognised on deductible temporary differences and tax losses carried forward amounting to KShs 2,171,130,000 (2021: KShs 2,087,470,000) for the group and KShs 1,396,000,000 (2021: KShs 1,331,000,000) for the company due to lack of certainty of availability of future taxable profits against which such deductible temporary differences and tax losses could be utilised. Under the Kenyan Income Tax Act, with effect from 1 July 2022, the tax losses of KShs 1,395,923,000 (2021: KShs 1,329,526,000) can be carried forward indefinitely.

**(e) Tax losses carried forward**

Tax losses for which no deferred tax asset was recognised expire as follows

**Group**

**Summary of deferred tax assets-Tax loss**

<b>Year of origin</b>	<b>Tax loss KShs'000</b>	<b>Deferred tax KShs'000</b>
2014	(395,817)	(118,745)
2015	(35,490)	(10,647)
2016	(859,126)	(257,738)
2018	(426,885)	(128,065)
2019	(241,178)	(72,353)
2021	(128,974)	(38,692)
2022	(83,660)	(25,098)
<b>Total</b>	<b>(2,171,130)</b>	<b>(651,338)</b>

**Company**

**Summary of deferred tax assets-Tax loss**

<b>Year of origin</b>	<b>Tax loss KShs'000</b>	<b>Deferred tax KShs'000</b>
2016	(697,090)	(209,127)
2018	(356,325)	(106,897)
2019	(165,247)	(49,574)
2021	(112,324)	(33,697)
2022	(64,937)	(19,481)
<b>Total</b>	<b>(1,395,923)</b>	<b>(418,775)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**25. DEFERRED INCOME TAX (CONTINUED)**

**(e) Tax losses carried forward**

In 2022, the Company incurred a tax loss of KShs 64,937,000 increasing cumulative tax losses to KShs 1,395,923,000 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

In 2022, the Group's Burundi subsidiary incurred a tax profit of KShs 10,992,850 reducing cumulative tax losses to KShs 186,125,740. Management has determined that the recoverability of cumulative tax losses is uncertain due to the political uncertainty and shortage of hard currency, management has therefore opted not to recognize further deferred tax until the subsidiary is profitable.

In 2022, the Group's Tanzania subsidiary incurred a tax loss of KShs 30,538,011 increasing cumulative tax losses to KShs 330,046,871 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

In 2022, the Group's Uganda subsidiary had a tax loss of KShs 6,881,563 increasing cumulative tax losses to KShs 98,014,252 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

In 2022, the Group's Local subsidiary Yana Tyre Centre Ltd incurred a tax profit of KShs 9,163,245 reducing cumulative tax losses to KShs 161,020,137 management found it prudent not to recognize any further deferred tax asset until the strategic plan in action turns the company to profitability.

**26. TRADE AND OTHER PAYABLES**

**(a) Carrying amounts**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Non - current</b>				
Amounts due to subsidiaries (Note 30(d))	-	-	226,299	209,620
<b>Current</b>				
Trade payables	50,485	49,633	41,656	35,817
Amounts due to related companies (Note 30(d))	288	3,079	288	3,079
Deposit paid (asset held for sale)	89,034	-	89,034	-
Accrued expenses and other payables	188,312	202,825	149,539	172,085
	<b>328,119</b>	<b>255,537</b>	<b>280,517</b>	<b>210,981</b>
	<b>328,119</b>	<b>255,537</b>	<b>506,816</b>	<b>420,601</b>

Information on the Group's exposure to currency and liquidity risk is included in Note 5(b) and (e).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**27. (a) STATEMENT OF CASH FLOWS – RECONCILIATION OF RECEIPTS AND PAYMENTS**

	Note	Group		Company	
		2022	2021	2022	2021
		KShs'000	KShs'000	KShs'000	KShs'000
<b>Cash receipts from customers</b>					
Revenue	8	613,065	651,606	539,576	566,461
Other income	9 (a)	22,294	4,480	5,406	3,578
Net foreign exchange losses	10	(34,756)	(16,087)	(34,677)	(14,552)
Translation differences		(4,194)	1,995	-	-
Movement in trade and other receivables	21	89,528	(49,127)	104,954	(50,449)
<b>Cash collections from customers</b>		<b>685,937</b>	<b>592,867</b>	<b>615,259</b>	<b>505,038</b>
<b>Cash payments for purchases</b>					
Opening inventory stock	20	(35,705)	(2,375)	(34,576)	-
Cost of sales	9 (b)	242,974	160,517	236,202	162,060
Closing inventory stock	20	30,323	35,705	29,486	34,576
Movement in trade payables	26 (a)	(852)	(14,109)	(5,839)	(15,532)
		<b>236,740</b>	<b>179,738</b>	<b>225,273</b>	<b>181,104</b>
<b>Adjustments for non-cash expenses</b>					
Depreciation and amortisation	9 (c)	11,862	11,667	7,499	6,321
Prior period provisions		-	717	-	-
Impairment		9,560	-	10,000	-
Transfers		(2,611)	-	(19,755)	-
		<b>18,811</b>	<b>12,384</b>	<b>(2,256)</b>	<b>6,321</b>
<b>Cash payment for purchases</b>		<b>217,929</b>	<b>167,354</b>	<b>227,529</b>	<b>174,781</b>
<b>Cash payments for expenses</b>					
Other operating expenses	9(b)(ii)	145,378	117,729	93,691	78,084
Movement in accruals and other payables	26(a)	(71,730)	(59,875)	(80,376)	(107,452)
<b>Cash payments for expenses</b>		<b>73,648</b>	<b>57,854</b>	<b>13,315</b>	<b>(29,368)</b>

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**(b) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**  
**Group**

	Net balance at 1 January KShs'000	Net Repayment KShs'000	Net balance at 31 December KShs'000
<b>Non-current</b>			
Long term loans	495,994	(50,548)	445,446
<b>Total borrowings</b>	<b>495,994</b>	<b>(50,548)</b>	<b>445,446</b>

**28. COMMITMENTS**

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>
Property, plant and equipment	<b>9,189</b>	<b>78,701</b>	<b>7,647</b>	<b>73,501</b>

**29. CONTINGENT LIABILITIES**

A subsidiary has disputed two assessments by the Revenue Authority of the subsidiary's jurisdiction. Although the subsidiary has appealed and objected against the assessments, should the appeal and objection not be successful, then additional tax, interest and penalties are estimated to amount to Kshs 144 million. Based on legal and tax advice, the directors believe that the defence against the action will be successful.

