

Deloitte.

EAAGADS LIMITED

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

31 MARCH 2013

EAAGADS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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EAAGADS LIMITED

CORPORATE INFORMATION

DIRECTORS	L A Omariba	—	Chairman
	Fabian Philippart*	—	General Manager
	D C A Harries		

* Belgian

SECRETARY	John L G Maonga Maonga Ndonye Associates Certified Public Secretary (Kenya) PO Box 7324 - 00200 Nairobi
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REGISTERED OFFICE**	LR NO. 110/2 Ngenda Road P O Box 10 - 00232 Ruiru Kenya
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BANKERS	Standard Chartered Bank Kenya Limited Kenyatta Avenue Branch P O Box 40310 - 00100 GPO Nairobi
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LAWYERS	Anjarwalla & Khanna Advocates ALN House, off Ravine Road P O Box 200 - 00606 Nairobi
	Kaplan & Stratton Williamson House 4 th Ngong Avenue P O Box 40111 - 00100 Nairobi
	Karanja Njenga & Company Advocates P O Box 26679 - 00504 Nairobi

AUDITORS	Deloitte & Touche Certified Public Accountants (Kenya) Deloitte Place Waiyaki Way, Muthangari P O Box 40092 - 00100 Nairobi
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** The register of members and debenture holders is kept at Deloitte Place, Waiyaki Way, Muthangari, P O Box 30029 - 00100, Nairobi.

EAAGADS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of Eaagads Limited (the "company") for the year ended 31 March 2013, which disclose its state of affairs.

PRINCIPAL ACTIVITY

The principal activity of the company is growing and selling of coffee.

RESULTS

	Shs'000
Loss before taxation	(83,223)
Taxation credit	24,008
	<hr/>
Loss for the year transferred to revenue reserves	(59,215)
	<hr/>

DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 March 2013 (2012 - A dividend of Shs 1.25 per share totalling Shs 20,098,125 was paid).

DIRECTORS

The present membership of the board is shown on page 2.

AUDITORS

Deloitte & Touche retire from office at the conclusion of the next Annual General Meeting. The directors recommend the appointment of Ernst & Young as the company auditors for the next financial year.

BY ORDER OF THE BOARD



SECRETARY

26 July 2013

Nairobi

EAAGADS LIMITED

CHAIRMAN'S STATEMENT

Dear Shareholder,

On behalf of the board of directors of Eaagads Limited, I am pleased to present to you the Annual Report and Financial Statements of the Company for the year ended 31 March 2013.

Operating Environment

The year just past was characterized by a myriad of challenges both at domestic and global levels. The aftermath of the uprising in the Middle East, the struggling US economy and the Eurozone crisis cumulatively contributed to the bleak outlook worldwide. World coffee prices for Arabica beans veered from a peak of USD 4,840 per metric tonne in March 2012 to a low of USD 2,860 per metric tonne in March 2013.

World coffee production during the year 2012/2013 increased by 4.8% to 150.7 million bags – compared to 143.8 million bags in the previous year. Of these Arabica Coffee accounted for 59% (88.7 million bags) while Robusta was 41% (62 million bags). The increase is attributed to good growing conditions in most coffee growing regions of the world. Demand remained relatively strong mainly in the urbanized economies of the west.

World coffee production for 2013/14 is forecast at 146 million bags, down 4.4 million bags from the previous year due primarily to Brazil's Arabica trees entering the off-year of the biennial production cycle, and to a lesser extent, Central America and Mexico's continued struggle with coffee leaf rust.

Kenya's coffee production during the year 2012/2013 increased by 5.9% to 900,000 bags compared to 850,000 bags in the previous year. The increase in production has been due to a favorable weather and a revitalized effort by the main coffee players to refocus coffee production. Coffee production for 2013/14 is forecast at 900,000 bags indicating no growth from previous year.

At the domestic front, Kenya conducted a peaceful and successful general election. However the business continued to face challenging times due to a combination of factors such as fragile security and political environment as well as increased labour and energy costs. Lack of co-ordinated approach by the Government through the Ministry of Agriculture and other Coffee regulatory bodies has hampered sustained growth of the coffee sector.

Eaagads' commitment to producing the highest quality of coffee and continued commitment to enhance production and increase its yields remains firm. Security of supply has become a global concern and in addition to the already existing certifications by Utz, Green Forest Alliance and 4C, management is continuously looking at better and more efficient ways to address the high cost of production while at the same time maintaining the quality and increasing output yields per acreage.

With regard to labour issues, Eaagads continues to engage in dialogue with the workers union making sure that the collective bargaining agreements are honoured and looking at ways to improve the workers welfare. Our responsibility does not just end at the pay cheque but we also participate in other social economic responsibilities that are to the benefit of the workers as well as the neighbouring communities.

Financial Performance

During the year under review, the Company's coffee operations produced 292 tons of coffee compared with 314 tons in 2011/2012. The slight decrease in production was largely due to the effects of the weather in 2012/2013.

Sales during the year were 234 tons compared with 299 tons in 2011/2012. The average price realization during the year reduced to USD 3,178 per ton compared with USD 5,831 per ton in 2011/2012.

EAAGADS LIMITED

CHAIRMAN'S STATEMENT (Continued)

During the period under review, the company made an after tax loss of Kshs.59.2 Million as compared to a profit of Kshs.235.3 million in the previous financial year. The loss was attributed to low sales due to poor international coffee prices. Also a loss of Kshs 31.7 Million (compared to a gain of Kshs 2 million in the previous financial year) in changes in fair value of biological assets contributed significantly to the loss. There was no material change in cost of production in the current year compared to the previous year as the volumes harvested were almost the same. This high cost of production is attributable to high labour costs and energy costs. During the previous financial period, the company's assets were revalued resulting into a gain of Kshs. 222 Million.

Despite the loss, which was occasioned by the low international market price, the company remains well-positioned for strong growth in the years ahead, with a strong management team which remains focused on our vision of being world-class pioneer in the Kenyan coffee industry. The management team will continue to drive the innovations of the last years focus on the fifteen-year replanting programme which is aimed at introducing better yielding and pest resistant crops, thereby increasing the coffee trees density and efficient use of our land resources.

Dividend

In light of the financial performance recorded during the current financial year, the board of directors has not recommended payment of dividends.

