



# ANNUAL 20 REPORT 25

## AND FINANCIAL STATEMENTS



**ANNUAL FINANCIAL STATEMENTS AND REPORTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

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**STATUTORY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**DIRECTORS**

Eng. E.K. Mwongera	Chairman
J. Mugo	Managing Director
A.H. Butt	
S. N. Merali	
P. Gitonga	
L.M. Mbuthia	
P.W. Kiwanuka	

**SECRETARY**

Sylviah Mwikali	Appointed 14 <sup>th</sup> April 2026
Millicent Ngetich	Resigned 14 <sup>th</sup> April 2026

**INDEPENDENT AUDITOR**

RSM Eastern Africa LLP  
Certified Public Accountants  
1<sup>st</sup> Floor, Pacis Centre  
Slip Road, off Waiyaki Way, Westlands  
PO Box 349  
00606 Nairobi Sarit Centre

**REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

Nairobi / Block 125 / 2370  
Mombasa Road  
PO Box 30429  
00100 Nairobi GPO

**PRINCIPAL BANKERS**

NCBA Bank (Kenya) PLC	Standard Chartered Bank
NCBA House	Kenya PLC
Masaba Road, off Uhuru Highway	48, Westlands Road
PO Box 44599	PO Box 30003
00100 Nairobi GPO	00100 Nairobi GPO

**ADVOCATES**

Kipkorir, Titoo & Kiara	Mboya Wangong’u & Waiyaki
Posta Sacco Plaza	Lex Chambers
PO Box 10176	739 Maji Mazuri Road
00100 Nairobi GPO	Off James Gichuru Road, Lavington
	PO Box 74041
	00200 Nairobi

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

The directors have the pleasure of presenting their report together with the audited financial statements for the year ended 31 December 2025, 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.

**2. Results**

The results for the year are set out on page 14 and 15.

**3. Dividend**

The directors do not recommend the payment of a dividend (2024 – 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**

The Group recorded significant improvement across all key parameters in the year. Revenue increased by 11% and operating profit was up 48% compared to 2024, as we continue to focus on the quality of our revenue and optimise our cost structure. Profit after tax was up 6% despite a significant reduction in net foreign exchange gain (2025: Kshs 0.7 million vs. 2024: Kshs 83.6 million) and an increase in income tax expense on the back of better profitability.

Total shareholders' funds increased by 37% from Kshs 736 million in 2024 to Ksh 1,010 million in 2025 with a strong assets-to-liabilities ratio of 2.42.

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

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**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 have expressed their willingness to continue in office in accordance with Section 719 (2) of the Kenya Companies Act. The Directors approved the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration 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 **14 April 2026**.

**BY ORDER OF THE BOARD**



**Sylviah Mwikali**  
**COMPANY SECRETARY**

**Date: 14 April 2026**

**DIRECTORS REMUNERATION REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**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 and the Capital Markets Authority (CMA) Code and Listing Rules.

Details of directors’ remuneration in 2025, namely remuneration paid to directors and executive management during 2025 are included in page 7.

**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.

<b>Function</b>	<b>Purpose and link to strategy</b>	<b>Operation</b>	<b>Performance metrics</b>
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.

**DIRECTORS REMUNERATION REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

<b>Function</b>	<b>Purpose &amp; link to strategy</b>	<b>Operation</b>	<b>Performance metrics</b>
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.

**DIRECTORS REMUNERATION REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**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:

<b>Function</b>	<b>Purpose &amp; link to strategy</b>	<b>Operation</b>	<b>Performance metrics</b>
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

**DIRECTORS REMUNERATION REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**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.

	2025			2024		
	Fees KShs' 000	Sitting allowances KShs' 000	Total KShs' 000	Fees KShs' 000	Sitting allowances KShs' 000	Total KShs' 000
Eng. E.K. Mwongera	2,880	525	3,405	2,700	280	2,980
S.N. Merali	660	560	1,220	480	360	840
A.H. Butt	660	490	1,150	480	280	760
L.M. Mbuthia	660	595	1,255	480	360	840
M.W. Ngatia	-	-	-	170	140	310
P.M.Kiwanuka	660	560	1,220	314	200	514
P.Gitonga	660	630	1,290	480	360	840
<b>Total</b>	<b>6,180</b>	<b>3,360</b>	<b>9,540</b>	<b>5,104</b>	<b>1,980</b>	<b>7,084</b>

Managing Director	<b>2025</b>	<b>2024</b>
<b>J.Mugo</b>	<b>KShs' 000</b>	<b>KShs' 000</b>
Basic pay and other allowances	19,343	14,784
Pension and Gratuity	4,071	3,696
<b>Total</b>	<b>23,414</b>	<b>18,480</b>
<b>Total 29 (b) iii</b>	<b>23,414</b>	<b>18,480</b>

**BY ORDER OF THE BOARD**



**Sylviah Mwikali**  
**COMPANY SECRETARY**  
**Date: 14 April 2026**

**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 14 to 87 which comprise the Consolidated and Company statements of financial position at 31 December 2025, 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 Kenya Companies Act 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 Kenya Companies Act 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 Company and its subsidiaries keep 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 IFRS Accounting Standards and in the manner required by the Kenya Companies Act. 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 **14 April 2026**.



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**Eng. E.K. Mwangera**  
*Chairman*



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**John Mugo**  
*Managing Director*

**Date: 14 April 2026**

**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 14 to 87, which comprise, for both the Group and the Company, the balance sheet as at 31st December 2025, 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 2025 and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Kenya Companies Act.

**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.

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

**Key Audit Matters (continued)**

<b>Key audit matter</b>	<b>How the matter was addressed</b>
<p>Valuation and existence of trade and other receivables</p>	<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 have also to comply with IFRS 9 which involves significant judgement and estimates from management.</p> <p>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>
<p>Disclosure of fair value of investment property</p>	<p>The Group had investment property as at 31 December 2025 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>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 independent valuers’ competence, capabilities and objectivity; and</li> <li>• Checking the accuracy of the input data, on a sample basis, used by the independent valuers 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> </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 Kenya Companies Act 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 Kenya Companies Act 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.

Those charged with governance are responsible for overseeing the company's financial reporting process.

**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 Kenya Companies Act**

In our opinion,

- i. the information given in the report of the directors on pages 2 and 3 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.



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

**14th April 2026**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 KShs'000	2024 KShs'000
Revenue	8	432,739	389,478
Cost of sales	9 (b) (i)	<u>(16,666)</u>	<u>(15,955)</u>
<b>Gross profit</b>		<b><u>416,073</u></b>	<b><u>373,523</u></b>
Other operating income	9 (a)	2,673	1,131
Selling and distribution costs	9 (b) (ii)	(7,713)	(10,572)
Administrative expenses	9 (b) (ii)	(42,500)	(79,477)
Other operating expenses	9 (b) (ii)	<u>(75,895)</u>	<u>(86,527)</u>
<b>Operating profit</b>		<b><u>292,638</u></b>	<b><u>198,078</u></b>
Finance income	10	7,448	199,114
Finance costs	10	(3,222)	(130,360)
Share of profit of equity accounted investees (net of income tax)	19 (a)	<u>43,557</u>	<u>41,147</u>
<b>Profit before income tax</b>		<b><u>340,421</u></b>	<b><u>307,979</u></b>
Income tax expense	11 (a)	<u>(66,138)</u>	<u>(48,081)</u>
<b>Profit for the year</b>		<b><u>274,283</u></b>	<b><u>259,898</u></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		<u>210</u>	<u>3,050</u>
<b>Total other comprehensive income for the year</b>		<b><u>210</u></b>	<b><u>3,050</u></b>
<b>Total comprehensive profit for the year</b>		<b><u>274,493</u></b>	<b><u>262,948</u></b>
<b>Earnings per share:</b>			
<b>Basic and diluted (KShs)</b>	12 (a)	<b><u>0.99</u></b>	<b><u>0.93</u></b>

The notes set out on pages 22 to 87 form an integral part of these financial statements.