The Company has several ongoing legal cases, claims are estimated at Kshs 38 million. Based on legal advice, the directors believe that the defence against the claims will be successful.

**30. RELATED PARTY TRANSACTIONS**

**(a) Parent and ultimate controlling party**

The Group's majority shareholding is held by Sameer Investments Limited a company incorporated in Kenya. The parent company held equity interest and voting rights in the company of 72.48% (2021: 72.48%).

The ultimate controlling party is Yana Towers Limited; a company incorporated in Kenya.

Neither the parent nor the ultimate controlling party nor any intermediary parents produces consolidated financial statements available for public use.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**30. RELATED PARTY TRANSACTIONS (CONTINUED)**

**(b) Transactions with key management personnel**

**(i) Key management compensation**

Key management compensation comprised the following;

	Group		Company	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
Basic pay and other allowances	29,989	30,782	26,259	26,932
Pension/gratuity	3,188	3,214	3,000	3,000
<b>Total</b>	<b>33,177</b>	<b>33,996</b>	<b>29,529</b>	<b>29,932</b>

**(ii) Directors' shareholding**

At 31 December directors' shareholding in the company was as follows:

	2022 Shares	2021 Shares
Peter Gitonga	12,750	12,750
Akif H. Butt	450	450
Sameer N. Merali	15,000	15,000
Akif H. Butt (jointly with another party)	20,000	20,000

**(iii) Directors' remuneration**

	Group		Company	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
<b>Directors' remuneration</b>				
Fees as directors	4,620	4,620	4,620	4,620
Other emoluments (included under key management compensation above)	1,600	1,400	1,600	1,400
Managing director	13,126	12,000	13,126	12,000
<b>Total remuneration of directors of the company</b>	<b>19,346</b>	<b>18,020</b>	<b>19,346</b>	<b>18,020</b>

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**30. RELATED PARTY TRANSACTIONS (CONTINUED)**

**(c) Transactions with other related parties**

In addition to the parent and the ultimate controlling party, the Group also has other companies that are related through common shareholdings or common directorships.

Transactions with related parties included the following:

**(i) Sale of goods and services**

	Company	
	2022 KShs'000	2021 KShs'000
<b>Subsidiaries</b>		
Yana Tyre Centre Limited	16,087	29,419
	<b>16,087</b>	<b>29,419</b>

	Group		Company	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
<b>Other related parties</b>				
Ryce East Africa Limited	2,628	4,265	2,628	4,265
Warren Enterprises	599	-	-	-
Sasini PLC	-	206	-	50
	<b>3,227</b>	<b>4,471</b>	<b>2,628</b>	<b>4,315</b>

**(ii) Purchase of goods and services**

	Group and Company	
	2022 KShs'000	2021 KShs'000
<b>Other related parties</b>		
Ryce East Africa Limited	184	828
Warren enterprises	9,253	-
Sameer Africa (Tanzania) Limited	-	2,074
	<b>9,437</b>	<b>2,902</b>

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**30. RELATED PARTY TRANSACTIONS (CONTINUED)**

**(d) Outstanding balances**

At 31 December 2022, outstanding balances with related parties comprised the following;

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>(i) Amounts due from:</b>				
<b><i>Subsidiaries</i></b>				
Sameer Industrial Park Limited	-	-	63,011	96,374
	-	-	<b>63,011</b>	<b>96,374</b>
<b><i>Associate</i></b>				
Sameer Business Park Limited	<b>2,298</b>	<b>468</b>	<b>2,298</b>	<b>468</b>
<b><i>Other related parties</i></b>				
Ryce East Africa Limited	1,444	1,248	1,444	1,248
Eveready E.A. PLC	593	183	593	183
Sasini Avocado EPZ	877	619	-	-
Sasini PLC	2	2	-	-
	<b>2,916</b>	<b>2,052</b>	<b>2,037</b>	<b>1,431</b>
<b>Total due from other related parties</b>	<b>5,214</b>	<b>2,520</b>	<b>4,335</b>	<b>1,899</b>
<b>(ii) Amounts due to:</b>				
<b><i>Subsidiaries</i></b>				
Sameer Africa(Uganda) Limited	-	-	40,132	34,052
Sameer EPZ Limited	-	-	186,167	175,756
	-	-	<b>226,299</b>	<b>209,808</b>
<b><i>Other related parties</i></b>				
Ryce East Africa Limited	288	361	288	361
Sameer Management	-	2,718	-	2,718
	<b>288</b>	<b>3,079</b>	<b>288</b>	<b>3,079</b>

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**30. RELATED PARTY TRANSACTIONS (CONTINUED)**

**(e) Borrowings from related parties**

Group and company	Currency	Nominal interest	31 December 2022	
			Face value	Carrying amount
			KShs'000	KShs'000
Term loan –Sameer Investments	USD	7.00%	395,994	345,446
Term loan –Sameer Telkom	KSH	11.00%	100,000	100,000
			<b>495,994</b>	<b>445,446</b>

Group and company	Currency	Nominal interest	31 December 2021	
			Face value	Carrying amount
			KShs'000	KShs'000
Term loan –Sameer Investments	USD	7.00%	395,994	395,994
Term loan –Sameer Telkom	KSH	11.00%	100,000	100,000
			<b>495,994</b>	<b>495,994</b>

**(f) Trading terms and settlement**

All transactions with related parties are at an arm's length basis and in the ordinary course of business. Outstanding balances are to be settled in cash. No guarantees have been given or received to any related party.

