



**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**For the year ended
31 MARCH
2025**

EAAGADS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

CONTENTS	PAGES
Corporate Information	1
Report of the Directors	2 - 3
Chairman's Report	4 - 5
Statement Of Vision, Mission, And Core Values	6
Statement of Corporate Governance	7 - 19
Directors' Remuneration Report	20 - 23
Statement of Social Responsibility	24 - 25
Independent Auditor's report	26 - 28
Financial Statements:	
Statement of Profit or Loss and Other Comprehensive Income	29
Statement of Financial Position	30
Statement of Changes in Equity	31
Statement of Cash Flows	32
Notes to the Financial Statements	33- 70

EAAGADS LIMITED
CORPORATE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2025

DIRECTORS

Name

Ms. Muthoni Runji-Pertet
Dr. Joseph Kimemia
Mr. George Kapanadze *
Mr. Nicholas Kathiari
Amb. Harry Mutuma Kathurima

Designation

Chairman - Non Executive Director
Executive Director
Non- Executive Director
Independent, non - Executive Director
Independent, non - Executive Director

*Georgian

SECRETARY

Winniefred Jumba
Certified Public Secretary (Kenya)

Stamford Corporate Services LLP
5th Floor, West Wing, ICEA Lion
Riverside Park, Chiromo Road
P. O. Box 10643 - 00100
Nairobi

REGISTERED OFFICE

LR NO. 110/2
Ngenda Road
P. O. Box 10 – 00232
Ruiru, Kenya.

BANKERS

Standard Chartered Bank Kenya PLC
Kenyatta Avenue Branch
P. O. Box 40310 - 00100
Nairobi, Kenya.

Equity Bank Kenya PLC
Ruiru Branch
P.O. Box 690-00232
Ruiru, Kenya

LAWYERS

Karanja Njenga Advocates
Surveyors court, Woodvale Grove, Westlands
P. O. Box 1775 – 00606
Nairobi, Kenya.

AUDITORS

Deloitte & Touche LLP
Deloitte Place
Off Waiyaki Way, Muthangari Drive
P.O. Box 40092 – 00100
Nairobi

EAAGADS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2025

The directors submit their report together with the audited financial statements for the year ended 31 March 2025.

1. INCORPORATION

The company is domiciled in Kenya where it is incorporated as a public limited company limited by shares under the Kenyan Companies Act, 2015. The address of the registered office is set out on page 2.

2. PRINCIPAL ACTIVITY

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

3. RESULTS

The results of the company are shown on page 26 in the financial statements.

4. RECOMMENDED DIVIDEND

The directors do not recommend payment of a dividend for the year ended 31 March 2025 (2025: Nil).

5. DIRECTORS

The directors who served during the year and to the date of this report are set out on page 2.

6. BUSINESS REVIEW

The review of business environment, key financial performance indicators and comprehensive analysis of the development of business of the company during the year has been outlined in the chairman report on page 5-6.

Operating model and agency delivery models

Our operating model is a product driven model, where all our functions work together with a unitary goal of offering a high-quality product to the market. An agency delivery model defines how work adds value and relates to the business by incorporating the experts in coffee farming. Coffee Management Services (CMS) are the appointed agents entrusted to manage the coffee. At Eaagads Limited, we operate a flexible and aligned agency delivery model that ensures that stakeholders' value is maximized in a cost-effective way. Our agency delivery model is also aimed at ensuring we deliver the best product to the market at the same time aiming at creating shareholder value. We create shareholder value by focusing on several core areas, underpinned by our commitment to creating and maintaining a sustainable business. These are:

a. Products

Our operating model includes a comprehensive and fully embedded agronomy risk management process which assists us in identifying and managing risks and opportunities to deliver the farm strategy and the other essential elements of our business model. During the year under review, the company's coffee operations produced 295 tons of coffee compared with 332 tons in 2025.

b. Income and assets

LLand is a major factor of production in coffee farming. Our goal is to ensure that we achieve optimal sustainable production without degrading our land resource (205 hectares) under coffee production. Growing revenue and lowering unit costs enables us to drive our profit and further invest in growing our business. We derive our income through prudent coffee management practices and ambitious operational plan to ensure we achieve an optimum production level of 2.0 metric tonnages per hectare. Our focus in setting such targets is to achieve sustainable performance over the short and long term.

We create value for our shareholders by efficiently managing the coffee bushes and strong management of the company as a whole.

c. Employees and leadership

Employees play the key role in delivering the company's strategic objectives and goals. The company is among the largest agricultural coffee growing estates in the industry with highly trained, skilled, motivated and remunerated employees. The company has continued to invest in employee training, development and coaching. Eaagads Limited through its managing agents, CMS, has a strong managerial team, with strong leadership skills which has long embraced and practised strategic thinking and co-operative entrepreneurship spirit.

EAAGADS LIMITED
REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

6. BUSINESS REVIEW (CONTINUED)

Operating model and agency delivery models (continued)

d. Procurement

Eaagads Limited spends a significant amount of its financial resources on procuring various inputs, works and services to facilitate the discharge of its mandate and mission. This is done by following uniform and cost-effective procedures that ensure that value is achieved when procuring agri-inputs, services and works.

The procurement process is conducted in a transparent manner to bring competition, fairness and elimination of arbitrariness in the system under the following principles;

- i. Value for money: This is the trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria.
- ii. Fairness: To achieve best value for money, the procurement process must protect the farm from proscribed practices such as fraud, corruption, collusion and other unethical practices.
- iii. Integrity and transparency: The manner in which the procurement process is undertaken must provide all internal and external stakeholders with assurance that the process is fair and transparent and that integrity has been maintained.
- iv. Effective competition: By fostering effective competition among vendors, Eaagads Limited operationalizes the Coffee Management Services standard operational manual which applies the principles of fairness, integrity and transparency to achieve best value for money.
- v. Best interests: Undertaking procurement in the best interest means carrying out procurement activities in a manner that enables Eaagads attain its general and specific objectives in compliance with applicable procurement procedures.

7. DIRECTORS' STATEMENT AS TO INFORMATION GIVEN TO AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

8. AUDITORS

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

By order of the Board



Secretary

25 July 2025

EAAGADS LIMITED

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MARCH 2025

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 2025.

OPERATING ENVIRONMENT

Kenya's coffee sector witnessed a slight expansion in its cultivation footprint, with the total estimated area under coffee increasing by 2.3 percent to 111.9 thousand hectares in the 2023/2024 crop year, up from 109 thousand hectares previously. This growth was spurred by national government initiatives, including a seedling distribution program managed by the Coffee Directorate and a coffee revitalization program launched two years prior. Conversely, coffee production experienced a 1.6 percent increase during the 2024 crop year, from 48.7 thousand tonnes to 49.5 thousand tonnes. This reduction was primarily due to adverse weather conditions that promoted the spread of Coffee Berry Disease and brought about elevated temperatures. Despite the production dip, Kenya's overall coffee exports saw an increase in 2024, rising by 12 percent to 53,519 tonnes from 47,861 tonnes in 2023. This upward trend continued into the first quarter of 2025, with coffee exports significantly surging from 9,722.3 metric tonnes in Q1 2024 to 16,894.4 metric tonnes.

In the 2024 coffee year, domestic consumption patterns deviated from historical norms. This shift was largely influenced by the prevailing high cost of living, a reduction in disposable incomes, and a prolonged drawdown of existing coffee stocks. Specifically, volumes of unroasted coffee exports in 2024 amounted to 34,612.50 metric tons, generating 24.52 billion shillings. This marked a decrease compared to 2023, when exports reached 42,857 metric tons, earning 34.37 billion shillings. Concurrently, coffee prices declined, falling from KShs 768.7 per kilogram in 2023 to KShs 708.4 per kilogram in 2024. The Kenyan coffee industry has historically prioritized quality over sheer volume, enabling it to secure premium prices in global markets. The sale of the country's coffee exports is predominantly managed through the Nairobi Coffee Exchange, which conducts auctions for international buyers. Within Africa, Kenya ranks as the fifth-largest coffee producer, yielding an average of 860,000 bags annually. It follows Ethiopia (8.2 million 60 kg bags), Uganda (6.5 million bags), Côte d'Ivoire (1.25 million bags), and Tanzania (1.12 million bags) in terms of production volume.

EAAGADS FINANCIAL PERFORMANCE

In the year under review, the company produced 295 tons of coffee compared with 332 tons produced in the year ended March 2024. This is a drop of 37 tons attributed largely to elevated temperatures. In the period under review, the company achieved sales of 351 tonnes of coffee compared with 272 tonnes in March 2024. The average price increased during the year ended 31 March 2025 to USD 5.76 per kilogram from USD 4.68 per kilogram in the previous year.

The Company reported a profit before tax of KShs 17.4 million compared to a profit before tax of KShs 7 million in the previous financial year. Sales proceed from the sale of coffee stood at KShs 277.2 million in the year compared to 190.6 million in the previous year. Coffee upkeep costs, picking costs and wet processing costs increased by KShs 70 million. Crop commission charges also increased by KShs 9.5 million. Farm management fees remained at USD 90 per hectare.

MARKETING

Kenya has two coffee harvests in a year. The late crop is harvested between September to December, and the early crop is harvested between March and August. Eaagads coffee is marketed by Licensed brokers. Kenyan coffee is sold through either auction or direct sales. Direct sales usually achieve a premium over prices obtained through the auction. During the year, the company achieved sales of 137 tonnes of coffee through direct sales, valued at KShs 131.9 million compared to 266. tons in the previous year, valued at KShs 183 million in 2024. The auction sales for the year were 213 tonnes compared to 5.8 tons previous year, valued at KShs 145 million and KShs 7.6 million, respectively.

EAAGADS LIMITED
CHAIRMAN'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

CONSUMPTION

Coffee consumption in Kenya has historically been low, primarily due to the country's strong tea-drinking culture and the high cost of coffee, which is unaffordable for much of the population. However, in recent years, a coffee culture has begun to emerge, particularly among middle-income earners. The growing presence of coffee shops in shopping malls and urban centres has further encouraged local coffee consumption.

OUTLOOK

The future of the farm looks promising, as demonstrated by the strong flowering observed for the 2024/25 production season. Eaagads is on track to achieve its projected harvests—an early crop of 100 tons and a late crop of 190 tons. While weather forecasts predict near-average rainfall, the farm management is implementing proactive measures to safeguard production targets. To combat climate risks, the team has begun digging strategically placed basins across the farm to enhance surface water harvesting.

Globally, the International Coffee Organization anticipates that 2024/25 coffee production will fall short of demand, largely due to reduced output in South America's key growing regions. As world economies recover from inflationary pressures, coffee prices are expected to remain favourable. Eaagads continues to command a market premium thanks to its exceptional coffee quality.

DIVIDEND

After careful consideration, the Board has determined that a dividend will not be issued at this time.

SOCIAL RESPONSIBILITY

On the social front, Eaagads prides itself on fostering a collaborative and respectful relationship with its workforce and labour union. We uphold collective bargaining agreements in both letter and spirit, while continuously seeking opportunities to enhance employee welfare and working conditions.