**COMPANY STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 KShs'000	2024 KShs'000
Revenue	8	350,938	308,818
Cost of sales	9 (b) (i)	<u>(11,555)</u>	<u>(10,969)</u>
<b>Gross profit</b>		<b><u>339,383</u></b>	<b><u>297,849</u></b>
Other operating income	9 (a)	1,173	974
Selling and distribution costs	9 (b) (ii)	(7,713)	26,250
Administrative expenses	9 (b) (ii)	(35,383)	( 15,396)
Other operating expenses	9 (b) (ii)	<u>(66,064)</u>	<u>(65,468)</u>
<b>Operating profit</b>		<b>231,396</b>	<b>244,209</b>
Finance income	10	4,800	325,528
Finance costs	10	<u>(1,582)</u>	<u>(112,315)</u>
<b>Profit before income tax</b>		<b>234,614</b>	<b>457,422</b>
Income tax expense	11 (a)	<u>(49,500)</u>	<u>(29,762)</u>
<b>Profit for the year</b>		<b><u>185,114</u></b>	<b><u>427,660</u></b>
<b>Other comprehensive income (net of tax)</b>			
<b>Total other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<b><u><u>185,114</u></u></b>	<b><u><u>427,660</u></u></b>

The notes set out on pages 22 to 87 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

	Note	2025 KShs '000	2024 KShs '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13 (a)	30,809	12,669
Intangible assets	14 (a)	10,346	-
Investment properties	15 (a)	932,789	899,170
Prepaid operating lease rentals	17 (a)	318	322
Investment in associate	19	311,788	268,231
<b>Total non-current assets</b>		<b>1,286,050</b>	<b>1,180,392</b>
<b>Current assets</b>			
Non-current assets held for sale	16	15	15
Trade and other receivables	20	247,771	236,415
Current income tax	11 (c)	12,743	43,376
Cash and cash equivalents	21	173,136	61,101
<b>Total current assets</b>		<b>433,665</b>	<b>340,907</b>
<b>TOTAL ASSETS</b>		<b>1,719,715</b>	<b>1,521,299</b>
<b>EQUITY</b>			
Share capital	23 (a)	1,391,712	1,391,712
Retained earnings		( 206,724)	( 481,007)
Translation reserve	23 (b)	( 174,920)	( 175,130)
<b>Total equity</b>		<b>1,010,068</b>	<b>735,575</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax	24 (b)	18,352	16,417
<b>Total non-current liabilities</b>		<b>18,352</b>	<b>16,417</b>
<b>Current liabilities</b>			
Trade and other payables	25 (a)	684,788	766,813
Current income tax	11 (c)	6,507	2,494
<b>Total current liabilities</b>		<b>691,295</b>	<b>769,307</b>
<b>Total liabilities</b>		<b>709,647</b>	<b>785,724</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,719,715</b>	<b>1,521,299</b>

The financial statements on pages 14 to 87 were approved and authorised for issue by the Board of Directors on **14 April 2026**



**Eng. E.K. Mwongera**



**John Mugo**

*Chairman*

*Managing Director*

The notes set out on pages 22 to 87 form an integral part of these financial statements.

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

	Note	2025 KShs '000	2024 KShs '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13 (a)	28,672	11,253
Intangible assets	14 (a)	10,346	-
Investment properties	15 (a)	799,384	761,858
Prepaid operating lease rentals	17 (a)	318	322
Investment in subsidiaries	18	120,000	120,000
Equity accounted investees	19	137,026	137,026
<b>Total non-current assets</b>		<b>1,095,746</b>	<b>1,030,459</b>
<b>Current assets</b>			
Non-current assets held for sale	16	15	15
Trade and other receivables	20	423,809	402,217
Current income tax	11 (c)	4,650	24,880
Cash and cash equivalents	21	169,334	60,190
<b>Total current assets</b>		<b>597,808</b>	<b>487,302</b>
<b>TOTAL ASSETS</b>		<b>1,693,554</b>	<b>1,517,761</b>
<b>EQUITY</b>			
Share capital	23 (a)	1,391,712	1,391,712
Retained earnings		( 598,525)	( 783,639)
<b>Total equity</b>		<b>793,187</b>	<b>608,073</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Amounts due to subsidiaries	25 (a)	268,847	250,994
<b>Total non-current liabilities</b>		<b>268,847</b>	<b>250,994</b>
<b>Current liabilities</b>			
Trade and other payables	25 (a)	631,520	658,694
<b>Total current liabilities</b>		<b>631,520</b>	<b>658,694</b>
<b>Total liabilities</b>		<b>900,367</b>	<b>909,688</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,693,554</b>	<b>1,517,761</b>

The financial statements on pages 14 to 87 were approved and authorised for issue by the Board of Directors on **14 April 2026**



**Eng. E.K. Mwangera**



**John Mugo**

*Chairman*

*Managing Director*

The notes set out on pages 22 to 87 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>2025</b>	<b>Share capital KShs'000</b>	<b>Accumulated losses KShs'000</b>	<b>Translation reserve KShs'000</b>	<b>Total KShs'000</b>
<b>At start of year</b>	<u>1,391,712</u>	<u>(481,007)</u>	<u>( 175,130)</u>	<u>735,575</u>
<b>Comprehensive income For the year</b>				
Profit for the year	-	274,283	-	274,283
Other comprehensive income	<u>-</u>	<u>-</u>	<u>210</u>	<u>210</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>274,283</u>	<u>210</u>	<u>274,493</u>
<b>At end of year</b>	<u><b>1,391,712</b></u>	<u><b>( 206,724)</b></u>	<u><b>( 174,920)</b></u>	<u><b>1,010,068</b></u>
<b>2024</b>				
<b>At start of year</b>	<u>1,391,712</u>	<u>(740,905)</u>	<u>( 178,180)</u>	<u>472,627</u>
<b>Comprehensive income For the year</b>				
Profit for the year	-	259,898	-	259,898
Other comprehensive loss	<u>-</u>	<u>-</u>	<u>3,050</u>	<u>3,050</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>259,898</u>	<u>3,050</u>	<u>262,948</u>
<b>At end of year</b>	<u><b>1,391,712</b></u>	<u><b>( 481,007)</b></u>	<u><b>( 175,130)</b></u>	<u><b>735,575</b></u>

The notes set out on pages 22 to 87 form an integral part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Share capital KShs'000	Accumulated losses KShs'000	Total KShs'000
<b>2025</b>			
At start of year	<u>1,391,712</u>	<u>( 783,639)</u>	<u>608,073</u>
<b>Comprehensive income For the year</b>			
Profit for the year	<u>-</u>	<u>185,114</u>	<u>185,114</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>185,114</u>	<u>185,114</u>
<b>At end of year</b>	<b><u>1,391,712</u></b>	<b><u>(598,525)</u></b>	<b><u>793,187</u></b>
<b>2024</b>			
At start of year	<u>1,391,712</u>	<u>(1,211,299)</u>	<u>180,413</u>
<b>Comprehensive income For the year</b>			
Profit for the year	<u>-</u>	<u>427,660</u>	<u>427,660</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>427,660</u>	<u>427,660</u>
<b>At end of year</b>	<b><u>1,391,712</u></b>	<b><u>(783,639)</u></b>	<b><u>608,073</u></b>

The notes set out on pages 22 to 87 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 KShs'000	2024 KShs'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers	26	424,337	863,622
Cash payments for purchases	26	24,133	(31,986)
Cash payments for expenses	26	(208,133)	(183,819)
<b>Cash generated from operating activities</b>		<b>240,337</b>	<b>647,817</b>
Interest paid	10	-	(21,319)
Income tax paid	11(c)	(48,555)	(50,594)
<b>Net cash generated from operating activities</b>		<b>191,782</b>	<b>575,904</b>
<b>Cash flows from investing activities</b>			
Interest received	10	3,547	6,467
Proceeds from disposal of property, plant and equipment	9 (a)	(72)	-
Purchase of property, plant and equipment	13 (a)	(6,961)	(1,951)
Purchase of intangible assets	14 (a)	(12,154)	-
Additions to investment property	15 (a)	(64,109)	(136,477)
<b>Net cash used in investing activities</b>		<b>(79,749)</b>	<b>(131,961)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	22	-	(540,692)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(540,692)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>112,033</b>	<b>(96,749)</b>
<b>Movement in cash and cash equivalents:</b>			
At start of year		61,101	154,992
Increase/(decrease) in cash and cash equivalents		112,033	(96,749)
Effects of exchange movements on cash held		2	2,858
<b>At end of year</b>	21	<b>173,136</b>	<b>61,101</b>

The notes set out on pages 22 to 87 form an integral part of these financial statements.

**COMPANY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 KShs'000	2024 KShs'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers	26	330,592	760,389
Cash payments for purchases	26	3,809	(31,310)
Cash payments for expenses	26	(118,482)	(188,321)
Cash generated from operating activities		<b>215,919</b>	<b>540,758</b>
Interest paid	10	-	(21,319)
Income tax paid	11(c)	(29,270)	(36,905)
<b>Net cash generated from operating activities</b>		<b>186,649</b>	<b>482,534</b>
<b>Cash flows from investing activities</b>			
Interest received	10	3,547	3,839
Proceeds from disposal of property, plant and equipment	9 (a)	(72)	-
Dividend received	10	-	140,000
Purchase of property, plant and equipment	13(a)	(5,922)	(1,951)
Purchase of intangible assets	14(a)	(12,154)	-
Additions to investment property	15(a)	(62,904)	(129,918)
<b>Net cash (used in) /generated from investing activities</b>		<b>(77,505)</b>	<b>11,970</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	22	-	(540,692)
<b>Net cash used in from financing activities</b>		<b>-</b>	<b>(540,692)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>109,144</b>	<b>(46,188)</b>
<b>Movement in cash and cash equivalents:</b>			
At start of year		60,190	106,378
Increase/(decrease) in cash and cash equivalents		109,144	(46,188)
<b>At end of year</b>	21	<b>169,334</b>	<b>60,190</b>

The notes set out on pages 22 to 87 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**1. REPORTING ENTITY**

Sameer Africa Plc is a limited liability Company incorporated in Kenya under the Kenya Companies Act and is domiciled in Kenya. The Consolidated financial statements of the company for the year ended 31 December 2025 comprise the company, its subsidiaries and associate (together referred to as the “Group”). The Group primarily is involved in the letting of investment properties. The address of its registered office is as follows:

Nairobi/Block 125/2370  
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 Kenya Companies Act 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 IFRS Accounting Standards and the Kenya Companies Act. 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 2025**

**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. MATERIAL 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 2025**

**3. MATERIAL 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 2025**

**3. MATERIAL 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 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 2025**

**3. MATERIAL 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 2025**

**3. MATERIAL 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 2025**

**3. MATERIAL 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	25 years
Electrical equipment	8 years
Computer equipment	3 years

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**3. MATERIAL 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 3 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 2025**

**3. MATERIAL 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; and
  - 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 and
- 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 2025**

**3. MATERIAL 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 2025**

**3. MATERIAL 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 2025**

**3. MATERIAL 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 2025**

**3. MATERIAL 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 2025**

**3. MATERIAL 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 2025**

**4. NEW STANDARDS, AMENDMENT AND INTERPRETATIONS**

**a. New and revised standards and interpretations published but not yet effective for the year beginning 1<sup>st</sup> January 2025**

The Group has not applied the following new and revised standards and interpretations that have been published but are not yet effective for the year beginning 1st January 2025. None of the changes is expected to have any material impact on the Company's financial statements except IFRS 18, which will require changes to the presentation, and related disclosures, of the Profit and Loss Account and the Statement of Cash Flows.