**31. EVENTS AFTER THE REPORTING PERIOD**

There were no adjusting or non-adjusting events after the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**32. PRINCIPAL SHAREHOLDERS AND SHARE DISTRIBUTION**

**Principal shareholders**

The ten largest shareholdings in the Company and the respective number of shares held at 31 December 2022 are as follows:

Name	Number of shares	%
1. Sameer Investments Limited	201,743,205	72.48%
2. Peter Njogu Kariuki	5,624,800	2.02%
3. Yana Trading Limited	5,273,700	1.89%
4. Andrew Mukite Musangi	3,320,000	1.19%
5. Best Investment Decisions Ltd	2,495,400	0.90%
6. Bid Management Consultancy Limited	2,319,400	0.83%
7. Kenyalogy.Com Limited	2,189,200	0.79%
8. Kenya Commercial Bank Nominees Limited A/C 915B	1,892,517	0.68%
9. Freight Forwarders Kenya Limited	1,875,000	0.67%
10. Utaridi Partners Limited	<u>1,372,200</u>	0.49%

**Distribution of shareholders**

Share range	Number of shareholders	Number of shares	%
1 - 500	8,111	2,147,469	0.77%
501 – 5,000	4,779	7,436,529	2.67%
5,001 – 10,000	412	3,130,286	1.12%
10,001 – 100,000	416	12,755,074	4.58%
100,001 – 1,000,000	67	21,342,213	7.67%
Over 1,000,000	13	231,530,822	83.18%
<b>Total</b>	<b><u>13,798</u></b>	<b><u>278,342,393</u></b>	<b><u>100%</u></b>



## Notice And Agenda Of The 54th Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 54th Annual General Meeting (AGM) of the Shareholders of Sameer Africa PLC will be held on Tuesday 27th June 2023 starting at 10.00 am in the manner set out in the notes for the following purposes;

1. The Secretary to read the notice convening the meeting, table the proxies and determine if a quorum is present.

### ORDINARY BUSINESS

2. To confirm the minutes of the 53rd Annual General Meeting held on Thursday 9th June 2022.
3. To receive, consider and if deemed fit, adopt the Financial Statements for the year ended 31st December 2022 and the Directors' and Auditor's reports thereon.
4. **To elect Directors:**
  - a. In accordance with Article 1.123 of the Company's Article of Association Mr. Akif Butt retires by rotation and being eligible, offers himself for re-election as a Director.
5. **Approval of Directors Above the Age of 70**
  - a. In accordance with Article 1.123 of the Company's Article of Association and subject to the approval of the shareholder pursuant to Guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, Eng. Erastus Mwongera, who is over seventy years old, retires by rotation and being eligible, offers himself for re-election as a Director.
  - b. In accordance with Article 1.98 of the Company's Article of Association and subject to the approval of the Shareholder pursuant to Guideline 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, Mr. Peter Gitonga, who is over seventy years old, having been appointed as an additional Director by the Board with effect from 1st January 2023, retires and being eligible, offers himself for election as a Director.
  - c. Pursuant to Guideline 2.5. of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, the Shareholders approve the continuation in office of Mrs. Mary Ngatia, who has attained the age of seventy (70), until she next comes up for retirement by rotation.
6. In accordance with section 769 of the Companies Act 2015, the following members of the Audit, Risk and Corporate Governance Committee of the Board, be elected to continue to serve on the said Committee.
  - a. Dr. Lydia Muthoni Mbuthia
  - b. Mrs. Mary Wacuka Ngatia
  - c. Mr. Sameer Naushad Merali
7. To approve the Directors' Remuneration Report as provided in the Audited Financial Statements for the year ended 31st December 2022.
8. To re-appoint RSM Eastern Africa to continue in office as the Company's Auditors who being eligible have expressed their willingness to continue to serve as Auditors of the Company in accordance with the provisions of section 721(2) of the Companies Act 2015 and to authorize the Directors to fix their remuneration for ensuing financial year.
9. To transact any other business that may be transacted at an Annual General Meeting.

### SPECIAL BUSINESS

#### As Special Resolution

- a. Changes to the Company's Articles of Association

THAT the Articles of Association of the Company be amended in the manner set out in the amended Articles of Association available on the Company's website <https://sameerafrica.com/> (News and Notices), the rationale being to align the Articles of Association to the recent changes to the Companies Act, No 17 of 2015 and to modernize the Articles of Association in line with best practices.

#### By Order of the Board

**Mrs Mercy Mbijiwe**

**Company Secretary**

**30th May 2023 Nairobi**

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**Notes:**

1. Sameer PLC has convened and will conduct a Virtual AGM pursuant to section 283 of the Companies Act.

2. The Company, pursuant to Section 283 (3) of the Companies Act, has made available the following documents on the Company's website [\*\*https://sameerafrica.com/\*\*](https://sameerafrica.com/) (**News and Notices**) for Shareholder access:

- a. a copy of this Notice and the Proxy Form;
- b. the Company's Financial Statements and reports for the year 2022;

3. A Member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his, her or its behalf. A proxy need not be a Member of the Company. To be valid, a proxy form must be duly completed by the Member and lodged with the Company's shares registrar, C&R Group at their registered office on 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, or emailed to [\*\*proxy@candrgroup.co.ke\*\*](mailto:proxy@candrgroup.co.ke), before Friday, 23rd June 2023 at 10:00 am failing which it will be invalid. In the case of a Member which is a corporate body then the proxy must be given under its common seal or under the hand of an officer or attorney so authorized.

4. A copy of this notice, proxy form and full copy of the financial statements including explanatory notes are available from the Company's website [\*\*https://sameerafrica.com/\*\*](https://sameerafrica.com/) (**News and Notices**). Completed proxy forms, which must contain the appointed person's mobile telephone and email contact, should be delivered either physically where practicable to the Company's registered office or at C&R Group's registered office; or by sending a clear scanned copy via email to [\*\*proxy@candrgroup.co.ke\*\*](mailto:proxy@candrgroup.co.ke) no later than Friday 23rd June 2023 at 10:00 am.

5. Shareholders and registered proxies wishing to participate in the meeting should register for the AGM as follows:

- a. USSD platform users should access the system through \*483\*139# from their mobile telephones for all Kenyan telephone networks and follow the various prompts regarding the registration process.
  - b. Internet platform users should access the registration procedures and system through [\*\*https://digital.candrgroup.co.ke\*\*](https://digital.candrgroup.co.ke) or
  - c. Via a link to the AGM Platform that will be sent to them via SMS and/or Email and following the various registration prompts.
- Registration opens on Monday 19th June 2023 at 08:00 am and will conclude on Monday 26th June 2023 at 12:00 noon after which no further registration for the virtual AGM will be allowed.