Outlook

The Kenyan economy registered a strong growth rate of 5.2 per cent in the first quarter of 2013, raising optimism of a vibrant year ahead. This reflected the current macroeconomic stability characterized by a low and stable inflation rate and a relatively stable exchange rate, as well as strong performance of the agricultural sector which grew at 8.3 per cent compared with 2.1 per cent in the first quarter of 2012. Remittances from the diaspora also increased from USD105 million in April to USD110 million in May 2013, helping stabilize the shilling. Further, the MPC Market Perceptions Survey conducted in June 2013 showed that the private sector expects inflation and the exchange rate to remain stable in the remainder of the year, and sustained optimism for a strong recovery in growth in 2013.

The company's coffee bushes are in good shape and we anticipate that production levels will be sustained. There are also early signs of price recovery in the international market which we expect will lead to improved results in the next financial year.

Appreciation

I would like to record my gratitude to you shareholders as well as my colleagues in the board of Eaagads for your continued support to the Company. I also recognize the great contribution of the management team and employees towards realizing the vision of the Company.

God bless you.



Lucas Omariba
Chairman

26 July 2013

EAAGADS LIMITED

CORPORATE GOVERNANCE STATEMENT

CODE OF CONDUCT AND ETHICS

The Company is committed to business ethics, integrity and professionalism in all its activities. As part of this commitment, members of the Board of directors of the Company have pledged to uphold the tenets of good corporate governance by being accountable, efficient, effective, responsible, transparent, persons of integrity and exercise fairness in all their dealings.

We confirm that we are guided by the rules and regulations as issued by the Nairobi Securities Exchange (NSE); Corporate Governance Guidelines issued by the Capital Markets Authority (CMA) and international best practices.

BOARD OF DIRECTORS COMPOSITION

Appointment and re-election of directors is guided by the Articles of Association of the Company. The current Board of directors comprises of three directors, one of whom is non-executive and their names are shown on page 2. The non-executive director is the Chairman of the Board. All the directors possess varied expertise required in the business.

ORIENTATION AND PROFESSIONAL DEVELOPMENT OF DIRECTORS

All directors are required to update their skills relevant to the Company's business. Whenever it is deemed necessary, directors may undergo specific training programmes offered by accredited institutions at the Company's expense. This requirement applies to all directors of the Company.

RESPONSIBILITIES OF THE BOARD

The directors always act in the best interest of the Company in a manner based on the principles of transparency, integrity, efficiency, effectiveness and accountability so as to achieve prosperity for the Company and its stakeholders.

The Board of directors is accountable to the shareholders and is responsible for formulation of strategy, identification of risk, selection and compensation of senior management, integrity of financial statements and legal compliance. It provides leadership and vision of the Company in a way that maximises shareholder value and ensures sustainable development and growth of the Company.

The Board collectively retains full and effective control over the Company by monitoring the management in implementing Strategic Plans, review of management accounts and capital expenditure. There is an established management structure that clearly defines roles, responsibilities and reporting lines. The division of responsibilities between the Chairman and the Chief Executive Officer are well defined.

CHAIRMAN'S ROLE

The Chairman of the Board leads the Board in the determination of strategy and is responsible for organising the business of the Board including ensuring its effectiveness in discharging its functions. He is not involved in the day-to-day operations of the Company.

CHIEF EXECUTIVE OFFICER'S ROLE

The General Manager/Chief Executive Officer is responsible to the Board for the day-to-day financial and operational performance as well as legal compliance of the Company. The Chief Executive Officer has formed various Management Committees to assist him in discharging duties delegated to him by the Board. Management is tasked with the responsibility of executing the strategies of the Board.

EAAGADS LIMITED

CORPORATE GOVERNANCE STATEMENT (Continued)

BOARD PERFORMANCE AND EVALUATION

Each member of the board including the Chairman conducts a peer as well as a self-evaluation of the board's performance. Among the Key Performance Indicators used in the evaluation is the members' attendance in meetings and participation in the deliberations of the board.

INTERNAL CONTROLS

The Board is responsible for the Company's systems of internal control and reviews their effectiveness regularly. There exists an Internal Audit department that provides regular management reports recommending improvements to the systems. In addition, the external auditors independently and objectively review management's approach to financial reporting.

INFORMATION TO THE BOARD

All directors receive regular reports and information, which enables them to review the Company's performance. These reports and information are circulated in a timely manner to facilitate preparation for meetings. The directors are entitled to suggest additional topics for discussion at Board meetings and are also entitled to seek independent professional advice with respect to discharge of their duties at the Company's expense.

DIRECTORS' REMUNERATION

The remuneration for directors consists of an annual retainer for their services in connection with Board engagements. They are not eligible for pension or gratuity. There were no loans advanced to directors during the year. The disclosure information relating to directors' emoluments is shown on page 35 of the notes to the financial statements.

RELATED PARTY TRANSACTIONS

The Company recognizes that a related party transaction arises where there is a relationship either by virtue of shareholding or directorship that results in exercise of control. All transactions with related parties are disclosed on page 35 in the notes to the financial statements.

COMMITTEES OF THE BOARD

The full Board meets at least once every quarter. The directors are given appropriate and timely information so that they can make well-informed and balanced business decisions as well as planning for the future growth of the Company. As such, there is currently no existing standing Committee of the Board.

SHARE CAPITAL

The authorized and issued share capital of the Company consists of ordinary shares as disclosed on page 36 of the notes to the financial statements.

RIGHTS OF THE SHAREHOLDERS

The rights and obligations attached to the shares are set out in the Articles of Association of the Company, which can only be varied at a General Meeting of the shareholders. All shareholders are entitled to receive notice of such meetings together with reports and financial statements, which are to be discussed at the meeting. All shareholders are entitled to attend meetings either in person or through proxy and may speak and vote. On a poll, each shareholder is entitled to one vote for each share held. There are no shares carrying special rights.

EAAGADS LIMITED

CORPORATE GOVERNANCE STATEMENT (Continued)

DISTRIBUTION OF SHAREHOLDING

The top ten largest shareholders of the Company are shown on below, the number of shareholders and shares held within each band is also shown on below.

DIRECTORS' SHAREHOLDING

None of the directors holds shares in the Company, either directly or indirectly.

COMPANY SECRETARY

Particulars of the Company Secretary are shown on page 2. The Company Secretary is a member of the Institute of Certified Public Secretaries (ICPSK) and holds a valid practising certificate. He is responsible for ensuring that meetings procedures are adhered to and monitors corporate governance processes. All directors have access to services of the Company Secretary.

SHAREHOLDERS REGISTER MANAGEMENT

Particulars of the Shares Registrar are shown on page 2, the registrar maintains an up to date register of shareholders and attends to all enquiries received from shareholders.