Standard	Details of amendment	Annual periods beginning on or after
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	<i>IFRS 18 titled Presentation and Disclosure in Financial Statements (issued in April 2024)</i> The new standard, applicable to annual periods beginning on or after 1st January 2027, replaces IAS 1 and sets out revised requirements for the presentation and disclosure of information in general purpose financial statements.	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability Disclosures</i>	<i>IFRS 19 titled Subsidiaries without Public Accountability: Disclosures (issued in May 2024)</i> The new standard, applicable to annual periods beginning on or after 1st January 2027, specifies the disclosure requirements a subsidiary without public accountability is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027
IFRS 9 <i>Financial Instruments</i> IFRS 7 <i>Financial Instruments: Disclosures</i>	<i>Amendments to IFRS 9 and IFRS 7 titled Amendments to the Classification and Measurement of Financial Instruments (issued in May 2024)</i> The amendments, applicable to annual periods beginning on or after 1st January 2026, address diversity in accounting practice by making the requirements more understandable and consistent.	1 January 2026
IFRS 9 <i>Financial Instruments</i> IFRS 7 <i>Financial Instruments: Disclosures</i>	<i>Amendments to IFRS 9 and IFRS 7 titled Contracts Referencing Nature-dependent Electricity (issued in December 2024)</i> The amendments, applicable to annual periods beginning on or after 1st January 2026, help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements.	1 January 2026
IFRS 10 <i>Consolidated Financial Statements</i> IAS 28 <i>Investments in Associates and Joint Ventures</i>	<i>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)</i> 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 recognised fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.	The effective date of this amendment has been deferred indefinitely until further notice

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**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 2025**

**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**

	<b>Basis for measurement of loss allowance</b>				<b>Total KSh'000</b>
	<b>12-month expected credit losses  KSh'000</b>	<b>Lifetime expected credit losses (see note below)</b>			
		<b>(a) KSh'000</b>	<b>(b) KSh'000</b>	<b>(c) KSh'000</b>	
<b>At 31st December 2025</b>					
Trade receivables	-	-	-	233,630	233,630
Other receivables	23,399	-	-	-	23,399
Cash at bank	173,136	-	-	-	173,136
<b>Gross carrying amount</b>	<b>196,535</b>	<b>-</b>	<b>-</b>	<b>233,630</b>	<b>430,165</b>
Loss allowance	-	-	-	(22,013)	(22,013)
<b>Exposure to credit risk</b>	<b>196,535</b>	<b>-</b>	<b>-</b>	<b>211,617</b>	<b>408,152</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND FAIR VALUE  
(CONTINUED)**

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

**i) Group**

	<b>Basis for measurement of loss allowance</b>				<b>Total KSh'000</b>
	<b>12-month expected credit losses</b>	<b>Lifetime expected credit losses (see note below)</b>			
	<b>KSh'000</b>	<b>(a) KSh'000</b>	<b>(b) KSh'000</b>	<b>(c) KSh'000</b>	
<b>At 31st December 2024</b>					
Trade receivables	-	-	-	182,491	182,491
Other receivables	51,225	-	-	-	51,225
Cash at bank	61,101	-	-	-	61,101
<b>Gross carrying amount</b>	<b>112,326</b>	<b>-</b>	<b>-</b>	<b>182,491</b>	<b>294,817</b>
Loss allowance	-	-	-	(15,641)	(15,641)
<b>Exposure to credit risk</b>	<b>112,326</b>	<b>-</b>	<b>-</b>	<b>166,850</b>	<b>279,176</b>

**(ii) Company**

	<b>Basis for measurement of loss allowance</b>				<b>Total KSh'000</b>
	<b>12-month expected credit losses</b>	<b>Lifetime expected credit losses (see note below)</b>			
	<b>KSh'000</b>	<b>(a) KSh'000</b>	<b>(b) KSh'000</b>	<b>(c) KSh'000</b>	
<b>At 31st December 2025</b>					
Trade receivables	-	-	-	203,858	203,858
Amount due from subsidiaries	-	-	216,213	-	216,213
Other receivables	13,923	-	-	-	13,923
Cash at bank	169,334	-	-	-	169,334
<b>Gross carrying amount</b>	<b>183,257</b>	<b>-</b>	<b>216,213</b>	<b>203,858</b>	<b>603,328</b>
Loss allowance	-	-	-	(22,013)	(22,013)
<b>Exposure to credit risk</b>	<b>183,257</b>	<b>41</b>	<b>216,213</b>	<b>181,845</b>	<b>581,315</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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

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

**(ii) Company**

	<b>Basis for measurement of loss allowance</b>				
	<b>12-month expected credit losses</b>	<b>Lifetime expected credit losses (see note below)</b>			
	<b>KSh'000</b>	<b>(a) KSh'000</b>	<b>(b) KSh'000</b>	<b>(c) KSh'000</b>	<b>Total KSh'000</b>
<b>At 31st December 2024</b>					
Trade receivables	-	-	-	158,184	158,184
Amount due from subsidiaries	-	-	241,313	-	241,313
Other receivables	990	-	-	-	990
Cash at bank	60,190	-	-	-	60,190
<b>Gross carrying amount</b>	<b>61,180</b>	<b>-</b>	<b>241,313</b>	<b>158,184</b>	<b>460,677</b>
Loss allowance	-	-	-	(15,641)	(15,641)
<b>Exposure to credit risk</b>	<b>61,180</b>	<b>-</b>	<b>241,313</b>	<b>142,543</b>	<b>445,036</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>
<b>Not past due</b>	<b>101,048</b>	<b>119,633</b>	<b>85,096</b>	<b>99,402</b>
Past due				
:by 31 to 60 days	441	21,530	319	21,268
:by 61 to 90 days	5,706	1,676	4,734	1,128
:by 91 to 180 days	73,824	19,943	63,380	16,532
:over 181 days	47,179	18,277	41,742	15,538
<b>Total past due</b>	<b>127,150</b>	<b>61,426</b>	<b>110,175</b>	<b>54,466</b>
<b>Total</b>	<b>228,198</b>	<b>181,060</b>	<b>195,271</b>	<b>153,867</b>
<b>Loss allowance</b>	<b>22,013</b>	<b>15,641</b>	<b>22,013</b>	<b>15,641</b>
<b>Total trade receivables</b>	<b>250,211</b>	<b>196,701</b>	<b>217,284</b>	<b>169,508</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**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	<u>Basis for measurement of loss allowance</u>				Total KSh'000
	12- month expected credit losses  KSh'000	Lifetime expected credit losses (see note above)			
		(a) KSh'000	(b) KSh'000	(c) KSh'000	
<b>Year ended 31st December 2025</b>					
At start of year	-	-	-	15,641	15,641
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	-	-	-	6,372	6,372
<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,013</b>	<b>22,013</b>
<b>Year ended 31st December 2024</b>					
At start of year	-	-	-	51,159	51,159
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	-	-	-	(35,518)	(35,518)
<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,641</b>	<b>15,641</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**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:

	<b>Basis for measurement of loss allowance</b>				<b>Total KSh'000</b>
	<b>12- month expected credit losses</b>	<b>Lifetime expected credit losses (see note above)</b>			
<b>(ii) Company</b>	<b>KSh'000</b>	<b>(a) KSh'000</b>	<b>(b) KSh'000</b>	<b>(c) KSh'000</b>	
<b>Year ended 31st December 2025</b>					
At start of year	-	-	-	15,641	15,641
Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	-	6,372	6,372
<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,013</b>	<b>22,013</b>
<b>Year ended 31st December 2024</b>					
At start of year	-	-	253,127	47,350	300,477
Changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses	-	-	(253,127)	(31,709)	(284,836)
<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,641</b>	<b>15,641</b>

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 2025**

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

**(b) Liquidity risk (continued)**

**(i) Group**

	Carrying amount	1 - 3 months	3months - 1 year	1-3 years	Total
31 December 2025:	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
<b>Non - derivative financial liabilities</b>					
Trade and other payables (Note 25 (a))	684,788	684,788	-	-	684,788
<b>At 31 December 2025</b>	<b>684,788</b>	<b>684,788</b>	<b>-</b>	<b>-</b>	<b>684,788</b>
<b>31 December 2024:</b>					
<b>Non - derivative financial liabilities</b>					
Trade and other payables (Note 25 (a))	766,813	766,813	-	-	766,813
<b>At 31 December 2024</b>	<b>766,813</b>	<b>766,813</b>	<b>-</b>	<b>-</b>	<b>766,813</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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