In order to register for attendance, Shareholders will need to provide their official Identification Document Number, Shares/CDSC Account Number, Telephone Number (for USSD access) and their Email Address (for web access) which shall be input as guided through the registration process. Shareholders who may require assistance during the registration process can call the helpline (020) 869 0360 between 8:00 am and 4:00 pm or email [\*\*digital@candrgroup.co.ke\*\*](mailto:digital@candrgroup.co.ke).

6. Shareholders wishing to raise questions or seek clarification in relation to matters to be considered at the virtual AGM may do so prior to the meeting through written submission:

- a. by email through [\*\*digital@candrgroup.co.ke\*\*](mailto:digital@candrgroup.co.ke); or online through web access of the system at [\*\*https://digital.candrgroup.co.ke\*\*](https://digital.candrgroup.co.ke) or via a link to the AGM Platform and clicking the Q&A tab on the display screen; or
- b. by short message service (SMS) through \*483\*139# and following the menu prompts; or
- c. via formal letter, containing contact details to facilitate responses (i.e. email or postal address), which should be:

- i. physically delivered where practicable to the Company's shares registrar C & R Group, 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, or
- ii. sent by registered post to the Company's shares registrar C & R Group through P. O. Box 8484 – 00100, Nairobi or the Company's postal address through P. O. Box 44599 – 00100, Nairobi.

All written submissions sent through any of the above highlighted means will be required to contain the Shareholder's full name as per official Identification Document, Identification Number and Shares/CDSC Account Number, to be received by the Company not later than Friday 23rd June 2023 at 12:00 noon.

The Directors of the Company will thereafter address these questions, the responses to which will be published on the Company's website ([\*\*https://sameerafrica.com/\*\*](https://sameerafrica.com/) (**News and Notices**)) by not later than 12 hours before the start of the AGM.

7. Shareholders wishing to vote may do so by:

- a. Accessing Virtual AGM via online at [\*\*https://digital.candrgroup.co.ke\*\*](https://digital.candrgroup.co.ke) or via a link to the AGM platform and clicking the Voting tab on the display screen or
- b. Accessing Virtual AGM via USSD platform\*483\*139# and use the menu prompts menu option for "Voting" and follow the various prompts regarding the voting process.

Voting will open with registration on 19th June 2023 at 08:00 am and will close on 26th June 2023 at 5:00 pm, while the results will be announced at the AGM on 27th June 2023 and published within 24 hours following the conclusion of the AGM on the Company's website ([\*\*https://sameerafrica.com/\*\*](https://sameerafrica.com/) (**News and Notices**)).

Shareholders and proxies who may require assistance can call the helpline (020) 869 0360 between 8:00 am and 4:00 pm or email [\*\*digital@candrgroup.co.ke\*\*](mailto:digital@candrgroup.co.ke).

8. The live stream broadcast of the AGM will be available for Shareholders accessing the Virtual AGM through the web platform. Duly registered Shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, one (1) week prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent two (2) hours ahead of the AGM, reminding duly registered Shareholders and proxies that the AGM will begin in two hours' and providing a link to the live stream.

Should any changes be necessitated by any laws, regulations or circumstances, Shareholders will be updated through the registered contact details and through the Company's website ([\*\*https://sameerafrica.com/\*\*](https://sameerafrica.com/) (**News and Notices**)).

Custody & Registrars Services Ltd IKM Place, Tower B, 1st Floor, 5th Ngong Avenue, Nairobi

Tel: Mobile: +254 20 7608216,  
Email: [\*\*info@candrgroup.co.ke\*\*](mailto:info@candrgroup.co.ke)

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## ILANI YA MKUTANO WA 54 WA KILA MWAKA WA KAMPUNI

**ILANI INATOLEWA HAPA** kwamba Mkutano wa 54 Mkuu wa kila Mwaka (AGM) wa Wanahisa wa Sameer Africa PLC utafanyika Jumanne tarehe 27 Juni 2023 kuanzia saa 10.00 asubuhi kwa njia iliyoonyeshwa kwenye maelezo kwa madhumuni yafuatayo;

1. Katibu kusoma tangazo la kuitisha mkutano, kuwasilisha wawakilishi na kuamua kama akidi ipo.

### MIJADALA YA KAWAIDA

2. Kuthibitishwa kwa yaliyozungumzwa katika Mkutano wa 53 wa Kila Mwaka uliofanyika tarehe 9 Alhamisi mwezi wa Juni mwaka wa 2022

3. kupokea, kuzingatia na ikionekana kuwa inafaa, kupitisha taarifa za fedha za mwaka uliomalizika tarehe 31 Desemba 2022, pamoja na ripoti za Wakurugenzi na Wakaguzi wa Hesabu za kifedha..

#### 4. Uchaguzi wa Wakurugenzi wa bodi:

a. Kwa mujibu wa Kifungu cha 1.123 cha Kifungu cha Kushirikiana cha Kampuni, Bw Akif Butt anastaafu kwa zamu na kwa kuwa anastahili, anajitolea kuchaguliwa tena kama Mkurugenzi

#### 5. Kuidhinisha Wakurugenzi Walio na umri wa Zaidi ya Miaka 70

a. Kwa mujibu wa Kifungu cha 1.123 cha Kifungu cha Ushirika cha Kampuni na kutegemea idhini ya mwenyehisa kwa mujibu wa Mwongozo wa 2.5 wa Kanuni za Utawala Bora kwa Watoaji wa Dhamana kwa Umma 2015, Eng. Erastus Mwongera, ambaye ana umri wa zaidi ya miaka sabini, anastaafu kwa zamu na kwa kuwa anastahili, anajitolea kuchaguliwa tena kuwa Mkurugenzi.

b. Kwa mujibu wa Kifungu cha 1.98 cha Kifungu cha Ushirika cha Kampuni na kutegemea idhini ya Mwenyehisa kwa mujibu wa Mwongozo wa 2.5 wa Kanuni za Utawala Bora kwa Watoaji Dhamana kwa Umma 2015, Bw. Peter Gitonga, ambaye ana umri wa zaidi ya miaka sabini. , baada ya kuteuliwa kama Mkurugenzi wa ziada na Bodi kuanzia tarehe 1 Januari 2023, anastaafu na kwa kuwa anastahili, anajitolea kuchaguliwa kama Mkurugenzi

c. Kwa mujibu wa Mwongozo 2.5. ya Kanuni za Taratibu za Utawala Bora kwa Watoaji wa Dhamana kwa Umma 2015, Wanahisa wameidhinisha kuendelea kwa Bibi Mary Ngatia, ambaye ametimiza umri wa miaka sabini (70), hadi atakapostaafu kwa zamu.