Our commitment to social responsibility goes beyond mere compliance—it is deeply embedded in our values. Through targeted corporate social responsibility (CSR) initiatives, we actively invest in the well-being of our employees and the surrounding communities, ensuring sustainable and meaningful impact where it matters most.

APPRECIATION

I would like to express my gratitude to the shareholders as well as my colleagues on the board of Eaagads for their continued support to the company.



Ms. Muthoni Punji-Pertet
Chair of the Board

26 July 2025

EAAGADS LIMITED
STATEMENT OF VISION, MISSION, AND CORE VALUES
FOR THE YEAR ENDED 31 MARCH 2025

Vision

To be a world class pioneer in the Kenyan Coffee industry sustainability improvement by being socially responsible in an eco-friendly environment.

Mission

We provide a worldwide point of excellence in Kenyan coffee quality by having a daily dynamic commitment from our staff through best practices.

Core Values

Our core values include Efficiency, Professionalism and teamwork, Integrity and transparency, Effective corporate governance.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31 MARCH 2025

THE BOARD OF DIRECTORS



Ms. Muthoni Runji-Pertet
Chairman, Non-Executive Director

Age: 43
Nationality: Kenyan
Appointed: 05/09/2023

Skills and experience:

Muthoni is a Partner at Ronn Law. She is an advocate of the High Court of Kenya and practices as a real estate & finance lawyer. She is especially good at handling complex real estate developments, project structuring, commercial sales, commercial leasing and has worked with several commercial developers in some of Kenya's innovative development projects.

Muthoni is a Commissioner for Oaths and a Notary Public. She is also a Certified Public Secretary (CS) and a qualified Governance Auditor

Muthoni was appointed as the Chair of the Board following the re-designation of Dr. Kimemia (the former Chairman) as an Executive Directors, effective 19th December 2024. She also serves as the Chairman of the Board Nominations and Governance Committee of the Eaagads Board.



CPA Nicholas Kathiari
Independent, Non-Executive Director

Age: 53
Nationality: Kenyan
Appointed: 05/09/2023

Skills and experience:

Nicholas holds a Master of Business Administration and a Bachelor of Commerce (finance option) both from the University of Nairobi. He is a Certified Public Accountant and a practising member in good standing with the Institute of Certified Public Accountants of Kenya (ICPAK). He has over 25 years' experience in audit, financial reporting, risk management and strategic finance advisory in the sectors of banking, insurance, manufacturing (including agro processing), energy and telecommunications.

He is currently a partner at FEKAN Howell LLP in charge of audit & assurance related service line and also leads the corporate finance advisory services. He began his accounting and auditing career at Ernst and Young LLP and served for 23 years, before joining FEKAN Howell LLP.

He is the Chairperson of the Board Audit and Risk Committee of the Eaagads Board. He also serves in the Board of Crown Paints Kenya Plc as a Non-Executive Director.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

THE BOARD OF DIRECTORS (CONTINUED)



Amb. Harry Mutuma Kathurima, EBS Independent, Non-Executive Director

Age: 72

Nationality: Kenyan

Appointment: 05/09/2023

Skills and experience :

Kathurima studied humanities at the University of Nairobi and graduated in 1976. In 1982 he completed a degree in Public Administration from the University of Birmingham. In the late 1970s, he worked as a district officer in Malindi District, after which he worked until 1982 in the office of the provincial council in Mombasa. In 1985, he moved to the Office of the President where he worked as an Assistant Secretary. This was followed by a post as secretary of state from 1991 to 1997, where he worked as chief of protocol. He subsequently held positions in Urban Ministry and the Ministry of Co-development. In 2004 he was appointed to the Foreign Service and served as High Commissioner in New Delhi. During the two-year stay in India Kathurima was also accredited to Bangladesh, Singapore and Sri Lanka. From August 2005 to September 2010, he served as Kenyan ambassador to Germany.

He has also supported presidential campaigns in previous general elections.



Dr. Joseph Kimemia, PhD, HSC, MBS Executive Director

Age: 68

Nationality: Kenyan

Appointed: 19/11/2021

Skills and experience:

Dr. Kimemia is the Director, Planning, Performance Management and Quality Control at the Kenya Agriculture and Livestock research Organization (KALRO) Secretariat. He holds a PhD in crop science from University of Nairobi, an MSc Agronomy from Andra Pradesh Agricultural University/International Crops Research Institute for Semi-Arid Tropics (ICRISAT) and a BSc Agriculture from the University of Nairobi.

He has worked at Coffee Research Foundation for over the last 30 years, 10 of which he was the CEO/Director of Research. Previously, he worked as a Farming Systems Agronomist in the arid and semi-arid lands of ASAL of Kenya for six years and Agronomist for High Altitude maize program in Kenya for two years. He has extensive experience carrying out research in farming systems for dry lands of Kenya and introduced the whole farm approach to research for the dry lands.

Dr Kimemia is also conversant in coffee certification programmes and has been instrumental in the development and release of the disease resistant Arabica Coffee variety Batian that has been adopted by farmers. He is currently a Board member of the African Fine Coffee Association (AFCA).

Dr. Kimemia previously served as the Board Chairman. He was re-designated as an Executive Director following his appointment as a Senior Consultant of the Company effective 19th December 2024.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

THE BOARD OF DIRECTORS (CONTINUED)



Mr. George Kapanadze
Non-executive Director

Age: 39

Nationality: Georgian

Appointed: 20/05/2021

Skills and experience :

Skills and experience: George is an experienced financial executive who has held diverse roles across Europe, Africa, and CIS, covering financial management in various environments, from business start-ups to restructurings. He is currently the Group Chief Financial Officer, Rendevour.

Prior to joining Rendevour in 2014, George worked at Renaissance Group and Renaissance Capital supporting the Asset Management, Investment Management, and Private Equity business units. From 2008-2012, George worked at PwC as an auditor in financial services and banking division.

George holds a Bachelor's degree in Business Administration from Tbilisi State University and is a Chartered Certified Accountant..



Ms. Winniefred Jumba
Company Secretary

Age: 53

Nationality: Kenyan

Appointed: 24/10/2024

Skills and experience:

Skills and experience: Winnie has over twenty-five years of experience as a practicing Certified Public Secretary and a Corporate Governance expert. She is an experienced and dedicated Company Secretary with additional specializations in Corporate Governance services, Legal and Governance audits and Bond Trustee/Security agency services and general compliance matters.

She is a holder of a Bachelor of Commerce and a Masters in Business Administration from University of Nairobi. She is a Certified Public Secretary and an Accredited Governance Auditor.

EAAGADS LIMITED

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

OVERVIEW

The Board of Directors of Eaagads Limited (the “Company” or “Eaagads”) is committed to upholding sound corporate governance practices as a foundation for sustainable growth and ensuring accountability to stakeholders. Eaagads approach to corporate governance is built on ethical and transparent business operations in-order to foster an organisational culture that focuses on performance and organizational health. The principles underpinning the Company’s corporate governance framework include efficiency, professionalism, teamwork, integrity and transparency. The disclosures in this report demonstrate how governance principles and practices are seamlessly integrated into performance and desired outcomes across the Company’s activities.

This statement outlines the structure and implementation of the Company’s corporate governance framework in alignment with the provisions of the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the CMA Code), the CMA Public Offers, Listings and Disclosures (POLD) Regulations, 2023, the King IV Report on Corporate Governance, and other established best practices. The Company also adheres to the Constitution of Kenya and all applicable laws in its commitment to being a responsible and law-abiding corporate citizen.

THE BOARD OF DIRECTORS

The Role and Responsibilities of the Board include:

- ◇ Overseeing the Company’s management and operations, management accounts, major capital, expenditures and review corporate performance.
- ◇ Reviewing the Company’s performance at least on a quarterly basis.
- ◇ Approving of the Company’s annual budgets.
- ◇ Defining the Company’s mission, goals, strategy, objectives, and risk policy plans.
- ◇ Approving the organisational structure.
- ◇ Approving major capital expenditures.
- ◇ Establishing and implementing a system that provides necessary information to the shareholders including shareholder communication policy for the Company.
- ◇ Identifying business opportunities and principal risks in its operating environment.
- ◇ Implementing of appropriate measures to manage risks or anticipated changes in the Company’s operating environment.
- ◇ Development staffing and reviewing remuneration policies for the General Manager and senior employees of the Company.
- ◇ Approving, periodically reviewing, and maintaining a clear succession plan for the members of the Board, General Manager and senior Management of the Company.
- ◇ Reviewing on a regular basis, the adequacy and integrity of the Company’s internal control systems and management information systems including compliance with applicable laws, regulations, rules, and guidelines; and Association.
- ◇ Monitoring the effectiveness of the corporate governance practices under which the Company operates and propose revisions as may be required from time to time.
- ◇ Ensuring availability of adequate resources for the achievement of the organisation’s objectives.
- ◇ Abiding by statutory, fiduciary, and common law duties and all legal obligations relevant to the Board of a public limited and listed company.

DIVISION OF RESPONSIBILITIES

The duties and responsibilities of the Chairman and the General Manager are distinct and clearly defined duties. This ensures balance of power and authority and provides for checks and balances such that no one individual has unfettered powers of decision making.

The Board is assisted by a qualified and competent Company Secretary who is a member, in good standing, of the Institute of Certified Secretaries (ICS).

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

DIVISION OF RESPONSIBILITIES (CONTINUED)

A summary of each role is provided below:

Chairman	General Manager (Agronomy)
<ul style="list-style-type: none"> • Providing overall leadership to the Board; • Acting as the chair of all Board and shareholders' general meetings. • Plays a key role in determining the agenda of Board meetings. • Guiding the decision-making process at Board meetings and general meetings and, where it is extremely necessary, use the casting vote. • Encouraging board members to participate fully in Board deliberations. • Harnessing the collective skills of the Board and its committees. • Monitoring the performance of the General Manager and the senior management and lead in evaluation of their performance. • Ensuring effective induction of new Board members in accordance with the agreed induction programme. • Ensuring training and skills development for the Board members. • Acting as the information link between the Board, management, and the shareholders. 	<ul style="list-style-type: none"> • Formulating strategies and policies for Board approval. • Implementing and communicating policies and strategies approved by the Board. • Ensuring a clear flow of information between management and the Board in order to facilitate both quantitative and qualitative evaluation and appraisal of the Company's performance. • Preparing budgets, business proposals and submissions for Board approval. • Achieving the Company's financial and operating goals and objectives. • Ensuring continuous improvement in the quality and value of the products and services provided by the Company. • ·Overseeing personnel matters including hiring and firing of senior staff and ensuring that the Company has an effective management team structure and succession plan. • Maintaining proper internal controls. • Maintaining a conducive work environment for attracting, retaining and motivating staff. • Nurturing a corporate culture that promotes ethical practice.

COMPANY SECRETARY

The Company Secretary, Ms Winniefred Jumba, is a member in good standing with the Institute of Certified Secretaries of Kenya (ICS), Reg No 1468. Her role includes:

- ◊ Issuing proper notice of Board meetings and circulation of relevant Board papers.
- ◊ Taking minutes of all Board meetings and Shareholder meetings.
- ◊ Attending to compliance and reporting requirements with the Registrar of companies, the Capital Markets Authorities and other regulators.
- ◊ Advising the Board on corporate governance matters.
- ◊ Ensuring that newly appointed directors have been properly oriented.
- ◊ Coordinating the Company's key governance processes such as governance audit, CMA self-assessment, legal and compliance audit, Board evaluation, etc..