**(b) Liquidity risk (continued)**

**(ii) Company**

<b>31 December 2025:</b>	<b>Carrying amount KShs '000</b>	<b>1 - 3 months KShs '000</b>	<b>3months - 1 year KShs '000</b>	<b>1-3 years KShs '000</b>	<b>Total KShs '000</b>
<b>Non - derivative financial liabilities</b>					
Trade and other payables (Note 25 (a))	900,367	631,520	-	268,847	900,367
<b>At 31 December 2025</b>	<b>900,367</b>	<b>631,520</b>	<b>-</b>	<b>268,847</b>	<b>900,367</b>
<b>31 December 2024:</b>					
<b>Non - derivative financial liabilities</b>					
Trade and other payables (Note 25 (a))	909,688	658,694	-	250,994	909,688
<b>At 31 December 2024</b>	<b>909,688</b>	<b>658,694</b>	<b>-</b>	<b>250,994</b>	<b>909,688</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**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 2025				31 DECEMBER 2024			
	USD '000	TZS '000	UGX '000	BIF '000	USD '000	TZS '000	UGX '000	BIF '000
<b>Financial assets</b>								
Cash and cash equivalents	17,284	45	34	374	1,110	184	34	375
Trade receivables	26,497	-	-	-	28,986	-	-	-
	<b>43,781</b>	<b>45</b>	<b>34</b>	<b>374</b>	<b>30,096</b>	<b>184</b>	<b>34</b>	<b>375</b>
<b>Financial liabilities</b>								
Trade and other payables	(461,208)	-	-	-	(461,988)	-	-	-
	<b>( 461,208)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>( 461,988)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net financial exposure</b>	<b>( 417,427)</b>	<b>45</b>	<b>34</b>	<b>374</b>	<b>( 431,892)</b>	<b>184</b>	<b>34</b>	<b>375</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**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	
	2025	2024	2025	2024
USD	129.2767	133.9392	129.0100	129.2920
TZS	0.0505	0.0527	0.0525	0.0511
UGX	0.0358	0.0352	0.0356	0.0356
BIF	0.0435	0.0437	0.0436	0.0463

**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 2025</b>			
Currency	%		
	movement		
USD	3%	(12,523)	12,523
TSH	10%	5	(5)
UGX	5%	2	(2)
BIF	3%	11	(11)
<b>31 December 2024</b>			
USD	3%	(12,957)	12,957
TSH	10%	18	(18)
UGX	5%	2	(2)
BIF	3%	11	(11)

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 2025**

**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 2025 would have had on the translation reserve are shown below:

**Uganda**

At 31 December 2025, if the Ugandan Shilling had weakened/strengthened by 5% (2024 – 5%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to the other comprehensive income would have been KShs 27,579 (2024 – KShs 25,216) higher/lower.

**Burundi**

At 31 December 2025, if the Burundi Franc had weakened/strengthened by 3% (2024 – 3%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to other comprehensive income would have been KShs 21,798 (2024 – KShs 21,849) higher/lower.

**Tanzania**

At 31 December 2025, if the Tanzanian Shilling had weakened/strengthened by 10% (2024 – 10%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to other comprehensive income would have been KShs 10,005,402 (2024 – KShs 9,978,394) higher/lower.

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

At 31 December 2025, 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 12,523,000 (2024 – KShs 12,957,000) 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 2025**

**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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>	<b>KShs '000</b>
<b><i>Fixed rate instruments</i></b>				
Financial liabilities (Note 22 (a))	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2025**

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

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

	Group		Company	
	2025	2024	2025	2024
	KShs '000	KShs '000	KShs '000	KShs '000
Total borrowings (Note 22)	-	-	-	-
Less: Cash and cash equivalents (Note 21)	( 173,136)	( 61,101)	( 169,334)	( 60,190)
Net debt	( 173,136)	( 61,101)	( 169,334)	( 60,190)
Total equity	1,010,068	735,575	793,187	608,073
<b>Total capital</b>	<b>836,932</b>	<b>674,474</b>	<b>623,853</b>	<b>547,883</b>
<b>Gearing ratio</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</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.

Reportable segment	Operations
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. However, no revenue was reported during the year.
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 2025**

**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.

	<b>Reportable segments</b>									
	<b>Sourcing &amp; distribution</b>		<b>Regional operations</b>		<b>Yana Tyre centres</b>		<b>Rental business</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
External revenues	-	873	-	-	-	-	432,739	388,605	432,739	389,478
Inter-segment revenues	-	-	-	-	-	-	-	-	-	-
<b>Segment revenue</b>	<b>-</b>	<b>873</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>432,739</b>	<b>388,605</b>	<b>432,739</b>	<b>389,478</b>
Segment profit/(loss) before tax	(17,835)	326,140	(517)	21,097	(21)	171,217	307,563	241,682	289,190	760,137
Income tax	-	-	-	-	-	-	(66,138)	(48,081)	(66,138)	(48,081)
<b>Segment profit after tax</b>	<b>(17,835)</b>	<b>326,140</b>	<b>(517)</b>	<b>21,097</b>	<b>(21)</b>	<b>171,217</b>	<b>241,425</b>	<b>193,601</b>	<b>223,052</b>	<b>712,056</b>
Dividend earned	-	140,000	-	-	-	-	-	-	-	140,000
Interest expense	-	(21,319)	-	-	-	-	-	-	-	(21,319)
Depreciation and amortisation	-	-	-	-	-	-	(20,746)	(15,911)	(20,746)	(15,911)
Share of profit from equity accounted investees	43,557	41,147	-	-	-	-	-	-	43,557	41,147
<b>Segment assets</b>	<b>-</b>	<b>-</b>	<b>675</b>	<b>43,001</b>	<b>6,364</b>	<b>6,288</b>	<b>2,414,602</b>	<b>2,214,577</b>	<b>2,421,641</b>	<b>2,263,867</b>
Equity accounted investees	268,231	268,231	-	-	-	-	-	-	268,231	268,231
Capital expenditure	-	-	-	-	-	-	(83,224)	(138,428)	(83,224)	(138,428)
<b>Segment liabilities</b>	<b>(7,289)</b>	<b>(16,680)</b>	<b>(100,554)</b>	<b>(142,561)</b>	<b>(172)</b>	<b>(75)</b>	<b>(1,373,397)</b>	<b>(1,387,583)</b>	<b>(1,481,413)</b>	<b>(1,546,900)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (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>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>
<b>(i) Revenues</b>		
Total revenues for reportable segments	<u>432,739</u>	<u>389,478</u>
<b>Consolidated revenue</b>	<b><u>432,739</u></b>	<b><u>389,478</u></b>
<b>(ii) Profit before tax</b>		
Segments profit before tax	289,190	760,137
Provision of intercompany balances	-	(36,822)
Share of profit on equity accounted investee	43,557	41,147
Elimination of intersegment expenses	7,674	(226,483)
Inter-segment dividend income	<u>-</u>	<u>(230,000)</u>
<b>Consolidated profit before tax</b>	<b><u>340,421</u></b>	<b><u>307,979</u></b>
<b>(iii) Assets</b>		
Total segment assets	2,421,641	2,263,867
Elimination of inter-segment;		
-Net unrealised profits on inventories	-	-
- Receivables	(692,688)	(689,773)
Investment in subsidiaries	(184,000)	(184,000)
Share of profit/(loss) of equity accounted investees	<u>174,762</u>	<u>131,205</u>
<b>Consolidated total assets</b>	<b><u>1,719,715</u></b>	<b><u>1,521,299</u></b>
<b>(iv) Liabilities</b>		
Total segment liabilities	1,481,413	1,546,900
Elimination of inter-segment payables	<u>(771,766)</u>	<u>(761,176)</u>
<b>Consolidated total liabilities</b>	<b><u>709,647</u></b>	<b><u>785,724</u></b>

Segment assets and liabilities exclude current and deferred taxes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (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>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>
<b>(i) Revenues</b>		
<i>Country of domicile</i>		
Kenya	432,739	389,478
<i>All foreign countries</i>		
Uganda	-	-
Tanzania	-	-
Burundi	-	-
Others	-	-
	<b>432,739</b>	<b>390,498</b>
<b>Consolidated revenue</b>	<b>432,739</b>	<b>390,498</b>
<b>(ii) Non-current assets</b>		
<i>Country of domicile</i>		
Kenya	1,242,493	1,180,392
<i>All foreign countries</i>		
Uganda	-	-
Tanzania	-	-
Burundi	-	-
	<b>1,242,493</b>	<b>1,180,392</b>
<b>Consolidated total non-current assets</b>	<b>1,242,493</b>	<b>1,180,392</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 20% or more of the Group's turnover.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (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*

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**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 25: Deferred tax – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.