6. Kwa mujibu wa kifungu cha 769 cha Sheria ya Kampuni ya 2015, wanachama wafuatao wa Kamati ya Ukaguzi wa hesabu, Hatari na Utawala wa mashirika ya Bodi, wathibitishwe kuendelea kuhudumu katika Kamati hiyo.

- a. Dkt. Lydia Muthoni Mbuthia
- b. Bi. Mary Wacuka Ngatia
- c. Bw. Sameer Naushad Merali

Kuidhinisha Ripoti ya Mishahara ya Wakurugenzi kama ilivyotolewa katika Taarifa za Fedha zilizokaguliwa kwa mwaka ulioishia tarehe 31 Desemba 2022.kwa mwaka uliomalizika tarehe 31 Desemba 2022.

Kuteua tena RSM Eastern Africa kuendelea kuhudumu kama wakaguzi wa Kampuni ambao wanastahiki na wameeleza nia yao ya kutaka kuendelea kufanya kazi kama Wakaguzi wa Kampuni kwa mujibu wa masharti ya kifungu cha 721(2) cha Sheria ya Kampuni ya 2015 na kuwaidhinisha Wakurugenzi kurekebisha mishahara yao kwa mwaka wa fedha unaofuata.

Kufanya shughuli nyingine yoyote ambayo inaweza kutekelezwa katika Mkutano wa Kila Mwaka.

### MJADALA MAALUM

#### Kama Azimio Maalum

Mabadiliko ya Nakala za Ushirika za Kampuni

KWAMBA Kanuni za Ushirika za Kampuni zirekebishwe kwa njia iliyoainishwa katika Kanuni za Ushirika zilizorekebishwa zinazopatikana kwenye tovuti ya Kampuni, [www.sameerafrica.com](http://www.sameerafrica.com), mantiki ikiwa ni kuoanisha Nakala za Ushirika na mabadiliko ya hivi majuzi ya Sheria ya Kampuni. , Nambari 17 ya 2015 na kuboresha Sheria za Muungano kulingana na mbinu bora.

Kwa Agizo la Bodi  
Bi Mercy Mbijiwe  
Katibu wa Kampuni  
Tarehe 30 Mei mwaka wa 2023  
Nairobi

**Notes:**

1. Shareholders wishing to participate in the meeting should register for the AGM by visiting the online portal [https:// digital.candrgroup.co.ke](https://digital.candrgroup.co.ke) or dialling \*384\*043# and following the various prompts regarding the registration process. Shareholders will not incur any cost for such registration. In order to complete the registration process, shareholders will need to have their ID/Passport numbers which were used to purchase their shares and their Shares Account or CDSC Account Number at hand. For assistance shareholders should dial the following helpline numbers (020) 760 8216 from 8:00am to 4:00pm from Monday to Friday. Any shareholder outside Kenya should dial the helpline numbers or email [digital@candrgroup.co.ke](mailto:digital@candrgroup.co.ke) to be assisted to register.
2. Registration for the AGM opens on Monday May 31, 2021 at 8:00am and will close on Wednesday June 09, 2021 at 12:00Noon. Shareholders will not be able to register after Wednesday June 09, 2021.
3. In accordance with Section 283 (3) of the Companies Act, 2015, the following documents may be viewed on the Company's website [www.sameerafrica.com](http://www.sameerafrica.com) i) a copy of this Notice and the proxy form; ii) the Company' Integrated Report together with the audited financial statements for the year 2020
4. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
  - a. Sending their written questions by email to [digital@candrgroup.co.ke](mailto:digital@candrgroup.co.ke) or
  - b. Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialing the USSD code \*384\*043# and selecting the option (ask Question) on the prompts or
  - c. By visiting <https://digital.candrgroup.co.ke> platform; Select Attend Event; Select "Sameer Africa Plc AGM" Select "Q&A" option tab and submit questions in text box provided; or
  - d. To the extent possible, physically delivering their written questions by June 08, 2021 12:00 Noon with a return physical address or email address to the Company Registrars address: Custody & Registrars, at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue
5. Shareholders must provide their full details (full names, ID/Passport Number, Shares CDSC Account Number) when submitting their questions and clarifications by email, post or delivery. All questions and clarifications must reach the Company on or before Tuesday June 08, 2021 at 12:00 noon.
6. Shareholders wishing to vote may do so by:
  - a. Accessing Virtual AGM via <https://digital.candrgroup.co.ke> platform; Select Attend Event; Select "Sameer Africa Plc AGM"; Select "Voting" option tab and vote; or
  - b. Accessing Virtual AGM via USSD platform\*384\*043# ; Use the menu prompts to Select "Sameer Africa Plc AGM"; Select the menu option for "Voting" and follow the various prompts regarding the voting process
7. 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. If the Proxy appointed is not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone.
  - ♦ A proxy form is available on the Company's website via this link: [website www.sameerafrica.com](http://www.sameerafrica.com) Physical copies of the proxy form are also available at the Company Registrars address: Custody & Registrars, IKM Place, Tower B, 1st Floor, 5th Ngong Avenue, Nairobi.
  - ♦ A proxy must be signed by the appointer 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@candrgroup.co.ke](mailto:proxy@candrgroup.co.ke) or delivered to Custody & Registrars, at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue, Nairobi so as to be received not later than 48 hours before the time of holding the meeting i.e. Tuesday June 08 2021 at 12.00 Noon. Any person appointed as a proxy should submit his/her email or mobile telephone number to the Company no later than Tuesday June 08, 2021 at 12.00 Noon.
  - ♦ Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Tuesday June 08, 2021 to allow time to address any issues.
8. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the general meeting. Duly registered shareholders and proxies will receive a short message service SMS/ and/or an email prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS and/or an email prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time and providing a link to the live stream
9. Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda. Duly registered shareholders and proxies may vote (when prompted by the Chairman) via the USSD \*384\*043# or via <https://digital.candrgroup.co.ke>.
10. A poll shall be conducted for all the resolutions put forward in the notice.
11. Results of the AGM shall be published within 24 hours following conclusion of the AGM
12. The preferred method of paying dividends which are below Kshs 140,000.00 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 by dialing \*483\*038# or contacting the Share Registrar, Custody & Registrars Services Limited
13. 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 present and former shareholders with unpaid dividends are requested to urgently contact the Share Registrar, Custody & Registrars Services Limited at the address indicated below to claim any unpaid dividends to avert the risk of the dividends being forwarded to the Authority.