THE ROLE OF MANAGEMENT

Management is accountable to the Board for the Company's day-to-day financial and operational performance and is responsible for implementing the strategies set by the Board.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

MANAGEMENT’S ROLE (CONTINUED)

Board size, composition, independence, and appointments

The Board consists of four (4) non-executive members and one (1) executive director who serves in the capacity of a Senior Consultant. The Board’s composition reflects a diversity of experience and expertise aligned with the Company’s strategic and operational priorities. Further, the Board regularly evaluates the appropriate mix of skills and competencies necessary to support the Company’s objectives.

During the year, the Board appointed Ms. Muthoni Runji-Pertet as Chairman, in place of Dr. Kimemia, who was re-designated as an Executive Director following his appointment as a Senior Consultant of the Company, effective 19th December 2024. Due to these changes, Ms. Muthoni Runji-Pertet serves as the Chairman to the Board, as well as the Chairman to the Nomination and Governance Committee.

The Board determines its size and composition, as guided by the Company’s Articles of Association, Board Charter, relevant policies, applicable law, and best practices. The current members of the Board are as follows:

Name	Designation	Date of Appointment
Ms. Muthoni Runji-Pertet	Chairman, Independent Non-Executive Director	05/09/2023
Dr. Joseph Kimemia	Executive Director	19/11/2021
Mr. George Kapanadze	Non- Executive Director	20/05//2021
Mr. Nicholas Kathiari	Independent, Non - Executive Director	05/09/2023
Amb. Harry Mutuma Kathurima	Independent, Non - Executive Director	05/09/2023

The Board on the recommendation of the Nomination and Governance Committee, has the power from time to time, to appoint any person to the position of Director either to fill a casual vacancy or as an addition to the existing Directors, subject to shareholder approval at the next Annual General Meeting. To ensure regular Board renewal, the Board Nominations and Remunerations Committee reviews the size and composition of the Board on an annual basis as per the provisions of the Company’s Articles of Association. The Committee determined that the Board composition was currently sufficiently structured to carry out the mandate of the Board.

At every AGM, and as may be applicable, at least one-third of the non-executive Directors must retire from the Board and where eligible, stand for re-election. In accordance with the Articles of Association of the Company, all Non-Executive Directors offer themselves for re-election at regular intervals, subject to continued satisfactory performance and commitment. The term of office of the Board members shall be organised in a manner that ensures that there is a smooth transition. During the AGM held on 20th September 2024, Amb. Harry Kathurima and Ms. Muthoni Runji-Pertet retired and being eligible offered themselves for re-election and were each re-elected by the shareholders to continue serving as Directors on the Board

Annual Board Workplan

The Board operates under an annual work plan that outlines its activities for the year. This work plan is structured to support the effective execution of strategy across all aspects of the Company’s business. The Board workplan for the year 2025 was approved by the Board at its meeting held on 28th November 2024.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

MANAGEMENT’S ROLE (CONTINUED)

Activities of the Board in 2024/2025

During the year ended 31st March 2025, the Board held five Board meetings. The Company held its Annual General Meeting in September 2024. Attendance by the Directors to the Board and AGM meetings in 2024/2025 is outlined below:

- ◇ Approval of the half-year and full year results and issuance of a profit warning.
- ◇ Review of the reports from the Committees.
- ◇ Approved the financial year’s budget.
- ◇ Review of farm operations.
- ◇ Review of the operating model.
- ◇ Approved various Board policies, Board charter and Committees’ Terms of Reference.

A summary of the attendance of the members is summarized below:

	7.06.24	26.07.24	20.09.24	28.11.24	19.12.24	26.03.25
Ms. Muthoni Runji-Pertet (Board Chair)	✓	✓	✓	✓	✓	✓
Mr. Nicholas Kathiari (Audit Committee Chair)	✓	✓	✓	(a)	✓	✓
Dr. Joseph Kimemia	✓	✓	✓	✓	✓	✓
Amb. Harry Mutuma Kathurima	✓	(a)	✓	✓	✓	✓
Mr. George Kapanadze	✓	✓	✓	✓	✓	✓

*(a) = absent with apology

During the year, the key areas of focus for the Board’s activities and topics discussed were on the following matters:

- ◇ Review of Farm Reports.
- ◇ Assessment of the Company’s Financial Performance.
- ◇ Approval of Operational and Governance Policies following recommendation from the committees.
- ◇ Review of Board Workplan.
- ◇ Approval of the half-year results as well as the end-of-year results, press release and commentary, and issuance of a profit warning.
- ◇ Review of the reports from the deliberations of the various Committees.
- ◇ Approval of special Chairman’s duties and transition of Chairman’s role

Director induction

Newly appointed directors are provided with necessary orientation in the area of the Company’s business in order to enhance their effectiveness in the Board. The Company’s induction process includes a comprehensive briefing on the Company, meetings with key executives, site visits, and an induction package. The Chairman of the Board and the Company Secretary are responsible for ensuring that newly appointed directors have been properly oriented.

Corporate Governance Assessment Report

Company for the year ended 31st March 2024. The assessment focused on evaluating the Company’s commitment to the following elements of good corporate governance: Board operations and control, shareholder rights, stakeholder engagement, ethics and social responsibility, accountability, risk management and internal control, as well as transparency and disclosure.

The overall rating awarded to the Company was a good rating of 72%, a significant improvement from the previous year’s score of 48%. This progress is a testament to the Board’s deliberate effort to enhancing corporate governance structures within the Company. The Board remains committed to addressing the remaining governance gaps and continuously strengthening its governance framework.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

MANAGEMENT'S ROLE (CONTINUED)

The Director Training and Development

The Board has a training calendar in place and is committed to incorporating training and development initiatives in the current financial year to support the effective discharge of its responsibilities. The Company Secretary also apprises the Board informed of developments in corporate governance laws, regulations, and best practices.

Board Evaluation

The Board conducted an internal assessments of its overall performance, including that of its Committees, the Chairman, individual Directors, and the Company Secretary. The key elements of the evaluation tool include Board and strategy effectiveness, Board structure and committees, quality of the monitoring and risk-management role, quality of the strategic and other business-related advice, Board dynamics and board members' pro-active participation, diversity of the board, Board meetings and procedures, Board and Management relations, succession planning and training and the Company Secretary.

Governance Audit

The CMA Code provides that issuers of securities to the public are required to undertake periodic governance audits. A governance audit for the year ended 31st March 2024 is currently being conducted by EMSI and Associates. A summary of the audit findings will be disclosed in the financial statements for the year ending 31st March 2026.

Legal and Compliance Audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, a Legal and Compliance Audit for the year ended 31st March 2025 is currently being conducted by EMSI and Associates. A summary of the audit findings will be disclosed in the financial statements for the year ending 31st March 2026.

Conflict of Interest

The Directors are obligated to fully disclose to the Board any real or potential conflict of interest which comes to any Director's attention, whether direct or indirect. All business transactions with all parties, Directors or their related parties are carried out at arm's length. An acknowledgement that, should it come to the attention of a Director that a matter concerning the Company may result in a conflict of interest, obligates the Director to declare the same and exclude himself/herself from any discussion or decision over the matter in question.

The Board has formal procedures for managing conflicts of interest. The Directors complete an annual independence declaration. Declaration of conflicts of interest is also a standard agenda item addressed at the onset of each Board and Committee meeting. The Board also requires all Directors to disclose, on appointment and annually, any circumstance which may give rise to an actual or potential conflict of interest with their roles as Directors.

Directors are excluded from the quorum and vote in respect of any matters in which they have an interest. No material conflicts were reported by Directors in the year under review.

Access to Independent Advice

The Board recognises that, from time to time, individual Directors may deem it necessary to seek independent professional advice, such as legal or financial counsel, at the Company's expense. This provision is outlined in the Board Charter and the Terms of Reference for each Committee.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

BOARD COMMITTEES

The Board has two standing committees: the Audit and Risk Committee and the Nominations and Governance Committee. Each committee has formal, Board-approved Terms of Reference, which are published on the Company’s website. The Board periodically reviews these Terms of Reference to ensure they remain aligned with current legislation and best practices.

Audit and Risk Committee

The Audit and Risk Committee reviews the half-yearly and year-end financial statements, monitors the integrity of the financial statements, assesses the Company’s risk management process and internal controls, makes recommendations to the Board on the appointment of the external auditor and reviews their independence, objectivity, and effectiveness. The committee has authority to review the adequacy, scope, functions, and resourcing of the internal audit function.

The Audit and Risk Committee is comprised of four (4) non-executive directors. The Committee is chaired by an independent director and reports to the Board after every committee meeting.

During the year under review, the Committee discussed the following matters:

- Management accounts and financial performance.
- Farm operations review.
- Review of key audit matters and audited financial statements for the year ended 31st March 2024.
- Budget for the financial year 2025/2026.
- External audit plan review.
- Review of Related Party Policy, Anti-Corruption and Bribery, Anti-Money Laundering and Whistleblowing policies
- Review of Committee workplan.
- Enterprise Risk Management framework review.
- Loan offer deliberations.

A summary of the Board Audit and Risk Committee meetings held in the year under review include:

	25.03.24	06.06.24	24.07.24	25.11.24	25.03.25
Ms. Muthoni Runji-Pertet	✓	✓	✓	✓	✓
Mr. Nicholas Kathiari (Committee Chairman)	✓	✓	✓	✓	✓
Amb. Harry Mutuma Kathurima	✓	(a)	✓	✓	✓
Mr. George Kapanadze	✓	✓	(a)	(a)	✓

*(a) = absent with apology

Nominations and Governance Committee

The Nominations and Governance Committee is mandated with reviewing the structure, size, and composition of the Board, reviewing the functions and responsibilities of the Board and Committees as well as their performance, making recommendations to the Board for the appointment and removal of Directors, assessing the independence of Board members, developing the Board policy and procedure for the selection and appointment of directors. The Committee is also responsible for the management and implementation of the Board’s Environmental, Social and Governance (ESG) agenda.

The Nominations and Governance Committee is comprised of four (4) non-executive directors. The Committee is chaired by an independent director and reports to the Board after every committee meeting.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

BOARD COMMITTEES (CONTINUED)

Nominations and Governance Committee (Continued)

During the year under review, the Committee discussed the following matters:

- Monitored implementation of the requirements of the CMA Code and POLD Regulations 2023.
- Review of CMA Corporate Governance Assessment Report.
- Board Evaluation.
- Review of Remuneration Policy, Communication Policy and Voting Policy.
- Board Charter and Terms of Reference review.
- Review of corporate governance report and remuneration report.
- Review of Committee workplan.
- Adoption of e-based system.
- Appointment of Legal & Compliance and Governance auditor.