PRINCIPAL SHAREHOLDERS

The ten largest shareholdings in the company and the respective number of shares held at 31 March 2013 were as follows:

	Name of shareholder	Number of Shares	% Shareholding
1.	Kofinaf Company Limited	19,855,020	61.74
2.	Arbella K D Illingworth	3,564,000	11.08
3.	Vivienne Mary Rogerson	3,564,000	11.08
4.	Sally Clare Davey	581,000	1.81
5.	Angela Mary Harrison	581,000	1.81
6.	Minesh M Shah	436,408	1.36
7.	Chetan Mulchad Shah	422,408	1.31
8.	Satchu Aly-Khan	268,400	0.83
9.	Bijal Mulchad Shah	267,604	0.83
10.	Alimohamed Adam	190,852	0.59

Distribution of shareholders

	Number of Shareholders	Number of Shares	% Shareholding
Less than 500 shares	145	35,388	0.11
500 – 5,000 shares	153	284,968	0.88
5,001 – 10,000 shares	37	289,552	0.90
10,001 – 100,000 shares	43	1,240,924	3.85
100,001 – 1,000,000 shares	12	4,035,948	12.55
Over 1,000,000 shares	3	26,270,220	81.69
Total	293	32,157,000	100

EAAGADS LIMITED

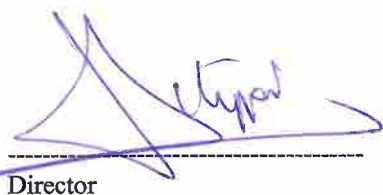
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

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

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

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.



Director

Director

26 July 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAAGADS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Eaagads Limited, set out on pages 12 to 41 which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the company's preparation of financial statements that give a true and fair view in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of Eaagads Limited as at 31 March 2013 and of its loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EAAGADS LIMITED (Continued)

Report on Other Legal Requirements

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii) the company's statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) are in agreement with the books of account.

Deloitte & Touche

Certified Public Accountants (Kenya)

26 July 2013

Nairobi

EAAGADS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 Shs'000	2012 Shs'000
SALES	5	68,025	157,075
(Loss)/gains arising from changes in fair value less estimated point-of-sale costs of biological assets	13	(31,655)	2,151
COST OF PRODUCTION		(100,875)	(103,161)
GROSS (LOSS)/PROFIT		(64,505)	56,065
OTHER INCOME	6	301	679
ADMINISTRATIVE EXPENSES		(19,027)	(20,557)
NET FOREIGN EXCHANGE GAIN/(LOSS)		8	(9)
(LOSS)/PROFIT BEFORE TAXATION	7	(83,223)	36,178
TAXATION CREDIT/(CHARGE)	9(a)	24,008	(14,373)
(LOSS)/PROFIT FOR THE YEAR		(59,215)	21,805
OTHER COMPREHENSIVE INCOME			
Surplus on revaluation of property and equipment		-	221,907
Deferred tax thereon	19	-	(8,410)
Total other comprehensive income		-	213,497
TOTAL COMPREHENSIVE (LOSS)INCOME FOR THE YEAR		(59,215)	235,302
(LOSS)/EARNINGS PER SHARE			
- BASIC AND DILUTED	11	(1.84)	0.68

EAAGADS LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2013

	Note	2013 Shs'000	2012 Shs'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	303,328	307,723
Biological assets	13	148,775	180,430
Prepaid operating lease rentals	14	216	216
		<u>452,319</u>	<u>488,369</u>
Current assets			
Inventories	15	8,759	6,877
Trade and other receivables	16	6,087	6,566
Due from related parties	17(b)	18,929	69,291
Taxation recoverable	9(c)	12,955	1,729
Bank and cash balances		512	524
		<u>47,242</u>	<u>84,987</u>
Total assets		<u><u>499,561</u></u>	<u><u>573,356</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	18	40,196	20,098
Revaluation surplus		279,394	280,386
Revenue reserves		82,546	180,965
		<u>402,136</u>	<u>481,449</u>
Shareholders' funds			
Non-current liabilities			
Deferred taxation	19	57,518	81,881
Post-employment benefit obligations	20	4,432	5,496
		<u>61,950</u>	<u>87,377</u>
Current liabilities			
Due to related parties	17(c)	33,777	1,285
Trade and other payables	21	1,350	2,995
Provision for liabilities and charges	22	348	250
		<u>35,475</u>	<u>4,530</u>
Total equity and liabilities		<u><u>499,561</u></u>	<u><u>573,356</u></u>

The financial statements on pages 12 to 41 were approved and authorized for issue by the board of directors on 26 July 2013 and were signed on its behalf by:

Director

Director

EAAGADS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2013

	Share capital Shs'000	Revaluation surplus Shs'000	Revenue reserves Shs'000	Total Shs'000
At 1 April 2012	20,098	68,117	178,030	266,245
Dividends paid - 2011 final	-	-	(20,098)	(20,098)
Profit for the year	-	-	21,805	21,805
Other comprehensive income for the year	-	213,497	-	213,497
Total comprehensive income for the year	-	213,497	21,805	235,302
Transfer of excess depreciation	-	(1,754)	1,754	-
Deferred income tax on transfer	-	526	(526)	-
At 31 March 2012	20,098	280,386	180,965	481,449
At 1 April 2012	20,098	280,386	180,965	481,449
Dividends paid - 2012 final	-	-	(20,098)	(20,098)
Loss for the year	-	-	(59,215)	(59,215)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(59,215)	(59,215)
Bonus issue of shares	20,098	-	(20,098)	-
Transfer of excess depreciation	-	(1,417)	1,417	-
Deferred income tax on transfer	-	425	(425)	-
At 31 March 2013	40,196	279,394	82,546	402,136

The revaluation surplus represents solely the surplus on the revaluation of buildings, plant and machinery net of deferred income tax and is non-distributable.

The revenue reserves balance represents accumulated surplus arising from other normal operating activities. These reserves are available for dividend distribution to the shareholders of the company. Included in this reserve is surplus arising from fair valuation of biological assets in line with IAS 41 on Agriculture. The accumulated fair value from revaluation of biological assets amounting to Shs 76,145,000 (2012 - Shs 107,800,303) is not available for distribution to the shareholders.

EAAGADS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 Shs'000	2012 Shs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	23(a)	31,633	44,330
Taxation paid	9(c)	(11,581)	(24,313)
		<hr/>	<hr/>
Net cash generated from operating activities		20,052	20,017
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment		34	-
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	10	(20,098)	(20,098)
		<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(12)	(81)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		524	605
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23(b)	512	524
		<hr/> <hr/>	<hr/> <hr/>

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

For the purposes of reporting under the Kenyan Companies Act, the balance sheet in these financial statements, is represented by/equivalent to the statement of financial position and the profit and loss account is presented in the statement of comprehensive income.