Custody & Registrars Services Ltd IKM Place, Tower B, 1st Floor,  
5th Ngong Avenue, Nairobi

Tel: Mobile: +254 20 7608216,  
Email: [info@candrgroup.co.ke](mailto:info@candrgroup.co.ke)

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

\*I/We \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being \*a

member/members of Sameer Africa PLC, hereby appoint:

\_\_\_\_\_

\_\_\_\_\_

of (address, email and telephone number)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

or failing \*him/her \_\_\_\_\_

\_\_\_\_\_

of (address, email and telephone number)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

and failing \*him/her the Chairman of the meeting as \*my/our Proxy to vote for \*me/us on \*my/our behalf at the Fifty Fourth Annual General Meeting of the Company to be held on 27th June 2023 and at any adjournment thereof.

As witness \*I/we affix \*my/our \*hand/hands this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Signature(s) \_\_\_\_\_

Unless otherwise instructed, the proxy will vote as \*he/she thinks fit.

\*Delete whichever is not applicable.

1. Shareholders wishing to participate in the meeting should register for the AGM by visiting the online portal <https://digital.candrgroup.co.ke> or Via a link to the AGM Platform that will be sent to them via SMS and/or Email or dialling \*483\*139# and following the various prompts regarding the registration process. In order to complete the registration process, Shareholders will need to have their ID/Passport numbers which were used to purchase their shares and their Shares Account or CDSC Account Number at hand. For assistance Shareholders should dial the following helpline numbers (020) 869 0360 from 8:00am to 4:00pm from Monday to Friday. Any Shareholder outside Kenya should dial the helpline numbers or email [digital@candrgroup.co.ke](mailto:digital@candrgroup.co.ke) to be assisted to register.

2. Registration for the AGM opens on **Monday 19th June 2023** at 8:00am and will close on **Monday June 26th 2023** at 12:00 noon. Shareholders will not be able to register after Monday June 26th 2023.

3. In accordance with Section 283 (3) of the Companies Act, 2015, the following documents may be viewed on the Company's website [https://sameerafrica.com/\(News and Notices\)](https://sameerafrica.com/(News and Notices)) ; i) a copy of this Notice and the proxy form, ii) the Company's Integrated Report together with the audited Financial Statements for the year 2022, iii) the draft minutes in respect of the Annual General Meeting held on 9th June 2022.

4. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:

- (i) Accessing <https://digital.candrgroup.co.ke> or via a link to the AGM Platform; selecting "Attend Event", "SAMEER AFRICA AGM", "Q&A" tab and submitting their questions.
- (ii) Sending their written questions by email to [digital@candrgroup.co.ke](mailto:digital@candrgroup.co.ke); or
- (iii) To the extent possible, physically delivering their written questions with a return postal address or email address to the registered office of the Company at , Nairobi or to Custody and Registrars Services offices at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue; or
- (iv) Sending their written questions with a return postal address or email address by registered post to the Company's address at P.O. Box 30429-00100 Nairobi.

Shareholders must provide their full details (full names, ID/Passport Number, Shares CDSC Account Number) when submitting their questions and clarifications by email, post or delivery. All questions and clarifications must reach the Company on or before **Friday June 23rd 2023**.

5. Shareholders and Proxies wishing to vote may do so by:

- i. Accessing Virtual AGM via online at <https://digital.candrgroup.co.ke> or via a link to the AGM platform and clicking the Voting tab on the display screen or
- ii. Accessing Virtual AGM via USSD platform\*483\*139# and use the menu prompts menu option for "Voting" and follow the various prompts regarding the voting process.

**Voting will open with registration on 19th June 2023 at 08:00 am and will close on 26th June 2023 at 5:00 pm**, while the results will be announced at the AGM on 27th June 2023 and published within 24 hours following the conclusion of the AGM on the Company's website ([https://sameerafrica.com/\(News and Notices\)](https://sameerafrica.com/(News and Notices))).

Shareholders and Proxies who may require assistance can call the helpline (020) 869 0360 between 8:00 am and 4:00 pm or email [digital@candrgroup.co.ke](mailto:digital@candrgroup.co.ke).

6. In accordance with Section 298(1) of the Companies Act 2015, 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 mobile telephone. A proxy form is attached to this Notice and is available on the Company's website ([https://sameerafrica.com/\(News and Notices\)](https://sameerafrica.com/(News and Notices))). Physical copies of the proxy form are also available at the following address: Custody and Registrars Services offices, IKM Place, Tower B, 1st Floor, 5th Ngong Avenue. To be valid, the proxy form must be duly completed by the Shareholder or his attorney duly authorized in writing. If the Shareholder is a body corporate, the instrument appointing the Proxy shall be give under its common seal (if any) 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@candrgroup.co.ke](mailto:proxy@candrgroup.co.ke) in pdf format or delivered to Custody and Registrars Services, IKM Place, Tower B, 1st Floor, 5th Ngong Avenue Nairobi or be posted to Custody and Registrars Services, P. O. Box 8484-00100 Nairobi, so as to reach the Registrar not later than 10.00 am on **Friday June 23rd 2023**. Duly completed form must be supported by a copy of ID/ valid Passport of the Shareholder and include the ID/ Passport, email or telephone number of the Proxy to facilitate registration. Any Proxy registration that is rejected will be communicated to the Shareholder concerned no later than **Monday June 26th 2023** to allow time to address any issues.