A summary of the Nominations and Governance Committee meetings held in the year under review include:

	25.03.24	25.11.24	25.03.25
Ms. Muthoni Runji-Pertet (Committee Chairman)	✓	✓	✓
Mr. Nicholas Kathiari	✓	✓	✓
Amb. Harry Mutuma Kathurima	✓	(a)	✓
Mr. George Kapanadze	✓	(a)	✓

*(a) = absent with apology

GOVERNANCE POLICIES

Eaagads Limited as part of implementation of best corporate governance practices and in compliance with the regulatory requirements, has in place policies and practices to promote a culture of compliance, transparency honesty, and ethical behaviour. The policies stipulate the obligations of the organisation to different stakeholders and apply to all employees, directors, and other stakeholders.

The Board in carrying out its mandate is also guided by the policies in place which include but are not limited to the following:

Board Charter

The Board Charter provides guidance on key governance matters, including the separation of roles, responsibilities, and powers between the Board and its individual members, as well as the role of the Chief Executive Officer. It outlines the delegation of authority to Board Committees, matters reserved for Board approval, and the Board's policies on corporate governance, Directors' declarations, conflicts of interest, and the conduct of Board and Committee meetings. It also covers processes related to nomination, appointment, induction, stakeholder engagement, ongoing training, and performance evaluations of the Board and its Committees. The Charter is reviewed periodically and is available on the Company's website.

Board Remuneration Policy

The Remuneration Policy outlines the guiding principles and structure for determining Directors' remuneration and sets out the decision-making process for its formulation, review, and implementation. The policy aims to promote fairness and transparency in compensation practices and to ensure alignment between the Company's performance and the remuneration of Non-Executive Directors.

Communication Policy

The purpose of the Communication Policy is to ensure that communication across the Company is consistent, well-coordinated, effectively managed, and responsive to the diverse information needs of the public. It is aimed at fostering effective internal and external communication among Eaagads employees and other stakeholders.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

GOVERNANCE POLICIES (CONTINUED)

Voting Policy

The objective of this policy is to establish clear guidelines and procedures for voting activities within the Company promoting transparency, fairness, and democratic decision-making processes and compliance with legal requirements in all voting processes. This policy applies to all voting events conducted by Eaagads Limited, including General meetings, Board meetings, Committee meetings and other significant voting matters.

Board Diversity Policy

The Diversity Policy outlines the Company's approach to promoting diversity within the Board of Directors. Eaagads Limited recognises and values the benefits of a diverse Board, viewing increased diversity at the Board level as a key factor in sustaining a competitive advantage. The Company is committed to ensuring a mix of skills, experience, gender, age, cultural background, and other attributes within the Board.

Related Party Policy

Eaagads Limited recognises that related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. The purpose of this policy is to define dealings within the Company between the related parties. The policy defines related party transactions and also provides for the necessary controls to ensure that related party transactions are purely at arms-length basis.

Induction Policy

This policy seeks to ensure that new members of the Board of Directors of Eaagads Limited are provided with all the information and training necessary to enable them to contribute appropriately to the operations of the Board from the time of their election.

Procurement Policy

The Company has put in place procurement policy and procedures to guide the fair, transparent, and efficient acquisition of goods and services across all stages of the procurement process..

Appointment and Removal Policy

The policy sets out the principles, criteria, and procedures for appointing members to the Board of Directors. It promotes continuity while ensuring the Board is composed of individuals with the skills, attributes, and experience necessary to support effective governance.

Sustainability Policy

The Company's sustainability policy is under development and shall be published on the Company's website upon approval by the Board..

STAKEHOLDERS

Community

Eaagads Limited continues to support the local community through various initiatives including giving preference in employment to persons from the immediate local community who are suitably qualified, whenever a vacancy arises. In addition, the company has constructed a dispensary within its plantation which is managed by a government enrolled nurse and accessible to children of employees as well as those from the neighbouring community

Employees

There is a clear employment policy and terms of employment for all levels of employees are well defined. In line with international labour standards, the Company does not employ children.

The Company is a member of an employers' association through which it has signed a recognition agreement with the workers' trade union, Kenya Plantation and Agricultural Workers' Union (KPAWU). The Company has fully implemented all terms of the Collective Bargaining Agreement (CBA) in existence.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

STAKEHOLDERS (CONTINUED)

Employees (Continued)

The Company also contributes towards its employees' social welfare by providing the following amongst other services:

- A well-stocked medical clinic on site in which all employees and their dependents receive free basic medical treatment.
- Free housing and potable water for all employees and their families who live in the plantation.
- Provision of a crèche facility where parents leave their young children to be taken care of free of charge while they work.
- Facilitation of free counselling and other awareness campaigns on areas such as HIV/AIDS and drug abuse.
- The Company has a functional Occupational Health and Safety Programme whose implementation is continuously monitored.
- Eaagads Limited gives equal opportunities in employment, occupation, benefits, in obligations as well as in other social responsibilities. The Company also promote equality between men and women at all levels as a way of putting gender aspects of human rights into work programs for decent work.
- Prohibiting all kinds of sexual harassment and any form of violations of human rights in terms of physical harm, psychological harm, or any suffering to any gender including threats of such acts, coercion, arbitrary deprivation of liberty in workplaces or any other related form of harassment. Eaagads condemns all forms of societal, cultural, customary, racial or religious practices or other forms of prejudices, which can promote gender discrimination at the workplace.
- Eaagads supports the professional development of its employees through education and training initiatives

Investors and Regulators

Eaagads Limited is committed to ensuring regular interaction and communication with its stakeholders, including shareholders, investors the financial markets, among others. The Board has mapped all its stakeholders and ensures they receive full and timely information about the Company's performance. The Company publishes financial statements, policies and procedures on its website <https://www.eaagads.co.ke/> to promote transparency and facilitate stakeholder access to information as guided by the CMA Code.

The Annual General Meeting provides a useful opportunity for shareholder engagement, particularly for the Chairman to articulate the Company's progress and receive and answer questions from investors. The Board believes there is an active and regular interaction with all its stakeholders.

Environment

The Company takes conscious measures to minimise any adverse effects on the environment. All products used in the plantations are certified and recommended as safe by both the government and international agencies. The Company conducts annual self-environmental audits to ensure that our operations meet the national standards. Eaagads Limited is also certified by UTZ, an international accreditation agency.

SHAREHOLDING

The Company, through its Registrar, files returns regularly in line with the requirement of the Capital Markets Authority and the Nairobi Securities Exchange under the listing regulations on transactions related to shareholders.

EAAGADS LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

SHAREHOLDING (CONTINUED)

The ten largest shareholders as at 31st March 2025 were as follows:

	Name of shareholder	No. of shares	% shareholding
1	Kofinaf Company Limited	19,855,020	62%
2	Vivienne Mary Rogerson	3,321,800	10%
3	Arbella Kathryn Deirdre Illingworth	3,284,700	10%
4	BID Plantations Ltd	975,400	3%
5	Minesh Mulchand Shah	558,122	2%
6	Bijal Mulchand Shah	267,600	1%
7	Robert Barack Habwe; James Edwin Zalo Owino	261,100	1%
8	Alimohamed Adam	190,852	1%
9	Savitaben Velji Raichand Shah	173,676	1%
10	Chandrika Kamlesh Somchand Bid	153,700	0%
	Total	29,041,970	81%
11	Others	3,115,030	9%
	Total issued shares	32,157,000	100%

Distribution Schedule

Range	Number of shareholders	Number of shares	% shareholding
1 to 1,000 Shares	639	181,900	1%
1,001 to 10,000 Shares	172	625,502	2%
10,001 to 100,000 Shares	63	1,992,028	6%
100,001 to 1,000,000 Shares	11	2,896,050	9%
1,000,001 to 10,000,000 Shares	2	6,606,500	21%
Over 10,000,000 Shares	1	19,855,020	62%

Shareholders' Register

The register of members and debenture holders is kept at Dantrust Services Limited at Jadala Place 3rd floor Ngong Lane, Ngong Road, P.O. Box 73248 - 00200, Nairobi.

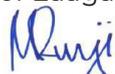
Directors' Shareholding

Directors can purchase or sell shares of the Company in the open market. None of the Directors as at the end of financial year under review held shares in their individual capacity of more than 1% of the Company's total equity.

Going Concern

The Board confirms the financial statements are prepared on a going concern basis and is satisfied that the company has adequate resources to continue in business for the foreseeable future. In making this assessment, the directors consider a wide range of information relating to present and anticipated future conditions, including future projections of profitability, cash flows, capital, and other resources.

This Corporate Governance Statement is current as at 26 July 2025 and has been approved by the Board of Eaagads Limited.



Ms. Muthoni Runji-Pertet
 Chair of the Board
 26 July 2025

EAAGADS LIMITED

DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2025

ANNUAL STATEMENT BY THE CHAIRMAN OF THE BOARD NOMINATIONS AND REMUNERATION COMMITTEE

The Company is pleased to present the Directors' Remuneration report for the year ended 31st March 2025.

This report has been prepared in accordance with the relevant provisions of the CMA code of Corporate Governance and the requirements of the Companies Act, No. 17 of 2015, and the Companies (General) (Amendments) (No.2) Regulations, 2018.

Eaagads Limited Board of Directors

DIRECTOR	DESIGNATION
Ms. Muthoni Runji-Pertet	Independent, Non-Executive Director
Dr. Joseph Kimemia	Executive Director
Mr. Nicholas Kathiari	Independent, Non-Executive Director
Amb. Harry Mutuma Kathurima	Independent, Non-Executive Director
Mr. George Kapanadze	Non-Executive Director

Notes:

- » Dr. Joseph Kimemia was designated as an Executive Director following his appointment as a Senior Consultant. He remains eligible to receive Directors' fees in accordance with the Remuneration Policy.
- » All Directors were resident in Kenya during the year.

The Board Nominations and Remuneration Committee

The members of the Nominations and Remuneration Committee (the "Committee") during the year were Ms. Muthoni Runji-Pertet, Mr. George Kapanadze, Mr. Nicholas Kathiari, and Amb. Harry Mutuma Kathurima.

The Committee is responsible for reviewing and recommending Directors' remuneration to the Board for approval. Its mandate is defined in specific Terms of Reference, which are available on the Company's website at <https://www.eaagads.co.ke/>.

Remuneration Policy Highlights.

The key objectives of the Remuneration Policy are as follows:

- To ensure fairness and transparency in how Directors are compensated and how pay decisions are made.
- To align the Company's performance with the remuneration of Non-Executive Directors.

The principles which underpin the remuneration of the Non-Executive Directors include:

- The Company should remunerate its Directors' fairly and responsibly.
- The remuneration shall be sufficient to attract, incentivise and retain Directors with the skill and experience necessary to deliver the Company's business strategy.
- The remuneration should support the delivery of the Company's business strategy, alignment with the long-term interests of stakeholders, and the creation of long-term sustainable value.
- The remuneration should reflect the Directors' responsibilities, expertise and the complexity of the Company's activities.

Remuneration of Executive Directors

The remuneration of Executive Directors is determined in accordance with their employment contracts or contracts for consultancy or other services provided.

EAAGADS LIMITED

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2025

ANNUAL STATEMENT BY THE CHAIRMAN OF THE BOARD NOMINATIONS AND REMUNERATION COMMITTEE (CONTINUED)

Remuneration of Non-Executive Directors

The components of the Non-Executive Directors' remuneration include an annual fee which is benchmarked on market practice at companies of a similar size and complexity and a sitting allowance for every meeting attended.