**8. REVENUE**

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Investment property rentals	432,739	388,605	350,938	307,945
Sale of imported goods	-	873	-	873
	<u>432,739</u>	<u>389,478</u>	<u>350,938</u>	<u>308,818</u>

**9. OTHER OPERATING INCOME AND EXPENSES**

**(a) Other operating income**

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Loss on sale of property, plant and equipment	(72)	-	(72)	-
Other income	2,745	1,131	1,245	974
	<u>2,673</u>	<u>1,131</u>	<u>1,173</u>	<u>974</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

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

**(b) Expenses by function**

*(i) Cost of sales*

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Indirect labour	-	2,076	-	2,076
Depreciation	16,666	13,879	11,555	8,893
	<u>16,666</u>	<u>15,955</u>	<u>11,555</u>	<u>10,969</u>
<b>Total cost of sales</b>	<b><u>16,666</u></b>	<b><u>15,955</u></b>	<b><u>11,555</u></b>	<b><u>10,969</u></b>

*(ii) Operating expenses*

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
<i>Selling and distribution costs</i>				
Distribution costs	-	-	-	-
Selling expenses	1,645	17,628	1,645	17,628
Trade receivables loss allowance	6,372	(8,961)	6,372	(45,783)
Marketing and sales promotions	( 304)	1,905	( 304)	1,905
	<u>7,713</u>	<u>10,572</u>	<u>7,713</u>	<u>(26,250)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

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

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

*(ii) Operating expenses - continued*

*Administrative expenses*

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Indirect staff costs	82,647	72,692	71,638	63,012
Impairment of subsidiary	-	-	-	-
Other administrative expenses	(40,147)	6,785	(36,255)	(47,616)
	<u>42,500</u>	<u>79,477</u>	<u>35,383</u>	<u>15,396</u>

*Other operating expenses*

Legal and professional fees	56,305	64,408	50,531	47,859
Travel and vehicle maintenance	1,109	564	1,011	530
Establishment expenses	16,740	20,105	13,015	15,782
Bank charges and fees	1,741	1,450	1,507	1,297
	<u>75,895</u>	<u>86,527</u>	<u>66,064</u>	<u>65,468</u>
<b>Total operating expenses</b>	<u>126,108</u>	<u>176,576</u>	<u>109,160</u>	<u>54,614</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

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

**(c) Expenses by nature**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
Employee benefits expense (Note 9 (d))	81,515	74,943	70,480	65,263
Audit fees	2,466	2,352	1,365	1,300
Bank charges	1,741	1,450	1,507	1,297
Depreciation and amortisation	20,746	15,911	15,316	10,583
General expenses	(20,414)	4,958	(13,273)	(44,789)
Legal and professional fees	31,471	36,292	26,798	20,796
Advertising and promotions	(304)	1,905	(304)	1,905
Electricity, water and fuel	(29,885)	(10,819)	(33,107)	(15,231)
Repairs and maintenance	19,140	27,999	15,735	23,772
Trade receivables loss allowance	6,372	( 8,961)	6,372	(45,783)
Sales commissions and bonuses	-	15,719	-	15,719
Rent and rates	8,429	12,834	8,429	12,834
Telephone and postage	5,063	2,458	5,063	2,464
Transport, travelling and insurance	16,434	15,490	16,334	15,453
<b>Total cost of sales, selling and distribution, administrative and other operating expenses</b>	<b><u>142,774</u></b>	<b><u>192,531</u></b>	<b><u>120,715</u></b>	<b><u>65,583</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**9. OTHER OPERATING INCOME AND EXPENSES**

**(d) Employee benefits expense**

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Salaries and wages	53,751	51,648	44,776	42,959
Allowances and other benefits	21,566	19,580	20,178	19,201
Defined contribution scheme	6,097	3,632	5,447	3,040
National Social Security Fund	101	83	79	63
	<u>81,515</u>	<u>74,943</u>	<u>70,480</u>	<u>65,263</u>

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

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

Management and administration	<u>16</u>	<u>16</u>	<u>12</u>	<u>12</u>
<b>Total</b>	<u><b>16</b></u>	<u><b>16</b></u>	<u><b>12</b></u>	<u><b>12</b></u>

**10. NET FINANCE INCOME**

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Finance income</b>				
Interest income	3,547	6,467	3,547	3,839
Dividend received	-	-	-	140,000
Foreign exchange gains	3,901	192,647	1,253	181,689
	<u>7,448</u>	<u>199,114</u>	<u>4,800</u>	<u>325,528</u>
<b>Finance costs</b>				
Foreign exchange losses	3,222	109,041	1,582	90,996
Interest expense	-	21,319	-	21,319
	<u>3,222</u>	<u>130,360</u>	<u>1,582</u>	<u>112,315</u>
<b>Net finance income</b>	<u><b>10,670</b></u>	<u><b>68,754</b></u>	<u><b>6,382</b></u>	<u><b>213,213</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**11. INCOME TAXES**

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

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Current tax expense:</b>				
Current income tax	64,203	43,724	49,500	29,762
	<u>64,203</u>	<u>43,724</u>	<u>49,500</u>	<u>29,762</u>
<b>Deferred tax expense (Note 25(b)):</b>				
Deferred income tax	1,935	4,357	-	-
	<u>1,935</u>	<u>4,357</u>	<u>-</u>	<u>-</u>
<b>Income tax expense</b>	<u><u>66,138</u></u>	<u><u>48,081</u></u>	<u><u>49,500</u></u>	<u><u>29,762</u></u>

The Group income tax expense excludes the Group's share of income tax expense of its equity accounted investee of KShs'000 –18,274 ( 2024: KShs'000- 15,787) 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	2025		2024	
	Rate %	KShs'000	Rate %	KShs'000
<b>Profit before income tax</b>		<b>340,421</b>		<b>307,979</b>
Tax calculated at domestic rates applicable to profits in the respective countries – 30% (2024 - 30%)	30%	102,126	30%	92,394
Tax effect of:				
Share of profit of equity accounted investee	(3.84)%	(13,067)	(4.01)%	(12,344)
Expenses not deductible for income tax purposes	(6.16)%	(20,986)	(8.97)%	(27,612)
Effects of unrecognised deferred tax	(0.57)%	( 1,935)	(1.41)%	( 4,357)
Under provision of current income tax in prior years	0%	-	0%	-
<b>Income tax expense</b>	<u><u>19.43%</u></u>	<u><u>66,138</u></u>	<u><u>15.56%</u></u>	<u><u>48,081</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**11. INCOME TAXES (CONTINUED)**

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

Company	2025		2024	
	Rate %	KShs'000	Rate %	KShs'000
<b>Profit before income tax</b>		<b>234,614</b>		<b>457,422</b>
Tax calculated at domestic rates applicable to profits in the respective countries – 30% (2024 - 30%)	30%	70,384	30%	137,227
Tax effect of:				
Expenses not deductible for income tax purposes	(8.90)%	(20,884)	(14.31)%	(65,465)
Income not subject to income tax	0%	-	(9.18)%	(42,000)
Under provision of current income tax in prior years	0%	-	0%	-
Effects of unrecognised deferred tax	0%	-	0%	-
<b>Income tax expense</b>	<b>21.10%</b>	<b>49,500</b>	<b>6.51%</b>	<b>29,762</b>

**(c) Reconciliation of carrying amounts**

	Group		Company	
	2025 KShs'000	2024 KShs'000	2025 KShs'000	2024 KShs'000
Net liability at start of year	(40,882)	(36,872)	(24,880)	(17,737)
Charge for the year - profit or loss (note 11(a))	64,203	48,081	49,500	29,762
Provision in prior period	18,998	(1,497)	-	-
Income tax paid	(48,555)	(50,594)	(29,270)	(36,905)
<b>Net (asset)/liability at end of year</b>	<b>( 6,236)</b>	<b>(40,882)</b>	<b>( 4,650)</b>	<b>(24,880)</b>
<b>Represented by:</b>				
Income tax assets	(12,743)	(43,376)	( 4,650)	(24,880)
Income tax liability	6,507	2,494	-	-
	<b>( 6,236)</b>	<b>(40,882)</b>	<b>( 4,650)</b>	<b>(24,880)</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 2025 (CONTINUED)**

**12. EARNINGS PER SHARE**

**(a) Basic earnings per share**

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

	<b>2025</b>	<b>2024</b>
Profit attributable to equity holders of the Company (KShs '000)	<u>274,283</u>	<u>259,898</u>
Weighted average number of ordinary shares in issue ('000)	<u>278,342</u>	<u>278,342</u>
Basic earnings per share (KShs)	<u>0.99</u>	<u>0.93</u>

**(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 2025 or 2024. Diluted earnings per share are therefore the same as basic earnings per share.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**13. PROPERTY, PLANT AND EQUIPMENT**

**(a) Reconciliation of carrying amounts**

<b>Group</b>	<b>Buildings Kshs'000</b>	<b>Plant &amp; machinery Kshs'000</b>	<b>Motor vehicles Kshs'000</b>	<b>Furniture, fittings &amp; equipment Kshs'000</b>	<b>Total Kshs'000</b>
<b>2025:</b>					
<b>Cost</b>					
At 1 January 2025	11,773	-	-	12,061	23,834
Additions	427	3,658	-	2,876	6,961
Transfers from investment property	-	15,377	130	-	15,507
Disposals	-	-	-	(256)	(256)
<b>At 31 December 2025</b>	<b>12,200</b>	<b>19,035</b>	<b>130</b>	<b>14,681</b>	<b>46,046</b>
<b>Accumulated depreciation</b>					
At 1 January 2025	3,122	-	-	8,043	11,165
Charge for the year	479	1,965	27	1,760	4,231
Disposals	-	-	-	(159)	(159)
<b>At 31 December 2025</b>	<b>3,601</b>	<b>1,965</b>	<b>27</b>	<b>9,644</b>	<b>15,237</b>
<b>Carrying amounts At 31 December 2025</b>	<b>8,599</b>	<b>17,070</b>	<b>103</b>	<b>5,037</b>	<b>30,809</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