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

(i) *Relevant new and amended standards and interpretations in issue but not yet effective in the year ended 31 March 2013*

The following revised IFRS was effective in the current year and had no material impact on the amounts reported in these financial statements.

Amendments to IFRS 7
Disclosures – Transfers of
Financial Assets

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions where a financial asset is transferred but the transferor retains some level of continuing exposure in the asset

The application of the amendment had no effect on the company's financial statements as the company did not transfer any such financial assets during the year.

(ii) *Relevant New and amended standards and interpretations in issue but not yet effective in the year ended 31 March 2013*

Effective for annual periods
beginning on or after

New and Amendments to standards

IFRS 7, Financial Instruments: Disclosures – Amendments enhancing disclosures about offsetting financial assets and financial liabilities	1 January 2013
IFRS 7, Financial Instruments: Disclosure – Amendments requiring disclosures about initial application of IFRS 9	1 January 2013 or otherwise when IFRS 9 is first applied
IFRS 9, Financial Instruments – Classification and Measurement of financial assets	1 January 2015
IFRS 9, Financial Instruments – Accounting for financial liabilities and derecognition	1 January 2015
IFRS 13, Fair Value Measurement	1 January 2013
IAS 19, Employee Benefits (2012)	1 January 2013
IAS 32, Financial Instruments: Presentation – Amendments to application guidance on the offsetting of financial assets and financial liabilities	1 January 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES

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

(iii) Impact of relevant new and amended standards and interpretations on the financial statements for the year ended 31 March 2013 and future annual periods

- **IFRS 9, Financial Instruments**

IFRS 9 *Financial Instruments* issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition. IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

The directors anticipate that IFRS 9 will be adopted in the company's financial statements for the annual period beginning 1 January 2015 and that the application of IFRS 9 may not have any significant impact on amounts reported in respect of the company's financial assets and financial liabilities.

However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

- **IFRS 13 Fair Value Measurements**

IFRS 13 replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. The IFRS is the result of joint efforts by the IASB and FASB to develop a converged fair value framework. The IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES

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

(iii) Impact of relevant new and amended standards and interpretations on the financial statements for the year ended 31 March 2013 and future annual periods (Continued)

• **IFRS 13 Fair Value Measurements (Continued)**

With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - unobservable inputs for the asset or liability.

The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that the application of the new standard may not affect the amounts reported in the financial statements but will result in more extensive disclosures in the financial statements. However, the company is yet to assess IFRS 13's full impact and intends to adopt the standard no later than the accounting period beginning on or after 1 January 2013.

• **Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)**

These amend IAS 1 Presentation of Financial Statements to revise the way other comprehensive income is presented.

The amendments:

- Preserve the amendments made to IAS 1 in 2007 to require profit or loss and other comprehensive income to be presented together, i.e. either as a single 'statement of profit or loss and comprehensive income', or a separate 'statement of profit or loss' and a 'statement of comprehensive income' – rather than requiring a single continuous statement as was proposed in the exposure draft

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

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

(iii) Impact of relevant new and amended standards and interpretations on the financial statements for the year ended 31 March 2013 and future annual periods (Continued)

• **Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) (Continued)**

- Require entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently, i.e. those that might be reclassified and those that will not be reclassified
- Require tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income in either before tax or net of tax).

The above amendments are generally effective for annual periods beginning on or after 1 July 2013. The company will apply the amendments prospectively. The adoption of these amendments will only impact on the presentation of the financial statements with no impact on the reported amounts.

• **Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)**

Amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosure to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation.

The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

The amendments to IFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The directors anticipate that the application of these amendments to IFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

• **Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)**

Amends IAS 32 Financial Instruments: Presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

The amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required. The directors anticipate that the application of this amendment may result in more disclosures being made with regard to offsetting of financial assets and financial liabilities in the future. The company will apply the amendments prospectively.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

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

(iii) Impact of relevant new and amended standards and interpretations on the financial statements for the year ended 31 March 2013 and future annual periods (Continued)

- **IAS 19, Employee Benefits (2011)**

An amended version of IAS 19 Employee Benefits with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes.

The key amendments include:

- Requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19)
- Introducing enhanced disclosures about defined benefit plans
- Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features
- Incorporating other matters submitted to the IFRS Interpretations Committee.

The directors anticipate that the application of the amendment may affect the amounts reported in the financial statements. However, the application is unlikely to have significant impact in the financial statements of the company since the company does not have significant defined benefit obligations.

- **Annual Improvements to IFRSs 2009 – 2011 Cycle issued in May 2012**

The Annual Improvements to IFRSs 2009 – 2011 Cycle include a number of amendments to various IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to IFRSs include:

- amendments to IAS 1 Presentation of Financial Statements;
- amendments to IAS 16 Property, Plant and Equipment; and
- amendments to IAS 32 Financial Instruments: Presentation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

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

(iii) Impact of relevant new and amended standards and interpretations on the financial statements for the year ended 31 March 2013 and future annual periods (Continued)

- **Annual Improvements to IFRSs 2009 – 2011 Cycle issued in May 2012 (Continued)**

IAS 1 Presentation of Financial Statements

The amendments to IAS 1 clarify that an entity is required to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) only when the retrospective application of an accounting policy, restatement or reclassification has a material effect on the information in the third statement of financial position and that the related notes are not required to accompany the third statement of financial position.

The amendments also clarify that additional comparative information is not necessary for periods beyond the minimum comparative financial statement requirements of IAS 1. However, if additional comparative information is provided, the information should be presented in accordance with IFRSs, including related note disclosure of comparative information for any additional statements included beyond the minimum comparative financial statement requirements. Presenting additional comparative information voluntarily would not trigger a requirement to provide a complete set of financial statements.

The directors anticipate that the amendments to IAS 1 will result in the company presenting a statement of financial position at the beginning of the preceding period (third statement of financial position) only when the restatement or reclassification has a material effect on the information in the financial statements.

IAS 16 Property, Plant and Equipment

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise.

The directors do not anticipate that the amendments to IAS 16 will have a significant effect on the company's financial statements.

- **Annual Improvements to IFRSs 2009 – 2011 Cycle issued in May 2012 (Continued)**

IAS 32 Financial Instruments: Presentation

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes.

The directors anticipate that the amendments to IAS 32 will have no effect on the company's financial statements as the company has already adopted this treatment.