Non-Executive directors are provided with support and reasonable travelling expenses. Where these have been incurred, reimbursement for all reasonable travelling and subsistence expenses including any relevant tax incurred in carrying out their duties will be made upon request and submission of relevant documentation.

Non-Executive directors have the benefit of indemnity in relation to liability incurred in their capacity as a Director of the Company.

Other Employees

The Company considers the remuneration policy in the context of all employees. Base salaries of employees are benchmarked to the relevant market practice in which the individual is employed.

In addition:

- All employees are eligible for performance-based bonuses, subject to individual performance and the terms of their contracts.
- Core benefits are provided to all employees in line with applicable regulations and market standards. These include retirement benefits, medical insurance, life assurance, and annual leave.
- The Company is committed to ensuring that a portion of each employee's total compensation is performance-linked, primarily delivered through a bonus component.

Service contracts and policy on payment for loss of office

The directors are issued with service contracts. The contracts terminate at the end of a tenure and do not provide for payment for loss of office.

Payments to past Directors

There was no payment of Directors' fees to past directors during the year (2023: Nil).

Share Option Scheme

The Company does not operate a share option scheme for Directors.

Long Term Incentives

There were no long-term incentives granted to Non-Executive Directors in the year ended 31st March 2025.

Commentary on Significant Changes to Directors Remuneration

The Board undertakes a review on the adequacy of the policy each year to ensure that it supports the Company's Strategy.

During the year, the Board approved the Directors' Remuneration Policy along with the partial implementation of the compensation structure. Sitting allowances became effective from 1st April 2023, while the payment of annual fees was deferred.

The Board is satisfied that the current Remuneration Policy remains appropriate for the Company and supports both its short- and long-term objectives. As such, no significant changes were made to Directors' remuneration.

EAAGADS LIMITED
DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 MARCH 2025

ANNUAL STATEMENT BY THE CHAIRMAN OF THE BOARD NOMINATIONS AND REMUNERATION COMMITTEE (CONTINUED)

Statement of Voting on the Directors Remuneration Report at the previous Annual General Meeting

A resolution to approve the Directors' Remuneration Report for the year ended 31st March 2024 was passed through a poll vote by shareholders at the Annual General Meeting held on 20th September 2024.

		Approved	Approved%	Rejected	Rejected%	Abstained
1	To approve the Directors remuneration as shown in the Audited Financial Statements for the year ended 31st March 2024.	19,945,503	99.8853%	22,900	0.1146%	1,600

A remuneration policy had not been put in place during the financial year ended 31st March 2024. Accordingly, there was no resolution tabled at the Annual General Meeting held on 20th September 2024 to approve a Directors' Remuneration policy.

At the Annual General Meeting to be held in September 2025, the shareholders will also consider the Directors' Remuneration Policy and Report for the year ended 31st March 2025.

Approval by shareholders

As per section 681 (4) of the Companies Act, 2015, the Directors' Remuneration Report has been presented to the members for approval.

The following table shows a single figure remuneration for the Directors in respect of qualifying services for the year ended 31st March 2025. The aggregate Directors' emoluments are shown in note 19 of the audited financial statements.

This information is subject to audit.

For the year ended 31 March 2025	Salary	Fees	Bonuses	Expense allowances	Loss of office/ Termination	Estimated value for non-cash benefits**	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Dr. Joseph Kimemia	-	600	-	-	-	-	600
Mr. Nicholas Kathiari	-	400	-	-	-	-	400
Amb. Harry Mutuma Kathurima	-	400	-	-	-	-	400
Ms. Muthoni Runji-Pertet	-	500	-	-	-	-	500
Mr. George Kapanadze	-	-	-	-	-	-	-

EAAGADS LIMITED
DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 MARCH 2025

ANNUAL STATEMENT BY THE CHAIRMAN OF THE BOARD NOMINATIONS AND REMUNERATION COMMITTEE (CONTINUED)

For the year ended 31 March 2025	Salary	Fees	Bonuses	Expense allowances	Loss of office/ Termination	Estimated value for non-cash benefits**	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Dr. Joseph Kimemia	-	600	-	-	-	-	600
Mr. Nicholas Kathiari (Committee chairperson)	-	400	-	-	-	-	400
Amb. Harry Mutuma Kathurima	-	400	-	-	-	-	400
Ms. Muthoni Runji-Pertet	-	500	-	-	-	-	500
Mr. George Kapanadze	-	-	-	-	-	-	-

The Directors were not remunerated for the services they offered as Directors of the Company during the financial year ended 31st March 2023. They were also not eligible for pension or gratuity. No loans were advanced to the Directors during the year.

The Annual Remuneration Report will be put forward for your consideration and approval by vote at the AGM to be held on 19th September 2025.

We were pleased to receive strong shareholder support for our Remuneration Report for the year ended 31st March 2024. I greatly appreciate the continued engagement from our shareholders and look forward to your support at this year's AGM.

Ms. Muthoni Runji-Pertet
Chairman, Nomination and Remuneration Committee

25 July 2025

EAAGADS LIMITED

STATEMENT OF SOCIAL RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2025

GUIDING PRINCIPLES

We respect the community in which we operate and maintain open dialogue to ensure that we provide necessary support based on our abilities. We respond to all queries and acknowledge feedback from our stakeholders.

OUR STAKEHOLDERS

Community

We support the local community through various initiatives including giving preference in employment to persons from the immediate local community who are suitably qualified, whenever a vacancy arises. In addition, the company has constructed a dispensary within its plantation which is managed by a government enrolled nurse and accessible to children of employees as well as those from the neighbouring community.

Employees

There is a clear employment policy and terms of employment for all levels of employees are well defined. In line with international labour standards, we do not employ children.

The company is a member of an employers' association through which it has signed a recognition agreement with the workers' trade union, Kenya Plantation and Agricultural Workers' Union (KPAWU). The company has fully implemented all terms of the Collective Bargaining Agreement (CBA) in existence.

The company also contributes towards its employees' social welfare by providing the following amongst other services:

- A well-stocked medical clinic on site in which all employees and their dependents receive free basic medical treatment.
- Free housing and potable water for all employees and their families who live in the plantation.
- Provision of a crèche facility where parents leave their young children to be taken care of free of charge while they work.
- Facilitation of free counselling and other awareness campaigns on areas such as HIV/AIDS and drug abuse
- Occupational safety and health awareness for a healthy and safe workforce in a safe working environment. We believe that a safe and healthy employee is more productive at work while a safe and healthy workplace adds value to the business by saving on unnecessary litigation and insurance premiums when risks of accidents are reduced or prevented. We have a functional Occupational Health and Safety Programme whose implementation is continuously monitored.
- Gender parity – We give equal opportunities in employment, occupation, benefits, in obligations as well as in other social responsibilities. We also promote equality between men and women at all levels as a way of putting gender aspects of human rights into work programs for decent work.
- We prohibit all kinds of sexual harassment and any form of violations of human rights in terms of physical harm, psychological harm, or any suffering to any gender including threats of such acts, coercion, arbitrary deprivation of liberty in workplaces or any other related form of harassment. We also condemn all forms of societal, cultural, customary, racial or religious practices or other forms of prejudices, which can promote gender discrimination at the workplace.

INVESTORS AND REGULATORS

We ensure our business is in compliance with various regulations that govern us and seek to maximise our investors return on investment. We engage and respond to our investors and shareholders through annual general meetings, media briefing and by having our performance and strategy information on our website. We are open and honest in all our communications with regulators and investors.

ENVIRONMENT

We take conscious measures to minimize any adverse effects on the environment. All products used in the plantation are certified and recommended as safe by both the government and international agencies. We conduct annual self-environmental audits to ensure that our operations meet the national standards. We are also certified by UTZ, an international accreditation agency.

EAAGADS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2025

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

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

- i. designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. selecting suitable accounting policies and applying them consistently; and
- iii. making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

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



.....
George Kapanadze



.....
Muthoni Runji Pertet

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Eaagads Limited ("the company") set out on pages 26 to 65, which comprise the statement of financial position as at 31 March 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 March 2025 and of its financial performance and cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International 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 other 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 judgement, 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. We have determined that there are no key audit matters to report.

Other Information

The other information comprises the corporate information, report of the directors, chairman's report, statement of corporate governance, statement of social responsibility and statement of directors' responsibilities which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information we have received prior to the date of this auditor's report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Partners: D.M. Mbogho; A.N. Muraya; F. O. Aloo; B.W. Irungu; I. Karim; F. Okwiri; F.O Omondi; F. Mitambo; P. Seroney; D. Waweru; C Luo; E. Harunani; J. Mureithi.

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Responsibilities of the directors and those charged with governance for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audits. 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 company's internal control.
- Evaluate the appropriateness of material accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company 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.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Report of the Directors

In our opinion the information given in the Report of the Directors on pages 3 to 4 is consistent with the financial statements.

Directors' Remuneration Report

In our opinion the auditable part of the Directors' Remuneration report presented on pages 21 to 24 has been properly prepared in accordance with the Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA David Waweru, Practicing Certificate No. 2204.**



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

25 July 2025

EAAGADS LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 KShs'000	2024 KShs'000
Revenue	6	277,266	190,615
Gain arising from changes in fair value of biological assets at fair value less costs to sell	15	2,656	762
Cost of production	7	<u>(193,619)</u>	<u>(123,575)</u>
Gross profit		86,303	67,802
Other income	8	1,215	435
Administrative expenses	9	(50,560)	(46,842)
Selling and distribution expenses	10	(14,567)	(5,057)
Finance costs	19(c)	(4,272)	(10,928)
Net foreign exchange loss/(gain)		<u>(685)</u>	<u>1,659</u>
Profit before tax	11	17,434	7,069
Tax (charge)/credit	12(a)	(5,589)	2,093
Profit for the year		11,845	9,162
Other comprehensive income			
Other comprehensive income not to be reclassified to the profit or loss in subsequent period			
Revaluation of property, plant and equipment	14(a)	(182,886)	288,849
Deferred tax on revaluation of property, plant and equipment	23	27,433	(43,328)
Remeasurement of post-employment benefit obligations			
Actuarial gain	24	634	2,212
Deferred tax to remeasurement of post-employment benefit obligations	23	<u>190</u>	<u>(664)</u>
Total other comprehensive (loss)/income, net of tax		(154,629)	247,069
Total comprehensive (loss)/income for the year		<u>(142,784)</u>	<u>256,231</u>
Earnings per share – basic and diluted (KShs)	13	<u>0.37</u>	<u>0.29</u>