7. The AGM will be streamlined live a link which shall be provided to all Shareholders who will have registered to participate in the Annual General Meeting. Duly registered Shareholders and Proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM as a reminder of the AGM and the open voting period. A second SMS/USSD prompt shall be sent two (2) hours before the AGM, reminding duly registered Shareholders and Proxies that the AGM will begin in two hours' time and providing a link to the live stream

8. A poll shall be conducted for all resolutions put forward in the Notice.

9. Results of the AGM shall be published within 24 hours following conclusion of the AGM on the Company's website [https://sameerafrica.com/\(News and Notices\)](https://sameerafrica.com/(News and Notices)).





Custody and Registrars Services Limited  
IKM House, Tower B, ghorofa ya kwanza, barabara 5 Ngong  
Anwani S.L.P. 8484-00100, Nairobi

\*Mimi/Sisi \_\_\_\_\_  
\_\_\_\_\_ wa \_\_\_\_\_

\_\_\_\_\_ kama\*  
mwanachama/wanachama wa Sameer Africa PLC, kwa hili, nateua:

\_\_\_\_\_ ya (anwani, barua pepe na nambari ya simu)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ au kumkosa \*yeye \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ ya (anwani, barua pepe na nambari ya simu)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

na kumkosa \*yeye Mwenyekiti wa mkutano kama \*Wakili wangu/wetu kunipigia kura \*mimi/sisi kwa niaba yangu/yetu katika Mkutano Mkuu wa Hamsini wa Mwaka wa Kampuni utakaofanyika tarehe 27 Juni 2023 na katika kuahirishwa kwake kokote.

Kama shahidi \*Mimi/tunabandika \*mkono/mikono \*yetu \_\_\_\_\_ siku hii ya \_\_\_\_\_ 2023.

Sahihi \_\_\_\_\_

Isipokuwa ikiwa imeelekezwa vinginevyo, Wakala atapiga kura anavyoona inafaa.

**\* Futa chochote ambacho hakitumiki.**

1. Wanahisa wanaotaka kushiriki katika mkutano wanapaswa kujiandikisha kwa AGM kwa kutembelea tovuti ya mtandaoni [https:// digital.candrgroup.co.ke](https://digital.candrgroup.co.ke) ama kupitia kiunga cha Jukwaa la AGM ambacho kitatumwa kwao kupitia SMS na/au Barua pepe au kupiga \*483\*139# na kufuata maagizo mbalimbali kuhusu mchakato wa usajili. Ili kukamilisha mchakato wa usajili, Wanahisa watahitaji kuwa na nambari zao za Vitambulisho/Pasipoti ambazo zilitumika kununua hisa zao na Akaunti zao za Hisa au Nambari ya Akaunti ya CDSC karibu. Kwa usaidizi Wanahisa wanapaswa kupiga nambari zifuatazo za simu (020) 869 0360 kutoka 8:00am hadi 4:00pm kutoka Jumatatu hadi Ijumaa. Mwanahisa yeyote nje ya Kenya anafaa kupiga nambari za simu au barua pepe [digital@candrgroup.co.ke](mailto:digital@candrgroup.co.ke) kusaidiwa kujisajili.

2. Usajili wa Mkutano Mkuu wa Mwaka utafunguliwa **Jumatatu tarehe 19 Juni 2023** saa 8:00 asubuhi na utafungwa **Jumatatu Juni 26, 2023** saa 12:00 jioni. Wanahisa hawataweza kujiandikisha baada ya **Jumatatu Juni 26, 2023**.

3. Kulingana na Kifungu cha 283 (3) cha Sheria ya Makampuni, 2015, hati zifuatazo zinaweza kupatikana kwenye tovuti ya Kampuni [https://sameerafrica.com/\(Habari na matangazo\)](https://sameerafrica.com/(Habari na matangazo)) ; i) nakala ya Notisi hii na fomu ya uwakilishi, ii) Ripoti Jumuishi ya Kampuni pamoja na Taarifa za Fedha zilizokaguliwa za mwaka wa 2022, iii) rasimu ya muhtasari wa Mkutano Mkuu wa Mwaka uliofanyika tarehe 9 Juni 2022.

4. Wanahisa wanaotaka kuuliza maswali au ufafanuzi wowote kuhusu AGM wanaweza kufanya hivyo kwa:

(i) Kuingia <https://digital.candrgroup.co.ke> ama kuingia kwenye kiungo cha AGM; ukichagua "Hudhuria Tukio", "SAMEER AFRICA AGM", "Q&A" kichupo na kuwasilisha maswali yao.

(ii) Kutuma maswali yao yaliyoandikwa kwa barua pepe kwa [digital@candrgroup.co.ke](mailto:digital@candrgroup.co.ke); au

(iii) Kwa kadiri inavyowezekana, wakiwasilisha maswali yao kimaandishi wakiwa na anwani ya posta au barua pepe kwa afisi iliyosajiliwa ya Kampuni iliyoko , Nairobi au ofisi za Huduma za Utunzaji na Wasajili katika IKM Place, Mnara B, Ghorofa ya 1, Barabara ya 5 ya Ngong; au

(iv) Kutuma maswali yao yaliyoandikwa na anwani ya posta ya kurejesha au barua pepe kwa posta iliyosajiliwa kwa anwani ya Kampuni katika P.O. Box 30429-00100 Nairobi.

Wanahisa lazima watoe maelezo yao kamili (majina kamili, Kitambulisho/Nambari ya Pasipoti, Nambari ya Akaunti ya CDSC ya Hisa) wanapowasilisha maswali na ufafanuzi wao kwa barua pepe, chapisho au uwasilishaji. Maswali na ufafanuzi wote lazima ufikie Kampuni mnamo au kabla ya Ijumaa tarehe 23 Juni 2023.