(iii) Early adoption of standards

The company did not early-adopt any new or amended standards in 2013.

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Basis of preparation

The financial statements are prepared under the historical cost basis of accounting as modified to include the revaluation of certain assets.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (Board of Directors). Directors allocate resources to and assess the performance of the operating segments of the company. The operating segments are based on the company's management and internal reporting structure.

The directors consider the company to comprise one business segment, agriculture, and one geographical segment, Kenya.

Revenue recognition

Revenue comprises their fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax (VAT), rebates and discounts. Revenue is recognised as follows:

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

Sales of produce other than by auction are recognised in the period in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Sales by auction are recognised upon the fall of the hammer for confirmed bids.

Functional currency and translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements 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, which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Building and freehold land and plant and machinery are subsequently shown at revalued amounts, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Any increase arising on the revaluation of land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on assets is calculated using the straight line method to allocate their cost or revalued amounts less their residual values over their estimated useful lives, as follows:

Buildings	25 – 50 years
Plant and machinery	10 – 15 years
Equipment and motor vehicles	3 – 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are included in the statement of comprehensive income. On disposal of revalued assets, amounts in the revaluation surplus relating to that asset are transferred to revenue reserves.

Biological assets

Biological assets are measured on initial recognition and at each end of the reporting period at fair value less estimated point-of-sale costs. Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair values less estimated point-of-sale costs are recognised in the statement of comprehensive income in the year in which they arise. The fair value of coffee bushes and forestry is determined based on the net present values of expected future cash flows, discounted at current market – determined pre-tax rates.

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

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Leasehold land

Payments to acquire leasehold interest in land are treated as prepaid operating lease rentals and amortised over the period of the lease.

Inventories

Agricultural produce at the point of harvest is measured at fair value less estimated point-of-sale costs. Any changes arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs are recognised in profit or loss in the year in which they arise.

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) 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), but excludes borrowing costs. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The fair value less estimated point-of-sale costs of coffee at the point of harvest is determined based on the market prices of the final product, taking into account conversion costs.

Other inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method.

Income tax

Income tax expense is the aggregate of the charge to the statement of comprehensive income in respect of current income tax and deferred income tax. Tax is recognised in the statement of comprehensive income unless it relates to items recognised directly in equity, in which case it is also recognised directly in equity. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Kenyan Income Tax Act.

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax liability is settled.

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

Financial instruments

A financial asset or liability is recognised when the company becomes party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification

The company classifies its financial assets into the following categories: Financial assets at fair value through profit or loss; loans and receivables; held- to- maturity investments; and available-for-sale assets. Management determines the appropriate classification of its investments at initial recognition.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: Financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable.

(iii) Held to maturity investments

Financial assets with fixed or determinable payments and fixed maturity where the company has the positive intent and ability to hold to maturity other than loans and receivables originated by the company are measured at amortised cost.

(iv) Available-for-sale financial assets

Financial assets that are not (a) financial assets at fair value through profit or loss, (b) loans and receivables, or (c) financial assets held to maturity are classified as available-for-sale.

Recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of "financial assets at fair value through profit or loss" are included in the profit or loss in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the company's right to receive the dividend is established.

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment and uncollectability of financial assets

At the end of each reporting period, all financial assets are subject to review for impairment.

If it is probable that the company will not be able to collect all amounts due (principal and interest) according to the contractual terms of loans, and receivables, or held-to-maturity investments carried at amortised cost, an impairment or bad debt loss has occurred. The carrying amount of the asset is reduced to its estimated recoverable amount either directly or through use of an allowance account. The amount of the loss incurred is included in the profit or loss for the year.

If a loss on a financial asset carried at fair value (recoverable amount is below original acquisition cost) has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative net loss that had been recognised in other comprehensive income is removed from equity and recognised in the profit or loss for the period even though the financial asset has not been derecognised.

Financial liabilities

After initial recognition, all financial liabilities other than liabilities held for trading are measured at amortised cost. Liabilities held for trading (financial liabilities acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin) are subsequently measured at their fair values.

(i) Trade payables

Trade payables are carried at cost which is measured at the fair or contracted value of the consideration to be paid in future in respect of goods and services supplied by the suppliers, whether billed or not, to the company.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the company has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when its contractual obligations are redeemed or otherwise extinguished.

Offsetting

Financial instruments are set off and the net amount reported in the statement of financial position when there is a legal right to set off the amounts and there is an intention to settle on a net basis or to realise the assets and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Employee benefits

(i) Post-employment benefit obligations

For its unionised employees, the company has an unfunded obligation to pay terminal gratuities under its Collective Bargaining Agreement with the union. Employees who voluntarily resign after serving the employer for ten years and above shall be entitled to service gratuity at the rate of ten days pay for every completed year of service. The liability recognised in the statement of financial position is the present value of the estimated future cash outflows, calculated annually by independent actuaries using the projected unit credit method. Any increase or decrease in the provision is taken to the statement of comprehensive income.

The company operates a defined contribution post-employment benefit scheme for non-unionised employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior periods. The assets of the scheme are held in separate trustee administered fund, which is funded by contributions from both the company and employees.

The company and all its employees also contribute to the statutory National Social Security Fund, which is a defined contribution scheme. The company's contributions to both these defined contribution schemes are charged to the statement of comprehensive income in the year in which they fall due.

(ii) Other entitlements

Employee entitlements to long service awards are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the end of the reporting period.

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

Dividends

Dividends payable are charged to equity in the period in which they are declared. Proposed dividends are not accrued until they have been ratified at the Annual General Meeting.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Comparatives

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the company's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are dealt with below.

Property, plant and equipment

Critical estimates are made by directors in determining the useful lives and residual values to property, plant and equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

Impairment losses

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

Biological assets

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

3 CAPITAL RISK MANAGEMENT POLICIES

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may limit the amount of dividends paid to shareholders. The company would ordinarily monitor capital on the basis of the gearing ratio. The company had no borrowings as at 31 March 2013 and 31 March 2012. The constitution of capital managed by the company is as follows:

	2013 Shs'000	2012 Shs'000
Share capital	40,196	20,098
Revaluation surplus	279,394	280,386
Revenue reserves	82,546	180,965
	<hr/>	<hr/>
Shareholders' funds	402,136	481,449
	<hr/>	<hr/>

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a variety of financial risks: currency risk, credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the company does not hedge any risks.

Market risk

(i) Foreign exchange risk

The company is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the US dollar. The sales of the company are in US dollars and the main expenses are in local currency (Kenya shilling). There are no forward sales of US dollars. The US dollars are sold on a daily basis to meet obligations in shillings.