EAAGADS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	2025 KShs'000	2024 KShs'000
NON-CURRENT ASSETS			
Property, plant and equipment	14(a)	1,350,224	1,543,242
Right of use asset	16	<u>213</u>	<u>213</u>
		<u>1,350,437</u>	<u>1,543,455</u>
CURRENT ASSETS			
Biological assets	15	118,107	115,451
Inventories	17	8,126	37,123
Trade and other receivables	18	66,632	45,316
Corporation tax recoverable	12(c)	-	1,260
Cash and bank balances	27	<u>31,578</u>	<u>14,545</u>
		<u>224,443</u>	<u>213,695</u>
TOTAL ASSETS		<u>1,574,880</u>	<u>1,757,150</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	40,196	40,196
Revaluation reserve	21	1,064,034	1,228,348
Retained earnings	22	<u>189,485</u>	<u>167,955</u>
Total equity		<u>1,293,715</u>	<u>1,436,499</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	23	212,991	240,308
Retirement benefit obligations	24	14,923	14,102
Long service awards	25	<u>402</u>	<u>402</u>
		<u>228,316</u>	<u>254,812</u>
CURRENT LIABILITIES			
Retirement benefit obligations	24	3,298	3,168
Corporation tax payable	12(c)	4,023	-
Amounts due to related parties	19(b)	8,636	21,402
Crop debenture short term loan	19(c)	30,317	28,015
Trade and other payables	26	<u>6,575</u>	<u>13,254</u>
		<u>52,849</u>	<u>65,839</u>
TOTAL EQUITY AND LIABILITIES		<u>1,574,880</u>	<u>1,757,150</u>

The financial statements on pages 26 to 62 were approved and authorised for issue by the Board of Directors on 26 July 2025 and signed on its behalf by:



 George Kapanadze



 Muthoni Runji

EAAGADS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital	Revaluation reserve	Retained earnings	Total
	KShs'000 (Note 20)	KShs'000 (Note 21)	KShs'000 (Note 22)	KShs'000
At 1 April 2023	40,196	991,688	148,384	1,180,268
Profit for the year	-	-	<u>9,162</u>	<u>9,162</u>
Other comprehensive income/ (loss)	<u>-</u>	<u>245,521</u>	<u>1,548</u>	<u>247,069</u>
Total comprehensive income/(loss) for the year	-	245,521	10,710	256,231
Transfer of excess depreciation	<u>-</u>	<u>(8,861)</u>	<u>8,861</u>	<u>-</u>
At 31 March 2024	<u>40,196</u>	<u>1,228,348</u>	<u>167,955</u>	<u>1,436,499</u>
At 1 April 2024	40,196	1,228,348	167,955	1,436,499
Profit for the year	-	-	<u>11,845</u>	<u>11,845</u>
Other comprehensive income/ (loss)	<u>-</u>	<u>(155,453)</u>	<u>824</u>	<u>(154,629)</u>
Total comprehensive income/(loss) for the year	-	(155,453)	12,669	(142,784)
Transfer of excess depreciation	<u>-</u>	<u>(8,861)</u>	<u>8,861</u>	<u>-</u>
At 31 March 2025	<u>40,196</u>	<u>1,064,034</u>	<u>189,485</u>	<u>1,293,715</u>

The retained earnings represent accumulated surplus arising from other normal operating activities.

EAAGADS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	Notes	KShs'000	KShs'000
OPERATING ACTIVITIES			
Profit before tax		17,434	7,069
Depreciation	14(a)	14,564	13,745
Foreign exchange loss/(gain)		(530)	238
Increase in retirement benefit obligations	24	3,804	3,118
Interest expense	19 (c)	4,272	10,928
Gain arising from changes in fair value of biological assets less estimated costs to sell	15	<u>(2,656)</u>	<u>(762)</u>
Operating profit before working capital changes		36,888	34,336
Retirement benefits paid	24	(2,219)	(1,860)
Increase in trade and other receivables		(21,316)	(13,672)
(Decrease)/increase in amounts due to related companies		(12,766)	1,734
Decrease in amounts due from related companies		-	1,267
Decrease/(increase) in inventories		28,997	<u>(31,302)</u>
(Decrease)/increase in trade and other payables		<u>(6,679)</u>	<u>8,953</u>
Cash generated/(used in) from operations		22,905	(544)
Income tax paid	12(c)	-	(9)
Net cash generated/(used in) from operating activities		<u>22,905</u>	<u>(553)</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	14(a)	<u>(4,432)</u>	<u>(10,313)</u>
Net cash used in investing activities		<u>(4,432)</u>	<u>(10,313)</u>
FINANCING ACTIVITIES			
Interest paid	19(c)	(4,272)	(10,928)
Advances from Coffee Management Services	19(c)	28,098	139,896
Repayment of advances from Coffee Management Services	19(c)	<u>(25,796)</u>	<u>(111,881)</u>
Net cash (used in)/generated from financing activities		<u>(1,970)</u>	<u>17,087</u>
Net increase in cash and cash equivalents		16,503	6,221
Cash and cash equivalents at the beginning of the year		14,545	8,562
Effect of exchange rate changes on cash and cash equivalents		<u>530</u>	<u>(238)</u>
Cash and cash equivalents at the end of the year	27	<u>31,578</u>	<u>14,545</u>

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. GENERAL INFORMATION

The company's main business is the growing and selling of coffee beans.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation of financial statements

The financial statements of Eaagads Limited for the year ended 31 March 2025 have been prepared in accordance with IFRS® Accounting Standards as issued by the Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015.

The financial statements are presented in thousands of Kenya Shillings (KShs '000) and are prepared on a historical cost basis except for land and biological assets that have been carried at fair value. The preparation of financial statements in conformity with IFRS Accounting standards requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

b. Adoption of new and revised IFRS® Accounting Standards

i. Relevant new standards and amendments to published standards effective for the year ended 31 March 2025

Several new and revised standards and interpretations became effective during the year. The Directors have evaluated the impact of the new standards and interpretations and none of them had a material impact on the Company's financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements.

The company has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the company applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

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

The company has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. New and amended standards, interpretations and improvements (continued)

i. Relevant new standards and amendments to published standards effective for the year ended 31 March 2025 (continued)

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants

The company has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current — Deferral of Effective Date

The amendments defer the effective date of the amendments to IAS 1 titled Classification of Liabilities as Current or Non-current published in January 2020 (the 2020 amendments) by one year to annual reporting periods beginning on or after 1 January 2024.

Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The company has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. New and amended standards, interpretations and improvements (continued)

i. Relevant new standards and amendments to published standards effective for the year ended 31 March 2025 (continued)

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Amendments to IFRS S2: Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

ii. New and revised IFRS Accounting Standards in issue but not yet effective

Impact of new and amended standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, the Company has not yet applied the following new and revised IFRS® Accounting Standards that have been issued but are not yet effective.

New and Amendments to standards	Effective for annual periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability	Annual periods beginning on or after 1 January 2025 with earlier application permitted
IFRS 18 - Presentation and Disclosures in Financial Statements	Annual periods beginning on or after 1 January 2025 with earlier application permitted
Amendments to IFRS 7 and IFRS 9 – amendments to classification and measurements of financial instruments	Annual periods beginning on or after 1 January 2026 with earlier adoption permitted
Amendments to the Sustainability Accounting Standards Board (SASB) standards	Annual periods beginning on or after 1 January 2025 with earlier adoption permitted
Annual Improvements to IFRS® Accounting Standards	Annual periods beginning on or after 1 January 2026 with earlier adoption permitted

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods, except if indicated below.

Amendments to IAS 21- The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. New and amended standards, interpretations and improvements (continued)

ii. New and revised IFRS Accounting Standards in issue but not yet effective (continued)

Impact of new and amended standards and interpretations in issue but not yet effective (continued)

Amendments to IAS 21- The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (continued)

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. New and amended standards, interpretations and improvements (continued)

ii. New and revised IFRS Accounting Standards in issue but not yet effective (continued)

Impact of new and amended standards and interpretations in issue but not yet effective (continued)

IFRS 18 Presentation and Disclosures in Financial Statements (continued)

The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS® Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS® Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS® Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion)

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the company do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. New and amended standards, interpretations and improvements (continued)

ii. New and revised IFRS Accounting Standards in issue but not yet effective (continued)

Impact of new and amended standards and interpretations in issue but not yet effective (continued)

Amendments to IFRS 7 and IFRS 9 – amendments to classification and measurements of financial instruments

Classification of financial assets

Contractual terms that are consistent with a basic lending arrangement

The application guidance in IFRS 9 is amended to provide guidance on how an entity assesses whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

The IASB specifies that when assessing interest, an entity focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation an entity receives may indicate that the entity is being compensated for something other than basic lending risks and costs.

The amendments clarify that contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost (for example, the value of equity instruments or the price of a commodity) or if they represent a share of the debtor's revenue or profit, even if such contractual terms are common in the market in which the entity operates.

In some cases, a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks or costs. For example, the terms of a loan may specify that the interest rate is adjusted by a specified amount if the debtor achieves a contractually specified reduction in carbon emissions. In such a case, the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature. In some circumstances, the entity may be able to make that determination by performing a qualitative assessment; but, in other circumstances, it may be necessary to perform a quantitative assessment. If it is clear, with little or no analysis, that the contractual cash flows are not significantly different, an entity need not perform a detailed assessment

Financial assets with non-recourse features

IFRS 9 is amended to enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets. In other words, the entity is primarily exposed to the specified assets' performance risk rather than the debtor's credit risk. For example, a creditor's ultimate right to receive cash flows may be contractually limited to the cash flows generated by specified assets of a structured entity. Contractually linked instruments

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. New and amended standards, interpretations and improvements (continued)

ii. New and revised IFRS Accounting Standards in issue but not yet effective (continued)

Impact of new and amended standards and interpretations in issue but not yet effective (continued)

Amendments to IFRS 7 and IFRS 9 – amendments to classification and measurements of financial instruments (continued)

Financial assets with non-recourse features (Continued)

The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments; some are instead lending arrangements that are structured to provide enhanced credit protection to a creditor (or group of creditors). For example, a structured entity may be set up to hold the underlying assets that will generate the cash flows to repay the creditor. The structured entity issues senior and junior debt instruments. The creditor holds the senior debt instrument and the entity sponsoring the structured entity that holds the junior debt instrument has no practical ability to sell the junior instrument without the senior debt instrument becoming payable. Under the amendments, the holders of such debt instruments apply the requirements for contractual cash flows that are solely payments of principal and interest on the principal amount outstanding instead of the contractually linked instruments requirements.

The contractually linked instruments requirements in IFRS 9 apply only if the underlying pool includes one or more instruments that have contractual cash flows that are solely payments of principal and interest. The amendments clarify that this includes financial instruments that are not within the scope of the classification requirements, provided these instruments have contractual cash flows that are equivalent to solely payments of principal and interest on the principal amount outstanding—for example, some lease receivables. The amendments specify that this would not be the case for lease receivables that are subject to residual value risk, or that comprise variable lease payments that are indexed to a variable that is not a basic lending risk or cost (for example, a market rental rate).

Amendments to IFRS 7

Investments in equity instruments designated at FVTOCI

The disclosures requirements in IFRS 7 in respect of investments in equity instruments designated at FVTOCI are amended. In particular, an entity is required to disclose the fair value gain or loss presented in OCI during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period. If an entity derecognises investments in equity instruments measured at FVTOCI during the reporting period, it is now required, under the amendments, to disclose any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

Also, an entity is no longer required to disclose the reporting date fair value of each equity instruments designated at FVTOCI, this information can be provided by class of instruments.