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

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

<b>Group</b>	<b>Buildings KShs'000</b>	<b>Furniture, fittings &amp; equipment KShs'000</b>	<b>Total KShs'000</b>
<b>2024:</b>			
<b>Cost</b>			
At 1 January 2024	11,773	10,110	21,883
Additions	-	1,951	1,951
<b>At 31 December 2024</b>	<b>11,773</b>	<b>12,061</b>	<b>23,834</b>
<b>Accumulated depreciation and impairment</b>			
At 1 January 2024	2,651	6,485	9,136
Charge for the year	471	1,558	2,029
<b>At 31 December 2024</b>	<b>3,122</b>	<b>8,043</b>	<b>11,165</b>
<b>Carrying amounts - At 31 December 2024</b>	<b>8,651</b>	<b>4,018</b>	<b>12,669</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

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

<b>Company</b>	<b>Buildings Kshs'000</b>	<b>Plant &amp; machinery Kshs'000</b>	<b>Motor vehicles Kshs'000</b>	<b>Furniture, fittings &amp; equipment Kshs'000</b>	<b>Total Kshs'000</b>
<b>2025:</b>					
<b>Cost</b>					
At 1 January 2025	11,773	-	-	4,806	16,579
Additions	427	3,658	-	1,837	5,922
Transfers	-	15,377	130	-	15,507
Disposals	-	-	-	(256)	(256)
<b>At 31 December 2025</b>	<b>12,200</b>	<b>19,035</b>	<b>130</b>	<b>6,387</b>	<b>37,752</b>
<b>Accumulated depreciation</b>					
At 1 January 2025	3,122	-	-	2,204	5,326
Charge for the year	479	1,965	27	1,442	3,913
Disposals	-	-	-	(159)	(159)
<b>At 31 December 2025</b>	<b>3,601</b>	<b>1,965</b>	<b>27</b>	<b>3,487</b>	<b>9,080</b>
<b>Carrying amounts-At 31 December 2025</b>	<b>8,599</b>	<b>17,070</b>	<b>103</b>	<b>2,900</b>	<b>28,672</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

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

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

<b>Company</b>	<b>Buildings KShs'000</b>	<b>Furniture, fittings &amp; equipment KShs'000</b>	<b>Total KShs'000</b>
<b>2024:</b>			
<b>Cost</b>			
At 1 January 2024	11,773	2,855	14,628
Additions	<u>-</u>	<u>1,951</u>	<u>1,951</u>
<b>At 31 December 2024</b>	<b><u>11,773</u></b>	<b><u>4,806</u></b>	<b><u>16,579</u></b>
<b>Accumulated depreciation and impairment</b>			
At 1 January 2024	2,651	989	3,640
Charge for the year	<u>471</u>	<u>1,215</u>	<u>1,686</u>
<b>At 31 December 2024</b>	<b><u>3,122</u></b>	<b><u>2,204</u></b>	<b><u>5,326</u></b>
<b>Carrying amounts - At 31 December 2024</b>	<b><u>8,651</u></b>	<b><u>2,602</u></b>	<b><u>11,253</u></b>

**14. INTANGIBLE ASSETS**

*Computer software*

**(a) Reconciliation of carrying amounts**

<b>Group &amp; Company</b>	<b>2025 KShs'000</b>	<b>2004 KShs'000</b>
<b>Cost</b>		
At start of year	138,348	138,348
Additions	<u>12,154</u>	<u>-</u>
<b>At end of year</b>	<b><u>150,502</u></b>	<b><u>138,348</u></b>
<b>Amortisation and impairment</b>		
At start of year	138,348	138,348
Charge for the year	<u>1,808</u>	<u>-</u>
<b>At end of year</b>	<b><u>140,156</u></b>	<b><u>138,348</u></b>
<b>Carrying amount at 31 December</b>	<b><u>10,346</u></b>	<b><u>-</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**14. INTANGIBLE ASSETS (CONTINUED)**

**(a) 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.

**15. INVESTMENT PROPERTIES**

**(a) Reconciliation of carrying amounts**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
At start of year	899,170	776,572	761,858	640,833
Additions	64,109	136,477	62,904	129,918
Transfers to property, plant and equipment	(15,507)	-	(15,507)	-
Transfers to expense	(280)	-	(280)	-
Depreciation	( 14,703)	( 13,879)	( 9,591)	( 8,893)
<b>At end of year</b>	<b><u>932,789</u></b>	<b><u>899,170</u></b>	<b><u>799,384</u></b>	<b><u>761,858</u></b>

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Comprising</b>				
Cost	1,241,524	1,193,202	1,036,180	989,063
Accumulated depreciation	(308,735)	(294,032)	(236,796)	(227,205)
<b>At end of year</b>	<b><u>932,789</u></b>	<b><u>899,170</u></b>	<b><u>799,384</u></b>	<b><u>761,858</u></b>

Investment property comprises:

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**15. INVESTMENT PROPERTIES (CONTINUED)**

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

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Rental income</b>	<b>432,739</b>	<b>388,605</b>	<b>350,938</b>	<b>307,945</b>
<b>Operating expenses</b>				
Staff costs	81,805	72,162	70,796	63,012
Administrative expenses	(47,595)	(24,993)	(44,211)	(31,531)
Security expenses	18,007	18,212	8,613	10,905
Legal and professional fees	44,972	47,588	42,640	46,259
Repairs and maintenance	12,660	18,073	9,255	14,092
Depreciation	20,746	15,911	15,316	10,582
Net other income	(5,419)	(30)	(3,919)	-
	<b>125,176</b>	<b>146,923</b>	<b>98,490</b>	<b>113,319</b>
<b>Net rental income before tax</b>	<b>307,563</b>	<b>241,682</b>	<b>252,448</b>	<b>194,626</b>

**(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 Valuation Report” by Knight Frank – a Real Estate Property Valuation firm.

The fair value measurement of – Group KShs'000 – 9,193,682 (2024: KShs'000 - 8,969,446); Company KShs'000 –7,219,658 (2024: KShs'000 – 7,044,544) has been categorized as level 2 fair value (2024 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:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**15. INVESTMENT PROPERTIES (CONTINUED)**

**(c) Measurement of fair value**

**(i) Fair value hierarchy**

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Fair values</b>				
Properties	9,193,682	8,969,446	7,219,658	7,044,544
	<b>9,193,682</b>	<b>8,969,446</b>	<b>7,219,658</b>	<b>7,044,544</b>
<b>Carrying amounts</b>				
Commercial properties	932,789	899,170	799,384	761,858
Leasehold land	318	322	318	322
	<b>933,107</b>	<b>899,492</b>	<b>799,702</b>	<b>762,180</b>
<b>Fair value gains not recognised in profit or loss</b>	<b>8,260,575</b>	<b>8,069,954</b>	<b>6,419,956</b>	<b>6,282,364</b>

**(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 (2025 and 2024: 3%-5%) 2. Occupancy rates (2025 and 2024: 88% - 95%) 3. Risk-adjusted discount rate (2025 and 2024:9%)	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)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**15. INVESTMENT PROPERTIES (CONTINUED)**

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

Valuation technique	Significant unobservable inputs	Inter-relationships between unobservable inputs and fair value measurements
<p><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.</p>	<p>1. Property prices in the locality                      2. Infrastructure developments</p>	<p>The estimated fair values would increase/ (decrease);                      1. If property prices were higher / (lower)                      2. Increase with improvements in infrastructure.</p>

**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 2024 and likely to conclude in the 2nd quarter of 2026.

The transaction value of the asset held for sale is USD 7,128,891 or equivalent Ksh 919,698,228 at the year end USD closing rate of 129.01

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Assets held for sale (land)	15	15	15	15
<b>At end of year</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>

**17. PREPAID OPERATING LEASE RENTALS**

**(a) Reconciliation of carrying amount**

	Group and Company	
	2025	2024
	KShs'000	KShs'000
At start of year	322	326
Amortisation charge for the year	(4)	(4)
<b>At end of year</b>	<b>318</b>	<b>322</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**17. PREPAID OPERATING LEASE RENTALS (CONTINUED)**

**(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.

**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	2025 KShs'000	2024 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>(448,625)</u>
<b>Carrying amount</b>			<b><u>120,000</u></b>	<b><u>120,000</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 2025 -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 2025 (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	
	2025	2024	2025	2024
Carrying amount	KShs'000	KShs'000	KShs'000	KShs'000
Interest in associates	<u>311,788</u>	<u>268,231</u>	<u>137,026</u>	<u>137,026</u>
<b>At end of year</b>	<b><u>311,788</u></b>	<b><u>268,231</u></b>	<b><u>137,026</u></b>	<b><u>137,026</u></b>

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

	2025	2024
	KShs'000	KShs'000
At 1 January 2025	268,231	227,084
Share of profit	<u>43,557</u>	<u>41,147</u>
<b>At end of year</b>	<b><u>311,788</u></b>	<b><u>268,231</u></b>

**(a) Associate**

The Group's has an interest of 25% (2024: 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 2025 (CONTINUED)**

**19. INVESTMENT IN ASSOCIATE**

**(a) Associate (continued)**

**(i) Summarised financial information**

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

	2025	2024
	KShs'000	KShs'000
<b><i>Financial position</i></b>		
Non-current assets	1,710,490	1,758,501
Current assets	443,674	318,797
Current liabilities	( 64,627)	( 58,147)
Non-current liabilities	( 843,384)	( 947,228)
<b>Net assets</b>	<b><u>1,246,153</u></b>	<b><u>1,071,923</u></b>
<b><i>Profit or loss and other comprehensive income</i></b>		
Revenue	406,008	431,643
Expenses	(231,778)	(267,057)
Profit after tax	174,230	164,586
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b><u>174,230</u></b>	<b><u>164,586</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**20. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Current</b>				
Trade receivables	233,630	182,491	203,858	158,184
Less: Provision for impairment	( 22,013)	( 15,641)	( 22,013)	( 15,641)
	<b>211,617</b>	<b>166,850</b>	<b>181,845</b>	<b>142,543</b>
Amounts due from related companies (Note 29(d)(i))	16,581	14,210	13,426	11,324
Other receivables	6,818	37,015	497	990
Receivables from subsidiaries net of impairment (Note 29(d)(i))	-	-	216,213	229,989
Trade and other receivables	235,016	218,075	411,981	384,846
Prepayments	12,755	18,340	11,828	17,371
	<b>247,771</b>	<b>236,415</b>	<b>423,809</b>	<b>402,217</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).