The carrying amounts of the company's foreign currency denominated monetary assets at the end of the reporting period are as follows:

	2013 Shs'000	2012 Shs'000
Assets		
Bank balances denominated in US Dollars	<u>267</u>	<u>272</u>

At 31 March 2013, if the Shilling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the impact on pre tax profit for the year would have been insignificant.

(ii) Price risk

The company does not hold any financial instruments subject to price risk.

(iii) Cash flow and fair value interest rate risk

The company does not hold any financial instruments subject to interest rate risk.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, as well as trade and other receivables.

The company sells its coffee mainly through the Coffee Board of Kenya's auction. However, the coffee market was liberalised in 2006 and the company is also able to sell its coffee through direct sales.

When coffee is sold through the auction, the sales proceeds should be paid within 7 and 14 days to the marketing agent and final grower respectively. The marketing agent of the company does not release the coffee warrants, that is, title to the coffee, before receiving the sales proceeds from the buyer.

Bad debts are monitored closely and are minimal and when they occur are fully provided by the company.

The company has no significant concentrations of credit risk.

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The amount that best represents the company's maximum exposure to credit risk at 31 March 2013 is made up as follows:

Classification of credit risk bearing assets:

	Fully performing Shs '000	Past due Shs '000	Impaired Shs '000	Total Shs '000
At 31 March 2013				
Cash at bank	265	-	-	265
Related party receivables	18,929	-	-	18,929
	<hr/>	<hr/>	<hr/>	<hr/>
Total	19,194	-	-	19,194
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2012				
Cash at bank	388	-	-	388
Related party receivables	69,291	-	-	69,291
	<hr/>	<hr/>	<hr/>	<hr/>
Total	69,679	-	-	69,679
	<hr/>	<hr/>	<hr/>	<hr/>

None of the above assets are either past due or impaired. No collateral is held for any of the above assets. The company does not grade the credit quality of receivables. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated. The customers under the fully performing category are paying their debts as they continue trading. The default rate is low.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining available facilities under committed credit lines.

Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flow at the group level. The expected cash flows are updated by treasury and reported to management and the directors on a monthly basis. Every week the liquidity position is updated and reported to the management and the Directors showing the receipts and payments within the week.

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

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	Within 12 months Shs '000	Over 12 months Shs '000	Total Shs '000
At 31 March 2013:			
Trade payables	451	-	451
Due to related companies	33,777	-	33,777
	<u>34,228</u>	<u>-</u>	<u>34,228</u>
At 31 March 2012:			
Trade payables	1,709	-	1,709
Due to related companies	1,285	-	1,285
	<u>2,994</u>	<u>-</u>	<u>2,994</u>

Financial risks arising from involvement in agricultural activity

The company is exposed to financial risks arising from changes in coffee prices. The company does not anticipate that coffee prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in coffee prices. The company reviews its outlook for coffee prices regularly in considering the need for active financial risk management.

	2013 Shs'000	2012 Shs'000
5 REVENUE		
Sales of coffee	68,025	157,075
6 OTHER INCOME		
Sundry income	301	679
7 PROFIT BEFORE TAXATION		
Profit before taxation is arrived at after charging:		
Depreciation on property, plant and equipment (note 12)	4,361	3,807
Staff costs (note 8)	12,982	12,786
Directors' remuneration:		
Fees – Non executive	120	120
– Executive	240	240
Auditors' remuneration	809	770

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

		2013 Shs'000	2012 Shs'000
8	STAFF COSTS		
	Salaries	12,941	9,298
	Social security costs (NSSF)	1,105	992
	Gratuity provision (note 20)	(1,064)	2,496
		<u>12,982</u>	<u>12,786</u>
9	TAXATION		
a)	TAXATION (CREDIT)/CHARGE		
	Current taxation based on taxable (loss)/profit at 30%	5	11,975
	- prior year under provision	350	-
		<u>355</u>	<u>2,398</u>
	Deferred tax (credit)/charge (note 19)		
	- current year	(23,938)	2,398
	- deferred tax relating to revaluation	(425)	-
		<u>(24,363)</u>	<u>2,398</u>
		<u>(24,008)</u>	<u>14,373</u>
b)	RECONCILIATION OF TAXATION (CREDIT)/ CHARGE TO THE EXPECTED TAX BASED ON ACCOUNTING PROFIT		
	Accounting (loss)/profit before taxation	<u>(83,223)</u>	<u>36,178</u>
	Tax calculated at the applicable rate of 30%	(24,967)	10,853
	Tax effect of expenses not deductible for tax purposes	609	3,520
	Prior year current tax under provision	350	-
		<u>(24,008)</u>	<u>14,373</u>
c)	TAXATION (RECOVERABLE)/PAYABLE		
	At the beginning of the year	(1,729)	10,609
	Charge to profit or loss (note 9(a))	355	11,975
	Taxation paid	(11,581)	(24,313)
		<u>(12,955)</u>	<u>(1,729)</u>

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 March 2013 (2012 - the directors recommended the payment of a dividend of Shs 1.25 per share totalling Shs 20,098,125.

This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Payment of dividends is subject to withholding tax at the rate of 5% or 10%, depending on the residence of the individual shareholders.

11 (LOSS)/EARNINGS PER SHARE

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.

	2013	2012
(Loss)/profit attributable to equity holders of the company (Shs'000)	<u>(59,215)</u>	<u>21,805</u>
Weighted average number of ordinary shares in issue (thousands)	<u>32,157</u>	<u>32,157</u>
Basic and diluted earnings per share (Shs)	<u>(1.84)</u>	<u>0.68</u>

There were no potentially dilutive shares outstanding at 31 March 2013 and at 31 March 2012.

The weighted average number of shares for the year ended 31 March 2012 has been adjusted to include the bonus issue of shares issued during the year ended 31 March 2013.