Contractual terms that could change the timing or amount of contractual cash flows

The amendments introduce disclosure requirements for financial instruments that include contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs (such as the time value of money or credit risk). Disclosures include a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows as well as the gross carrying amount of financial assets and the amortised cost of financial liabilities subject to those contractual terms.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. New and amended standards, interpretations and improvements (continued)

ii. New and revised IFRS Accounting Standards in issue but not yet effective (continued)

Impact of new and amended standards and interpretations in issue but not yet effective (continued)

Amendments to IFRS 7 and IFRS 9 – amendments to classification and measurements of financial instruments (continued)

Amendments to IFRS 7 (continued)

The entity is required to make these disclosures by class of financial assets measured at amortised cost or FVTOCI and by class of financial liabilities measured at amortised cost

iii. Early adoption of standards

The Company did not early-adopt any new or amended standards in the year ended 31 December 2024.

c. 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 and no separate segment information has been provided.

d. Revenue recognition

The company is in the business of growing and selling coffee beans. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. The company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer, which represent fulfilment of performance obligation as per contract with customer.

Revenue comprises the 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 terms of each arrangement.

Sales of produce are recognised at a point in time when the control of the promised goods transfers to the customer and the entity has satisfied its performance obligations under the contract with the customer. The point of transfer of control for sales other than by auction is determined as the date the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. For auction it is determined upon the fall of the hammer for confirmed bids.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

e. 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. All the values are rounded to the nearest thousand (KShs '000), except where otherwise indicated.

ii. Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

f. Current versus non-current classification

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current.

g. Fair value measurement

The company's non-financial assets; Freehold Land, buildings, plant & machinery and biological assets are stated at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g. Fair value measurement (Continued)

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved in the valuation the company's freehold land, buildings, plant and machinery. The valuation of freehold land is done annually whereas that of buildings, plant and machinery is carried out every four years, in line with the company's policy. Management has determined this as sufficient frequency to ensure that the carrying amount does not differ materially from its fair value. The last valuation of freehold land was done in December 2024.

C B Richard Ellis (CBRE), independent external property values are involved in the annual valuation process of the company's land. The Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The valuation of buildings, plant and machinery was carried out on 31 March 2021 by Africa and Beyond Valuers Limited.

Management adopts the principles of IAS 41 when assessing the fair values of its biological assets. This assessment is conducted at each reporting date

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

h. Property, plant and equipment

All property, plant and equipment including coffee bearer plants are initially recorded at cost.

After initial recognition, coffee bearer plants are measured at accumulated cost (before maturity) and at cost, net of accumulated depreciation and accumulated impairment losses, if any (after maturity), which is estimated at 4 years from planting date. Capitalization of costs ceases when the bearer plants reach maturity, which is when coffee beans can be commercially harvested.

Freehold Land, buildings, plant & machinery are subsequently shown at its revalued amounts based on valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses, if any. The revaluations are carried out after every four years by external independent valuers. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

All costs of planting, upkeep and maintenance of coffee bearer plants after maturity are recognised in profit or loss under cost of production in the period in which they are incurred.

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 costs are charged to profit or loss during the financial period in which they are incurred.

Any increase arising on the revaluation of Freehold Land, buildings, plant & machinery 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 and plant and machinery is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

h. Property, plant and equipment (Continued)

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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	20 years
Plant and machinery	5 years
Motor vehicles and equipment	3 – 8 years
Bearer plants	65 Years

Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

i. Biological assets

Coffee berries growing on the coffee bearer plants are accounted for as biological assets until the point of harvest. Biological assets are measured on initial recognition and at each end of the reporting period at fair value less costs to sell. Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair values less costs to sell are recognised in profit or loss in the year in which they arise. The fair value of coffee berries is determined based on present values of expected future cash flows, discounted at current market – determined pre-tax rates. At the time of harvest, coffee berries are measured at fair value less costs to sell and are transferred to inventories.

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.

j. Leasehold land / Right of use asset

The Company assesses, at contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

j. PLeasehold land / Right of use asset (Continued)

Company as a lessor

Leases where the company does not transfer substantially all the risks and benefits incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Lease income from operating leases shall be recognised in income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

The company has a canteen which it has let out. The amount is considered to be low value and short term in nature.

k. Inventories

Agricultural produce at the point of harvest is measured at fair value less costs to sell at the point of harvest. Any changes arising on initial recognition of agricultural produce at fair value less costs to sell as a result of harvesting are recognised in profit or loss in the year in which they arise.

Inventories, such as milled coffee, are stated at the lower of cost and net realisable value. Cost is determined using 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 costs to sell 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, such as chemicals and fertilizers are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method.

l. Taxation

Income tax expense represents the sum of the tax currently payable and net deferred tax charge for the year.

Current tax

The tax currently recoverable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

l. Taxation (Continued)

Deferred tax (Continued)

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Valued Added Tax (VAT)

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the valued added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of valued added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 2 (d) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 are solely payments of principal and interest on the principal amount outstanding.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

I. Financial instruments (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and other receivables and cash and bank balances.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank and cash in hand as defined above as they are considered an integral part of the Company's cash management.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
 - a. the Company has transferred substantially all the risks and rewards of the asset, or
 - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

For trade receivables and bank balances, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's sales are expected to be paid within 7 days after an invoice has been raised. The Company has not made any significant provision for the expected credit losses in the books given the nature of the business.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

I. Financial instruments (Continued)

Financial liabilities (Continued)

The company's financial liabilities include trade and other payables, short-term loans and amounts due to related parties.

Subsequent measurement

Trade payables, short-term loan and amounts due to related parties are carried at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

n. Employee benefits

i. Post-employment benefit obligations

For its unionised employees, the company has an unfunded obligation to pay service 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. The company classifies these post-employment benefit obligations as other long-term employee benefits.

Re-measurements, comprising of actuarial gains and losses are recognised immediately in the statement of financial position with a corresponding debit or credit to profit or loss in the period in which they occur.

ii. Staff termination benefits

The company from time to time offers its staff the option of voluntary early retirement. These costs are computed based on the Collective Bargaining Agreement (CBA) in force at the time of retirement and are charged to profit or loss at the time when the company can no longer withdraw the offer of those benefits. The company did not make any provision for staff termination benefits during the year.

iii. Statutory contributions to defined contribution scheme

The company also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF).

The company's contributions to the scheme are charged to profit or loss in the year in which they fall due.

iv. Other entitlements

Long service awards

Employee entitlements to long service awards are recognised when they accrue to employees. These long service awards are specified lump sum cash rewards paid to employees based on the length of service served. Employees qualify for the long service awards on reaching the 10th, 20th, 30th, 40th and 50th anniversary with the company.

Employees who have not reached any of the anniversaries or are dismissed from service due to misconduct are not entitled to any benefit under the arrangement.

The expense accruals are recognised in profit or loss and the liability recognised in the statement of financial position.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

n. Employee benefits (Continued)

Due to the marginal returns on the financial performance of the company, the last such incentive was paid out to members of staff in January 2008 and as a result, the accrual of this incentive was frozen.

Leave entitlement

Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to the reporting date. Employees are entitled to carry forward a maximum of 15 leave days per annum which should be fully utilised by end of March the following year. The estimated monetary liability for employees' accrued annual leave entitlement at the end of the reporting period is recognised as an expense accrual.

o. Dividends

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

p. Provisions for liabilities and other charges

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

q. Impairment of non-financial assets

The carrying amounts of the company's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Revaluation of certain class of property, plant and equipment

The company carries certain classes of property, plant and equipment at fair value, with changes in fair value being recognised in other comprehensive income. The company's land was last valued as at 31 December 2024 by CB Richard Ellis (CBRE), an accredited independent valuer. In the director's assessment, the value of the land was not significantly different as at year end 31 March 2025. The company's buildings, and plant and machinery are valued every five years and were last revalued on 31 March 2021 by Africa and Beyond valuers limited, an accredited independent valuer. The fair values of these property, plant and equipment were determined by using market comparable method or the depreciated replacement cost where market comparable method was not appropriate.

Further details on property, plant and equipment are given in Note 14.

Biological assets

In determining the fair value of biological assets (coffee berries growing on coffee bushes), the company uses the present value of expected cash flows 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 coffee and exchange rates. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed on a regular basis to reduce any differences between estimates and actual experience.

In determining the bearer plant is mature the company considers when the growing berries on bearer plant can be commercially harvested. This normally takes 4 – 7 years depending on when it begins to bear the coffee beans (cherries) in clusters from planting date. This represents the point at which the company ceases capitalisation of costs and the coffee bushes are reclassified as mature coffee bearer plant.

Further details biological assets are given in Note 15.

4. CAPITAL MANAGEMENT

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 has no formal capital management policy.

The operations of the company are subject to regulatory requirement by Nairobi Securities Exchange (NSE) where it is listed in the Alternative Investment Market (AIM) segment of minimum authorized issued and fully paid up ordinary share capital of twenty million shillings. The company has complied with the same.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

4. CAPITAL MANAGEMENT (CONTINUED)

The company has no debt related externally imposed capital requirements.

As at 31 March 2025, the company had a balance of KShs 30,317,000 on the crop debenture arrangement (31 March 2024: Kshs 28,015,000). The constitution of capital managed by the company is as follows:

	2025 KShs'000	2024 KShs'000
Share capital	40,196	40,196
Revaluation surplus	1,064,034	1,228,348
Retained earnings	<u>189,485</u>	<u>167,955</u>
Equity	<u>1,293,715</u>	<u>1,436,499</u>
Debt	30,317	28,015
Less :Cash and Bank balances	<u>(31,578)</u>	<u>(14,545)</u>
Net debt	<u>(1,261)</u>	<u>13,470</u>
Gearing	<u>(0.10)%</u>	<u>0.94%</u>

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial liabilities comprise trade payables, short-term borrowing and amounts due to related companies. The main purpose of these financial liabilities is to raise finance for the company's operations. The company's financial assets include trade and other receivables and cash and bank balances, which arise directly from its operations.

Financial instruments by category	2025 KShs'000	2024 KShs'000
Financial assets measured at amortised cost		
Cash and cash equivalents	31,578	14,545
Trade and other receivables	<u>19,324</u>	<u>7,044</u>
	<u>50,902</u>	<u>21,589</u>
Financial liabilities measured at amortised cost		
Trade and other payables	6,558	13,159
Crop debenture short term loan	30,317	28,015
Amounts due to related companies	<u>8,636</u>	<u>21,402</u>
	<u>45,511</u>	<u>62,576</u>

The amounts in the table above are the carrying amounts of the financial instruments at the reporting date. All the financial assets are classified financial assets measured at amortized cost. All financial liabilities are classified financial liabilities measured at amortized cost.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The company's activities expose it to a variety of financial risks: market 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 currency exposures, 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:

	2025	2024
	KShs'000	KShs'000
Bank balances	<u>29,286</u>	<u>7,659</u>

At 31 March 2025, if the Kenya Shilling had weakened/strengthened by 5% against the US dollar with all other variables held constant, the impact on pre-tax profit and on equity for the years would have been KShs' 1,464,000 (2024 : KShs' 383,000) and KShs' 1,025,000 (2024 : KShs' 268,000) respectively.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to the risk of changes in market interest rates primarily to its only short-term debt obligation because the interest rate has been contractually fixed at inception.

iii. Credit risk

Credit risk arises from cash and bank balances and trade and other receivables. The company initially used to sell 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 3 and 7 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.