5. Wanahisa na Wawakilishi wanaotaka kupiga kura wanaweza kufanya hivyo kwa:

i. Kupata AGM mtandaoni kupitia <https://digital.candrgroup.co.ke> au kiungo cha AGM ukibonyeza kichupo cha kupiga kura kwenye skrini ya kuonyesha au

ii. Kufikia AGM ya Mtandaoni kupitia mfumo wa USSD\*483\*139# na utumie chaguo la menyu ya vidokezo vya "Kupiga Kura" na ufuata mawaidha mbalimbali kuhusu mchakato wa kupiga kura.

Upigaji kura utafunguliwa na uandikishaji tarehe 19 Juni 2023 saa 08:00 asubuhi na utafungwa tarehe 26 Juni 2023 saa 5:00 jioni, wakati matokeo yatatangazwa kwenye Mkutano Mkuu wa Baraza Kuu tarehe 27 Juni 2023 na kuchapishwa ndani ya saa 24 baada ya kumalizika kwa Mkutano Mkuu wa Serikali. AGM kwenye tovuti ya Kampuni ([https://sameerafrica.com/\(Habari na matangazo\)](https://sameerafrica.com/(Habari na matangazo))).

Wanahisa na Wawakilishi ambao wanaweza kuhitaji usaidizi wanaweza kupiga simu ya usaidizi (020) 869 0360 kati ya 8:00 asubuhi na 4:00 jioni au barua pepe [digital@candrgroup.co.ke](mailto:digital@candrgroup.co.ke).

6. Kwa mujibu wa Kifungu cha 298(1) cha Sheria ya Makampuni ya 2015, Wanahisa walio na haki ya kuhudhuria na kupiga kura katika AGM wana haki ya kuteua Wakala wa kupiga kura kwa niaba yao. Wakala si lazima awe mwanachama wa Kampuni lakini kama si Mwenyekiti wa AGM, wakala aliyeteuliwa atahitaji kupata simu ya mkononi. Fomu ya uwakilishi imeambatishwa kwenye Notisi hii na inapatikana kwenye tovuti ya Kampuni ([https://sameerafrica.com/\(Habari na Notisi\)](https://sameerafrica.com/(Habari na Notisi))). Nakala halisi za fomu ya wakala zinapatikana pia katika anwani ifuatayo: Ofisi za Uhifadhi na Huduma za Wasajili, Mahali IKM, Mnara B, Ghorofa ya 1, Barabara ya 5 ya Ngong. Ili kuwa halali, fomu ya wakala lazima ijazwe ipasavyo na Mwenyehisa au wakili wake aliyeidhinishwa kwa maandishi. Ikiwa Mwanahisa ni shirika la shirika, chombo kinachoteua Wakala kitakuwa. toa chini ya muhuri wake wa kawaida (kama ipo) au chini ya mkono wa afisa au wakili aliyeidhinishwa ipasavyo wa shirika hilo. Fomu iliyojazwa ya uwakilishi inapaswa kutumwa kwa barua pepe kwa [proxy@candrgroup.co.ke](mailto:proxy@candrgroup.co.ke) katika muundo wa pdf au kuwasilishwa kwa Huduma za Utunzaji na Usajili, Mahali pa IKM, Tower B, Ghorofa ya 1, 5th Ngong Avenue Nairobi au kutumwa kwa Huduma za Custody and Registrars, P. O. Box 8484-00100 Nairobi, ili kufikia Msajili kabla ya 10.00 siku ya Ijumaa tarehe 23 Juni 2023. Fomu iliyojazwa ipasavyo lazima iambatanishwe na nakala ya kitambulisho/ Pasipoti halali ya Mwenyehisa na ijumuishe Kitambulisho/Pasipoti, barua pepe au nambari ya simu ya Wakala ili kuwezesha usajili. Usajili wowote wa Wakala ambao umekataliwa utawasilishwa kwa Mwanahisa anayehusika kabla ya Jumatatu Juni 26, 2023 ili kutoa muda wa kushughulikia masuala yoyote.

7. AGM itaratibiwa moja kwa moja kupitia kiungo ambacho kitatolewa kwa Wanahisa wote ambao watakuwa wamejiandikisha kushiriki katika Mkutano Mkuu wa Mwaka. Wanahisa na Mawakala waliosajiliwa ipasavyo watapokea huduma ya ujumbe mfupi (SMS/USSD) kwenye nambari zao za simu zilizosajiliwa, saa 24 kabla ya AGM kama ukumbusho wa AGM na kipindi cha wazi cha kupiga kura. Ujumbe wa pili wa SMS/USSD utatumwa mbili (saa 2 kabla ya AGM, kuwakumbusha Wanahisa na Wawakilishi waliosajiliwa ipasavyo kwamba AGM itaanza baada ya saa mbili na kutoa kiungo cha kutiririsha moja kwa moja

8. Kura itafanywa kwa maazimio yote yaliyotolewa katika Notisi.

9. Matokeo ya AGM yatachapishwa ndani ya saa 24 baada ya kukamilika kwa AGM kwenye tovuti ya Kampuni. [https://sameerafrica.com/\(Habari na matangazo\)](https://sameerafrica.com/(Habari na matangazo)).

# Sameer Africa Head Office Address

## Kenya

### Nairobi – Mombasa Road

P.O. Box 30429 - 00100, Nairobi

Mobile: 0733 611138/9

0722 204674/5

0730 156222

Fax: 020 - 3962 888

Email: [info@sameerafrica.com](mailto:info@sameerafrica.com)

OVERVIEW

OUR BUSINESS

OUR  
PERFORMANCE

GOVERNANCE

FINANCIAL  
STATEMENTS

SHAREHOLDERS  
INFORMATION

OTHER  
INFORMATION



**Head Office**

Sameer Africa PLC, Mombasa/Enterprise Road Junction,  
P.O. Box 30429 - 00100, Nairobi, Kenya.

Tel: +254 20 3962 000 | +254 733-611138/9, 722-204674/5

Customer Service Number: +254 20 3962 601

Email: [customer.service@sameerafrica.com](mailto:customer.service@sameerafrica.com) or [info@sameerafrica.com](mailto:info@sameerafrica.com)

Website: [www.sameerafrica.com](http://www.sameerafrica.com)