**21. 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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
Cash at hand and in bank	33,215	61,101	29,413	60,190
Call deposits	139,921	-	139,921	-
	<b>173,136</b>	<b>61,101</b>	<b>169,334</b>	<b>60,190</b>

**22. BORROWINGS**

Borrowing from related parties were fully repaid in 2024.

	<b>Group &amp; Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>
Sameer Investments Limited	-	440,692
Sameer Telkom Limited	-	100,000
Loan repayments	-	(540,692)
	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (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>2025</b>	<b>2024</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 (2024:Nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**24. DEFERRED INCOME TAX**

**(a) Carrying amounts**

Deferred income tax is calculated using the enacted income tax rates of 30% (2024: 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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
At start of year	16,417	12,060	-	-
Charge to statement of profit or loss (Note 11 (a))	1,935	4,357	-	-
Currency translation differences (Note 11(a))	-	-	-	-
Prior period under provisions	-	-	-	-
<b>At end of year</b>	<b>18,352</b>	<b>16,417</b>	<b>-</b>	<b>-</b>
<b>As disclosed on the balance sheet:</b>				
Deferred income tax assets	-	-	-	-
Deferred income tax liabilities	18,352	16,417	-	-
	<b>18,352</b>	<b>16,417</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

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

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

<b>Group 2025</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>
<i>Deferred income tax asset</i>			
Property, plant and equipment and intangibles	(49,965)	10,875	(39,090)
Investment property	182,269	13,401	195,670
Provisions	(10,310)	231	(10,079)
Tax losses	(697,337)	51,337	(628,000)
Effects of movements in exchange rates	58,081	(53,956)	4,125
Prior year under provision	-	-	-
	<u>(499,262)</u>	<u>21,888</u>	<u>(477,374)</u>
Total deferred tax asset	<u>(499,262)</u>	<u>21,888</u>	<u>(477,374)</u>
Unrecognized deferred tax asset	<u>499,262</u>	<u>(21,888)</u>	<u>477,374</u>
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred income tax liability</i>			
Investment property	16,677	1,951	18,628
Provisions	-	-	-
Effects of movements in exchange rates	(260)	(16)	( 276)
	<u>16,417</u>	<u>1,935</u>	<u>18,352</u>
<b>Net deferred income tax liabilities</b>	<u><u>16,417</u></u>	<u><u>1,935</u></u>	<u><u>18,352</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

24. DEFERRED INCOME TAX (CONTINUED)

(b) Movement in deferred tax balances (continued)

Group 2024

	Net balance at 1 January KShs'000	Recognised in profit or loss KShs'000	Net balance at 31 December KShs'000
<i>Deferred income tax asset</i>			
Property, plant and equipment and intangibles	(57,852)	7,887	(49,965)
Investment property	144,451	37,819	182,269
Provisions	(91,501)	81,191	(10,310)
Tax losses	(693,862)	14,524	(679,337)
Effects of movements in exchange rates	(22,434)	80,515	58,081
Prior year under provision	-	-	-
	<u>(721,198)</u>	<u>221,936</u>	<u>(499,262)</u>
Total deferred tax asset	<u>(721,198)</u>	<u>221,936</u>	<u>(499,262)</u>
Unrecognized deferred tax asset	<u>721,198</u>	<u>(221,936)</u>	<u>499,262</u>
	-	-	-
<i>Deferred income tax liability</i>			
Investment property	10,782	5,895	16,677
Provisions	-	-	-
Effects of movements in exchange rates	1,278	(1,538)	( 260)
	<u>12,060</u>	<u>4,357</u>	<u>16,417</u>
Net deferred income tax liabilities	<u>12,060</u>	<u>4,357</u>	<u>16,417</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

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

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

<b>Company 2025</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>
<i>Deferred income tax asset</i>			
Property, plant and equipment and intangibles	(52,570)	10,875	(41,695)
Investment property	119,354	10,401	132,755
Provisions for expenses	(9,275)	231	(9,044)
Tax losses	(535,022)	51,337	(483,685)
Exchange differences	54,215	(53,956)	259
Total deferred tax asset	(423,298)	21,888	(401,410)
Unrecognized deferred tax asset	423,298	(21,888)	401,140
	-	-	-
<b>Company 2024</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>
<i>Deferred income tax asset</i>			
Property, plant and equipment and intangibles	(60,457)	7,887	(52,570)
Investment property	81,536	37,819	119,354
Provisions for expenses	(92,754)	83,479	(9,275)
Tax losses	(455,740)	(79,283)	(535,022)
Exchange differences	(26,300)	80,515	54,215
Total deferred tax asset	(553,715)	130,417	(423,298)
Unrecognized deferred tax asset	553,715	(130,417)	423,298
	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**24. 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 2,093,334,000 (2024: KShs 2,264,457,000) for the group and KShs 1,612,283,000 (2024: KShs 1,783,407,000) 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 2025, the tax losses accruing from 2025 can be carried forward for a period of 5 years.

**(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	(395,813)	(118,744)
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)
2023	(141,744)	(42,524)
2024	48,413	14,524
2025	171,123	51,337
<b>Total</b>	<b>(2,093,334)</b>	<b>(679,337)</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	(697,087)	(209,125)
2018	(356,325)	(106,897)
2019	(165,247)	(49,574)
2021	(112,324)	(33,697)
2022	(64,937)	(19,481)
2023	(123,210)	(36,965)
2024	( 264,277)	(79,283)
2025	171,124	51,337
<b>Total</b>	<b>(1,612,283)</b>	<b>(483,685)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**25. TRADE AND OTHER PAYABLES**

**(a) Carrying amounts**

	<b>Group</b>		<b>Company</b>	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Non - current</b>				
Amounts due to subsidiaries (Note 30(d))	-	-	268,847	250,994
<b>Current</b>				
Trade payables	2,144	1,819	862	1,977
Deposit paid (asset held for sale)	461,208	461,988	461,208	461,988
Accrued expenses and other payables	221,436	303,006	169,450	194,729
	<u>684,788</u>	<u>766,813</u>	<u>631,520</u>	<u>658,694</u>
	<b><u>684,788</u></b>	<b><u>766,813</u></b>	<b><u>900,367</u></b>	<b><u>909,688</u></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 2025 (CONTINUED)**

**26. STATEMENT OF CASH FLOWS – RECONCILIATION OF RECEIPTS AND PAYMENTS**

	Note	Group		Company	
		2025	2024	2025	2024
		KShs'000	KShs'000	KShs'000	KShs'000
<b>Cash receipts from customers</b>					
Revenue	8	432,739	389,478	350,938	308,818
Other income	9 (a)	2,745	1,131	1,245	974
Translation differences		210	3,050	-	-
Deposit on sale of land		-	380,052	-	380,052
Movement in trade and other receivables	20	(11,357)	89,911	(21,591)	70,545
<b>Cash collections from customers</b>		<b>424,337</b>	<b>863,622</b>	<b>330,592</b>	<b>760,389</b>
<b>Cash payments for purchases</b>					
Cost of sales	9 (b)	16,666	15,955	11,555	10,969
Movement in trade payables	25 (a)	-	31,942	-	30,924
		<b>16,666</b>	<b>47,897</b>	<b>11,555</b>	<b>41,893</b>
<b>Adjustments for non-cash expenses</b>					
Depreciation and amortisation	9 (c)	20,747	15,911	15,317	10,583
Disposal of assets		95	-	95	-
Asset transfers		280	-	280	-
Net foreign exchange losses		679	-	(328)	-
Prior period provision for tax		18,998	-	-	-
		<b>40,799</b>	<b>15,911</b>	<b>15,364</b>	<b>10,583</b>
<b>Cash payment for purchases</b>		<b>(24,133)</b>	<b>31,986</b>	<b>(3,809)</b>	<b>31,310</b>
<b>Cash payments for expenses</b>					
Other operating expenses	9(b)(ii)	126,108	176,576	109,161	54,614
Net foreign exchange losses		-	(83,606)	-	(90,694)
Movement in other receivables		-	51,871	-	171,494
Movement in accruals and other payables	25(a)	82,025	38,978	9,321	52,907
<b>Cash payments for expenses</b>		<b>208,133</b>	<b>183,819</b>	<b>118,482</b>	<b>188,321</b>

**27. COMMITMENTS**

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

	Group		Company	
	2025	2024	2025	2024
	KShs '000	KShs '000	KShs '000	KShs '000
Property, plant and equipment	<u>4,234</u>	<u>7,337</u>	<u>4,234</u>	<u>7,337</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**28. CONTINGENT LIABILITIES**

The Company has several ongoing legal cases, claims are estimated at Kshs 14 million. Based on legal advice, the directors believe that the defence against the claims will be successful.