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings & freehold land Shs'000	Plant & machinery Shs'000	Vehicles & equipment Shs'000	Total Shs'000
COST OR VALUATION				
At 1 April 2011	85,647	13,454	7,848	106,949
Revaluation surplus	201,227	4,009		205,236
31 March 2012	286,874	17,463	7,848	312,185
Comprising:				
Cost	-	-	7,848	7,848
Valuation – 2012	286,874	17,463	-	304,337
At 31 March 2012	286,874	17,463	7,848	312,185
At 1 April 2012	286,874	17,463	7,848	312,185
Disposals	-	-	(87)	(87)
At 31 March 2013	286,874	17,463	7,761	312,098
Comprising:				
Cost	-	-	7,761	7,761
Valuation – 2012	286,874	17,463	-	304,337
At 31 March 2013	286,874	17,463	7,761	312,098
ACCUMULATED DEPRECIATION				
At 1 April 2011	8,512	4,842	3,972	17,326
Charge for the year	2,315	1,002	490	3,807
Eliminated on revaluation	(10,827)	(5,844)	-	(16,671)
At 31 March 2012	-	-	4,462	4,462
At 1 April 2012	-	105	4,357	4,462
Charge for the year	2,069	1,477	815	4,361
Eliminated on disposal	-	-	(53)	(53)
At 31 March 2013	2,069	1,582	5,119	8,770
NET BOOK VALUE				
At 31 March 2013	284,805	15,881	2,642	303,328
At 31 March 2012	286,874	17,358	3,491	307,723
NET BOOK VALUE (COST BASIS)				
At 31 March 2013	831	8,033	2,642	11,506
At 31 March 2012	101	541	2,219	2,861

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12(a) PROPERTY, PLANT AND EQUIPMENT (Continued)

Buildings and freehold land and plant and machinery were last revalued as at 31 March 2012, by C.B. Richard Ellis Limited, Nairobi, Kenya, independent valuers. Valuations were made on the basis of the open market value. The book values of the properties were adjusted to the revalued amounts and the resultant surplus net of deferred income tax was credited to the revaluation surplus in shareholders' equity. The freehold land and buildings are located on LR No. 295/15 in Thika District. The freehold land measures 44 Hectares.

12(b) IMPACT OF THE ENACTMENT OF THE LAND REGISTRATION ACT NO. 3 OF 2012 OF THE COMPANY'S LAND HOLDING STATUS

On 27 August 2010 Kenya enacted a new Constitution that introduced significant changes in the landholding by non-citizens. The constitution no longer allows foreigners and foreign bodies from owning freehold land and leasehold land in excess of 99 years. Freehold land and leasehold land of more than 99 years owned by foreigners and foreign bodies automatically become 99 year leases upon the enactment of the required legislation under Article 65(4) of the new Constitution. These changes in landholding took effect on 2 May 2012 upon the enactment of the Land Registration Act No. 3 of 2012

The company is a non-citizen hence the status of its freehold land and 999 year leasehold land automatically changes to 99 year leases. This however has not impacted significantly on these financial statements. Under the revised International Accounting Standards No. 17 (IAS 17), 99 year lease qualifies for a finance lease classification if the lessor transfers significant risks and rewards incidental to the ownership of the land to the company. Accordingly, the new 99 year leases qualify as finance leases. The company has adopted the finance lease classification implying that the changes in the company's landholding status does not materially impact on these financial statements.

	Coffee bushes Shs'000	Forestry Shs'000	Total Shs'000
13 BIOLOGICAL ASSETS			
At 1 April 2012	177,914	365	178,279
Gains arising from changes in fair value less estimated point-of-sale costs	1,989	162	2,151
	<u>179,903</u>	<u>527</u>	<u>180,430</u>
At 31 March 2012	179,903	527	180,430
At 1 April 2012	179,903	527	180,430
Gains arising from changes in fair value less estimated point-of-sale costs	(31,759)	104	(31,655)
	<u>148,144</u>	<u>631</u>	<u>148,775</u>
At 31 March 2013	148,144	631	148,775

Coffee bushes and forestry are carried at fair value less estimated point-of-sale costs. The fair values were determined based on the discounted net present values of expected net cash flows from those assets, discounted at a current market-determined pre-tax rate. In determining the fair values, the directors have made certain assumptions about the yields and market prices in future years, and the costs of running the estates.

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 BIOLOGICAL ASSETS (Continued)

The key assumptions made concerning the future (projected over 30 years in respect of coffee bushes and 15 years in respect of forestry) are as follows:

- Climatic conditions will remain the same;
- The market price of coffee, in constant price dollar terms, will be US\$ 4,752 (2012: US\$ 6,103) per ton;
- Expected yields from existing coffee bushes will increase progressively from 1.90 ton clean per mature hectare to an average of 2.0 tons;
- The sales proceeds are converted into Kenya Shillings at an exchange rate of Sh 86.56 (2012: Sh 84.34) to the US\$.
- The market price of timber, in constant price shillings terms, will be Sh 3,000 (2012: Sh 3,000) per cubic metre;
- Forest density is 1,333 and 400 and 333 trees per ha for new, coppiced and old trees respectively;
- Expected yield from existing trees is 0.09, 0.45 and 0.5 cubic metres for new coppiced and old trees respectively.

The constant price discount rate applied to the expected net US dollar cash flows was 10.5% (2012: 10.5%) for coffee, and to the shilling cash flows was 17% (2012: 17%) for timber.

The company has 185 (2012: 160) hectares of mature coffee bushes and 18 (2012: 43) hectares of immature coffee bushes located in the major coffee growing areas of the country. The company also has 2.1 (2012: 5) hectares of forestry.

	2013 Shs'000	2012 Shs'000
14 PREPAID OPERATING LEASE RENTALS		
COST		
At beginning and at the end of the year	229	229
AMORTISATION		
At the beginning of the year	13	12
Charge for the year *	-	1
At the end of the year	13	13
NET BOOK VALUE		
At end of the year	216	216
* Amounts involved are less than Shs one thousand and convert to zero on rounding.		
	2013 Shs'000	2012 Shs'000
15 INVENTORIES		
Coffee	6,278	2,780
Consumables	2,481	4,097
	8,759	6,877
16 RECEIVABLES		
VAT recoverable	6,046	8,928
Less: provision for impairment losses	(64)	(2,424)
	5,982	6,504
Other receivables and prepayments	105	62
	6,087	6,566

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 RELATED PARTY BALANCES

(a) Nature of related party relationships

The company is controlled by Kofinaf Company Limited incorporated in Kenya. There are other companies that are related to Eaagads Limited through common shareholding or common directorships.

(b) Due from related companies

The amount due from Kofinaf Company Limited is in respect of coffee sales proceeds received on behalf of the company.