**29. 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% (2024: 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.

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

**(i) Key management compensation**

Key management compensation comprised the following;

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Basic pay and other allowances	43,833	29,532	38,388	29,532
Pension/gratuity	4,975	4,771	4,699	4,771
<b>Total</b>	<b>48,808</b>	<b>34,303</b>	<b>43,087</b>	<b>34,303</b>

**(ii) Directors' shareholding**

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

	2025	2024
	Shares	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
John Mugo	10,000	10,000

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**29. RELATED PARTY TRANSACTIONS (CONTINUED)**

*(iii) Directors' remuneration*

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>	<b>KShs'000</b>
<b>Directors' remuneration</b>				
Fees as directors	6,180	5,104	6,180	5,104
Other emoluments (included under key management compensation above)	3,360	1,980	3,360	1,980
Managing director	<u>23,414</u>	<u>18,480</u>	<u>23,414</u>	<u>18,480</u>
<b>Total remuneration of directors of the company</b>	<b><u><u>32,954</u></u></b>	<b><u><u>25,564</u></u></b>	<b><u><u>32,954</u></u></b>	<b><u><u>25,564</u></u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**29. 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**

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
<b>Other related parties</b>				
Ryce East Africa Limited	2,532	2,709	2,532	2,709
Frontier Optical	1,130	1,243	1,130	1,243
Sameer Business Park	9,110	8,548	9,110	8,548
Yana Oil Limited	12,980	12,209	12,980	12,209
Sasini Avocado EPZ	10,613	12,253	-	-
	<u>36,365</u>	<u>36,962</u>	<u>25,752</u>	<u>24,709</u>

**(ii) Purchase of goods and services**

	Group and Company	
	2025	2024
	KShs'000	KShs'000
<b>Other related parties</b>		
Warren Enterprises Limited	<u>11,164</u>	<u>24,066</u>
	<u>11,164</u>	<u>24,066</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**29. RELATED PARTY TRANSACTIONS (CONTINUED)**

**(d) Outstanding balances**

At 31 December 2025, outstanding balances with related parties comprised the following:

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</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	-	-	216,213	229,989
	<u>-</u>	<u>-</u>	<u>216,213</u>	<u>229,989</u>
<b><i>Associate</i></b>				
Sameer Business Park Limited	<u>3,949</u>	<u>1,666</u>	<u>3,949</u>	<u>1,666</u>
<b><i>Other related parties</i></b>				
Ryce East Africa Limited	2,201	1,392	2,201	1,392
Sasini Avocado EPZ	3,155	2,886	-	-
Frontier Opticals	692	45	692	45
Yana oil Limited	6,584	8,221	6,584	8,221
	<u>12,632</u>	<u>12,544</u>	<u>9,477</u>	<u>9,658</u>
<b>Total due from other related parties</b>	<u><b>16,581</b></u>	<u><b>14,210</b></u>	<u><b>13,426</b></u>	<u><b>11,324</b></u>
<b>(ii) Amounts due to:</b>				
<b><i>Subsidiaries</i></b>				
Sameer EPZ Limited	-	-	268,847	250,994
	<u>-</u>	<u>-</u>	<u>268,847</u>	<u>250,994</u>

**(e) 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.

**30. EVENTS AFTER THE REPORTING PERIOD**

There were no adjusting or non-adjusting events after the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

**31. PRINCIPAL SHAREHOLDERS AND SHARE DISTRIBUTION**

**Principal shareholders**

The ten largest shareholdings in the Company and the respective number of shares held at 31 December 2025 are as follows:

Name	Number of shares	%
1. Sameer Investments Limited	201,743,205	72.48%
2. Bid Plantations Limited	7,055,000	2.54%
3. Yana Trading Limited	5,273,700	1.90%
4. Elephence Limited	5,000,000	1.80%
5. Musangi, Andrew Mukite	3,130,225	1.13%
6. Bid, Chandrika Kamlesh Somchand	2,450,000	0.88%
7. Kenya Commercial Bank Nominees Limited A/C 915B	1,892,517	0.68%
8. Freight Forwarders Kenya Limited	1,875,000	0.67%
9. Ogola Carl Adam	1,867,055	0.67%
10. Bid Ekta Bimal Kunal	1,729,957	0.62%

**Distribution of shareholders**

Share range	Number of shareholders	Number of shares	%
1 - 500	8,954	2,207,002	0.79%
501 – 5,000	4,674	7,164,007	2.57%
5,001 – 10,000	360	2,714,551	0.98%
10,001 – 100,000	358	11,152,754	4.01%
100,001 – 1,000,000	60	19,344,023	6.95%
Over 1,000,000	13	235,760,056	84.70%
<b>Total</b>	<b>14,419</b>	<b>278,342,393</b>	<b>100%</b>

**REPORT OF THE GOVERNANCE AUDITORS TO SAMEER AFRICA PLC**

**STATEMENT OF THE RESPONSIBILITY OF DIRECTORS**

The Board is responsible for putting in place governance structures and systems that support the practice of good governance in the organization. The responsibility includes planning, designing, and maintaining governance structures through policy formulation, which is necessary for efficient and effective governance of the organization. The Board is also responsible for ethical leadership, risk governance and internal control, transparency and disclosure, equitable protection and exercising of members’ rights and obligations, compliance with laws and regulations, sustainability, performance management, and strategy formulation and oversight.

The Board of Directors of Sameer Africa Plc (“the Company”) is committed to the highest standards of Corporate Governance and strives for continuous improvement by identifying any loopholes and gaps in the Company’s governance structures and processes. It is on this premise that the Board commissioned a governance audit, with the aim of ensuring that all processes necessary for directing and controlling the Company are in place.

The Directors have therefore ensured that the Company has undergone a governance audit for the year ended 31 December 2025, and obtained a report, which discloses the state of governance within the Company.

**GOVERNANCE AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the existence and effectiveness of governance instruments, policies, structures, systems, and practices in the organization, in accordance with the best governance practices as envisaged within the legal and regulatory framework. We conducted our audit in accordance with ICPSK Governance Audit Standards and Guidelines, which conform to global standards. These standards require that we plan and perform the governance audit to obtain reasonable assurance on the adequacy and effectiveness of the organization’s policies, systems, practices, and processes. The audit involved obtaining audit evidence on a sample basis. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Being part of a continuous audit process, the auditor has assessed the continual application of recommendations from previous audits and has ensured that the current recommendations are in line with the Group’s vision and mission in order to ensure that the Board’s goals, structure, and operations are consistent with the latest developments in Corporate Governance. The structure of the report, findings, and recommendations will therefore focus on providing a progressive approach following the seven steps of governance auditing.

**OPINION**

In our opinion, the Board has put in place a sound governance framework, which is in compliance with the legal and regulatory framework and in line with global best governance practices for the interest of stakeholders. In this regard, we issue an **unqualified opinion**.

**CS. Bernard Kiragu, ICPSK GA. No 159**

**For: Scribe Services**



**Date:** 19<sup>th</sup> March 2026

**REPORT OF THE LEGAL AND COMPLIANCE AUDITORS TO SAMEER AFRICA PLC**

We have performed the Legal and Compliance Audit for Sameer Africa Plc covering the year ended 31<sup>st</sup> December 2025 to ascertain the level of adherence to applicable laws and regulations to deliver long term value to stakeholders. The Audit was undertaken in compliance with the Capital Markets Authority Code of Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015.

**Our Responsibility**

Our responsibility was limited to conducting the Audit in accordance with the Constitution of Kenya 2010, applicable laws, and regulations; providing a Legal Audit Report of Findings and Recommendations; and giving an opinion on compliance of Sameer Africa Plc to the Constitution of Kenya 2010, and the applicable laws and regulations governing the Company. Recommendations for further improvement have been notified to the Board.

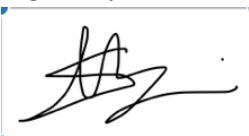
**Basis of our Opinion**

We conducted the Audit in accordance with the terms of reference and conditions detailed in the contract. The Audit involved obtaining and reviewing documentary evidence of compliance to the law, policies, practices, and structures provided by the Act and other relevant laws. We believe that the audit evidence obtained and reviewed was sufficient and appropriate to provide a basis for our opinion.

**Our Opinion**

In our opinion, the Board has put in place a satisfactory legal framework in the Company in compliance with the Constitution of Kenya 2010, the applicable laws, and regulations. We therefore issue an unqualified opinion.

Signed by the Lead Auditor



**SAMUEL MWENDWA KISUU**  
**LSK Practice Certificate Number P.105/20866/22**  
**For: Azali Certified Public Secretaries LL.P**  
**P. O. Box 6219-00200, Nairobi**

**9<sup>th</sup> April 2026**