	2013 Shs'000	2012 Shs'000
Oaklands Coffee Marketing Limited	18,929	9,533
Kofinaf Company Limited	-	59,758
	<u>18,929</u>	<u>69,291</u>

(c) Due to related companies

Kofinaf Company Limited	32,587	-
Garton Limited	1,190	1,285
	<u>33,777</u>	<u>1,285</u>

(d) Related party trading transactions

The following transactions were carried out with related parties:

i) Sale of goods and services

Kofinaf Company Limited	2,384	425
Garton Limited	99	16
	<u>2,483</u>	<u>441</u>

ii) Purchase of goods and services

Kofinaf Company Limited:		
Milling charges	2,333	2,561
Agency and managing fees	9,652	10,856

Oaklands Coffee Marketing Limited:		
Marketing fees	11,985	13,417
	<u>1,203</u>	<u>1,642</u>
	<u>13,188</u>	<u>15,059</u>

iii) Directors' remuneration

Fees for services as a director	240	360
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There were no material contracts involving directors' interests for the year ended 31 March 2013 and 31 March 2012.

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2013 Shs'000	2012 Shs'000
18 SHARE CAPITAL		
Authorised		
40,000,000 ordinary shares of Sh 1.25 each (2012 - 20,000,000 ordinary shares of Sh 1.25 each)	50,000	25,000
Issued and fully paid		
32,157,000 ordinary shares of Sh 1.25 each (2012 - 16,078,500 ordinary shares of Sh 1.25 each)	40,196	20,098

On 21 September 2012, the shareholders of the Company resolved to increase the authorised capital of the Company from Shs 25,000,000 divided into 20,000,000 ordinary shares of Shs 1.25 each to Shs 50,000,000 divided into 40,000,000 ordinary shares of Shs 1.25 each by the creation of 20,000,000 new ordinary shares of Sh 1.25 each to rank pari passu in all respects with the existing ordinary shares of the Company.

On the same date, the shareholders of the Company resolved to capitalize Shs 20,098,125 standing to the credit of the revenue reserves at Shs 1.25 per share to be issued to all fully paid up shareholders in proportion to the number of ordinary shares held by them respectively in the ratio of 1 ordinary share for every 1 ordinary share of Sh 1.25 held on approval by the relevant regulatory authorities.

19 DEFERRED TAXATION

Deferred income tax is provided on all temporary differences under the liability method using the enacted income tax rate of 30% (2012 - 30%).

Deferred income tax assets and liabilities, deferred income tax charge in profit or loss, and deferred income tax charge in other comprehensive income are attributable to the following items:

	2013 Shs'000	2012 Shs'000
Deferred taxation liabilities:		
Property, plant and equipment:		
- on historical cost basis	(537)	(398)
- on revaluation surpluses	30,186	30,547
Biological assets	44,632	54,129
Unrealised exchange gains	3	-
	74,284	84,278
Deferred taxation assets:		
Provisions	(144)	(821)
Retirement benefit obligations	(1,330)	(1,574)
Unrealised exchange gains/(losses)		(2)
Tax losses	(15,292)	-
	(16,766)	(2,397)
Net deferred tax liability	57,518	81,881
The movement on the deferred income tax account is as follows:		
At the beginning of the year/period	81,881	71,073
(Credit)/charge to profit or loss (note 9(a))	(24,363)	2,398
Charged to other comprehensive income	-	8,410
At the end of the year/period	57,518	81,881

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The movement in the present value of the unfunded obligations for service gratuities is as follows:

	2013 Shs'000	2012 Shs'000
At the beginning of the year	5,496	3,000
Net (credit)/charge for the year included in employee benefit expense (note 8)	(1,064)	2,496
At the end of the year	4,432	5,496

The movement is as follows:

Current service cost	272	359
Interest cost	503	334
Net actuarial (losses)/gains recognised in the year	(1,589)	1,553
Past service costs	(250)	250
Total included in employee benefit expense (Note 8)	(1,064)	2,496

The principal actuarial assumptions used were as follows:

	2013	2012
- discount rate	10%	10.50%
- future salary increases	5%	8%

Five year summary:

	31-Mar 2013 Shs'000	31-Mar 2012 Shs'000	31-Mar 2011 Shs' 000	31-Dec 2010 Shs' 000	31-Dec 2009 Shs' 000
Present value of defined benefit obligation	4,432	5,496	3,000	3,017	2,260
Experience adjustments on plan liabilities	(1,589)	1,553	(557)	(660)	140

	2013 Shs'000	2012 Shs'000
21 TRADE AND OTHER PAYABLES		
Trade payables	451	1,709
Accrued expenses and other payables	832	1,219
Leave provision	67	67
	1,350	2,995

EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2013 Shs'000	2012 Shs'000
22 PROVISIONS FOR LIABILITIES AND CHARGES (LONG SERVICE AWARDS)		
At the beginning of the year	250	185
Additional provisions	98	65
	<hr/>	<hr/>
At the end of the year	348	250
	<hr/>	<hr/>
23 NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of (loss)/profit before taxation to cash generated from operations:		
(Loss)/profit before taxation	(83,223)	36,178
Adjustments for:		
Depreciation (note 12)	4,361	3,807
Amortisation (note 14)	-	1
Gains arising from changes in fair value less estimated point-of-sale costs (note 13)	31,655	(2,151)
	<hr/>	<hr/>
Adjusted (loss)/profit before working capital changes	(47,207)	37,835
Changes in working capital:		
- Increase in trade and other receivables	479	(1,287)
- Movement in related party balances	82,854	6,523
- Increase in inventories	(1,882)	(1,288)
- Decrease in trade and other payables	(1,645)	(14)
- (Decrease)/increase in retirement benefit obligations	(1,064)	2,496
- Increase in provision for liabilities and charges	98	65
	<hr/>	<hr/>
Cash generated from operations	31,633	44,330
	<hr/>	<hr/>
(b) Analysis of cash and cash equivalents		
Cash at bank	265	388
Cash in hand	247	136
	<hr/>	<hr/>
	512	524
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EAAGADS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 SEGMENT INFORMATION

In accordance with IFRS 8, Operating segments, the information presented hereafter by operating segment is the same as that reported to the chief operating decision maker (Board of Directors) for the purposes of making decisions about allocating resources to the segment and assessing its performance.

The directors consider the company to comprise one major product, coffee, one geographical area, Kenya and no major customers.

25 CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 March 2013 and 31 March 2012.

26 COMMITMENTS

There was no capital expenditure contracted for as at 31 March 2013 and 31 March 2012.

27 COUNTRY OF INCORPORATION

The company is incorporated and domiciled in Kenya under the Companies Act.

28 ULTIMATE HOLDING COMPANY

The holding company is Kofinaf Company Limited, incorporated and domiciled in Kenya while the ultimate holding company is Cedarsoc Limited, incorporated and domiciled in Mauritius.

29 CURRENCY

These financial statements are presented in Kenya Shillings thousands (Shs'000).