When coffee is being sold directly to customers, title to the coffee is only transferred when sales proceeds are received from the buyer.

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

For cash with bank institution, the company has policy to have cash with bank placed on financial institutions which have a strong credit rating. Management monitors the institution with which it has bank balances to ensure they continue being of good credit.

Credit risk on related party balances arises from transactions with other companies in the group. Management approves and monitor these transactions and ensures timely settlement of the same.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

iii. Credit risk (Continued)

The amount that best represents the company's maximum exposure to credit risk is made up of the following:

Classification of credit risk bearing assets:

	Fully performing	Past due	Impaired	Total
	KShs '000	KShs '000	KShs '000	KShs '000
At 31 March 2025				
Cash at bank	31,578	-	-	31,578
Trade and other receivables	<u>19,324</u>	<u>-</u>	<u>-</u>	<u>19,324</u>
Total	<u>50,902</u>	<u>-</u>	<u>-</u>	<u>50,902</u>
At 31 March 2024				
Cash at bank	14,545	-	-	14,545
Trade and other receivables	<u>7,044</u>	<u>-</u>	<u>-</u>	<u>7,044</u>
Total	<u>21,589</u>	<u>-</u>	<u>-</u>	<u>21,589</u>

No collateral is held for any of the above assets. The company does not grade the credit quality of receivables due to nature of its business as title is only released when sales proceeds are received from a customer. 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.

iv. 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. As at 31 March 2025, the company had utilised Kshs 30,317,000 of its crop debenture loan from its coffee marketing and managing agent, Coffee Management Services (31 March 2024: Kshs 28,015,000).

Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flows for the company. 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.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

iv. Liquidity risk(Continued)

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 amounts, as the impact of discounting is not significant.

	Within 12 months	Over 12 months	Total
	KShs '000	KShs '000	KShs '000
At 31 March 2025			
Trade payables	3,591	-	3,591
Crop debenture loan	30,317	-	30,317
Other payables	2,967	-	2,967
Due to related companies	8,636	-	8,636
Long Service Awards	-	402	402
Retirement Benefits	<u>3,298</u>	<u>14,923</u>	<u>18,221</u>
	<u>48,809</u>	<u>15,325</u>	<u>64,134</u>
At 31 March 2024			
Trade payables	7,790	-	7,790
Crop debenture loan	28,015	-	28,015
Other payables	5,369	-	5,369
Due to related companies	<u>21,402</u>	<u>-</u>	<u>21,402</u>
Long Service Awards	-	402	402
Retirement Benefits	<u>3,168</u>	<u>14,102</u>	<u>17,270</u>
	<u>65,744</u>	<u>14,504</u>	<u>80,248</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

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

6. REVENUE

	2025	2024
	KShs'000	KShs'000
Coffee direct sales	131,997	183,310
Coffee auction sales	<u>145,269</u>	<u>7,305</u>
	<u>277,266</u>	<u>190,615</u>

7. COST OF PRODUCTION

Coffee upkeep costs	159,944	91,418
Coffee harvesting costs	30,820	29,278
Renovations	<u>2,855</u>	<u>2,879</u>
	<u>193,619</u>	<u>123,575</u>

8. OTHER INCOME

	2025	2024
	KShs'000	KShs'000
Rent	28	74
Firewood	1,128	341
Inventory adjustment	59	-
Insurance recoveries on all risks	<u>-</u>	<u>20</u>
	<u>1,215</u>	<u>435</u>

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

9. ADMINISTRATIVE EXPENSES

	2025	2024
	KShs'000	KShs'000
Administration staff costs	7,285	7,167
Directors Allowances	1,284	1,900
Depreciation (Note 14)	14,564	13,745
Management fees (Note 19 (c))	2,395	2,686
Insurance	1,976	1,946
Auditors' remuneration	1,900	1,900
Legal and professional fees	13,452	8,558
Gratuity expenses (Note 24)	3,804	3,118
Office expenses	978	3,266
Other operating expenses	<u>2,922</u>	<u>2,556</u>
	<u>50,560</u>	<u>46,842</u>
Staff costs comprise:		
Salaries:		
General workers (included under cost of production)	16,743	14,118
Other staff benefits (included under cost of production)	-	167
	<u>16,743</u>	<u>14,285</u>
Managing staff	4,487	4,607
Allowances	1,319	1,181
Training	<u>38</u>	<u>266</u>
Medical benefits	562	572
Other staff benefits	711	400
NSSF-defined contribution plan expense	168	141
	<u>7,285</u>	<u>7,167</u>
Categorisation by Employee contract	=	
	31-Mar-25	31-Mar-24
Permanent	63	63
Contracted	4	4
	<u>67</u>	<u>67</u>
Categorisation by Gender	31-Mar-25	31-Mar-24
	Male Female	Male Female
Senior leadership	100% 0%	100% 0%
Section heads	33% 67%	33% 67%
Overall	81% 19%	81% 19%

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	KShs'000	KShs'000
10. SELLING AND DISTRIBUTION EXPENSES		
Coffee marketing commission [Note 19 (c)]	7,155	157
Crop commission [Note 19 (c)]	<u>7,412</u>	<u>4,900</u>
	<u>14,567</u>	<u>5,057</u>
11. PROFIT BEFORE TAX		
Profit before tax is arrived at after charging:		
Depreciation on property, plant and equipment (Note 14)	14,564	13,745
Staff costs (Note 9)	7,285	7,167
Auditors' remuneration (Note 9)	<u>1,900</u>	<u>1,900</u>
12. TAX/CHARGE (CREDIT)		
a) PROFIT OR LOSS		
Current tax based on taxable profit at 30%	5,283	22
Deferred tax (credit)/charge (Note 23)	306	(2,115)
Net (credit)/charge to profit or loss	<u>5,589</u>	<u>(2,093)</u>
b) RECONCILIATION OF EXPECTED TAX BASED ON ACCOUNTING PROFIT/ (LOSS)		
	2025	2024
	KShs'000	KShs'000
Accounting profit before tax	<u>17,434</u>	<u>7,069</u>
Tax calculated at the applicable rate of 30% (2024:30%)	5,230	2,121
Tax effect on items not deductible for tax purposes	359	819
Deferred tax not recognised	<u>-</u>	<u>(5,033)</u>
	<u>5,589</u>	<u>(2,093)</u>
c) TAX RECOVERABLE		
At the beginning of the year	1,260	1,273
Tax paid during the year	-	9
Charge to profit or loss	<u>(5,283)</u>	<u>(22)</u>
	<u>(4,023)</u>	<u>1,260</u>
13. EARNINGS PER SHARE		
Profit attributable to equity holders of the company	11,845	9,162
Weighted average number of ordinary shares in issue	32,157	32,157
Basic and diluted (loss)/ earnings per share	0.37	0.29

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

14. (a) PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and machinery	Motor Vehicles and equipment	Bearer plants coffee	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Year ended 31 March 2025						
Cost or valuation						
At 1 April 2024	1,378,847	60,924	32,431	18,340	216,852	1,707,394
Additions	-	-	-	4,432	-	4,432
Revaluation loss	(182,886)	-	-	-	-	(182,886)
At 31 March 2025	<u>1,195,960</u>	<u>60,924</u>	<u>32,431</u>	<u>22,772</u>	<u>216,852</u>	<u>1,528,940</u>
Accumulated depreciation						
At 1 April 2024	-	9,057	18,588	9,211	127,296	164,152
Charge for the year	-	3,107	6,483	1,638	3,336	14,564
At 31 March 2025	<u>-</u>	<u>12,164</u>	<u>25,071</u>	<u>10,849</u>	<u>130,632</u>	<u>178,716</u>
Carrying amount						
At 31 March 2025	<u>1,195,961</u>	<u>48,760</u>	<u>7,360</u>	<u>11,923</u>	<u>86,220</u>	<u>1,350,224</u>
Year ended 31 March 2024						
Cost or valuation						
At 1 April 2023	1,089,998	60,924	30,503	9,955	216,852	1,408,232
Additions	-	-	1,928	8,385	-	10,313
Revaluation gain	288,849	-	-	-	-	288,849
At 31 March 2024	<u>1,378,847</u>	<u>60,924</u>	<u>32,431</u>	<u>18,340</u>	<u>216,852</u>	<u>1,707,394</u>
Accumulated depreciation						
At 1 April 2023	-	5,950	12,198	8,299	123,960	150,407
Charge for the year	<u>-</u>	<u>3,107</u>	<u>6,390</u>	<u>912</u>	<u>3,336</u>	<u>13,745</u>
At 31 March 2024	<u>-</u>	<u>9,057</u>	<u>18,588</u>	<u>9,211</u>	<u>127,296</u>	<u>164,152</u>
Carrying amount						
At 31 March 2024	<u>1,378,847</u>	<u>51,867</u>	<u>13,843</u>	<u>9,129</u>	<u>89,556</u>	<u>1,543,242</u>
Cost or valuation						
Carrying amount (cost basis)						
At 31 March 2025	<u>11</u>	<u>2,776</u>	<u>-</u>	<u>11,923</u>	<u>86,220</u>	<u>100,930</u>
At 31 March 2024	<u>11</u>	<u>2,949</u>	<u>-</u>	<u>9,129</u>	<u>89,556</u>	<u>101,645</u>

EAAGADS LIMITED

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

14. (a) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Freehold land was last revalued by C B Richard Ellis (CBRE) as at 31 December 2024 using the comparable sales method whereby the attributes of the property are compared with those of similar properties in order to arrive at the market value of the land. The land measures 44 hectares. The land is located on LR No. 295/15 in Thika District. The carrying amounts 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 equity.

Buildings, plant and machinery were revalued on 31 March 2021 by Africa and Beyond Valuers Limited an accredited independent valuer. The fair value of the buildings, plant and machinery was determined by using market comparable method or the depreciated replacement cost where the information for applying the market comparable method was not available. The buildings are located on LR No. 295/15 in Thika District.

Included in the net carrying amount of property, plant and equipment are freehold land and buildings amounting to KShs 1,195,961,000 and KShs 48,760,000 respectively. The company does not have any contractual commitments for the purchase of property, plant and equipment.

There are no contingent rents recognised as an expense in the period related to the freehold land. Additional disclosures on the valuation of the properties are provided in Note 28

(b) RECONCILIATION OF FAIR VALUE OF REVALUED PLANT, PROPERTY AND EQUIPMENT

	Land and buildings	Plant and Machinery	Total
Cost or valuation	KShs'000	KShs'000	KShs '000
Year 2025			
At 1 April 2024	1,439,771	32,431	1,472,202
Additions	-	-	-
Revaluation adjustment	(182,886)	-	(182,886)
At 31 March 2025	<u>1,256,885</u>	<u>32,431</u>	<u>1,289,316</u>
Accumulated depreciation	<u>(12,164)</u>	<u>(25,071)</u>	<u>(37,235)</u>
At 31 March 2025	<u>1,244,721</u>	<u>7,360</u>	<u>1,252,081</u>
Year 2024			
At 1 April 2023	1,150,922	30,503	1,181,425
Additions	-	1,928	1,928
Revaluation adjustment	<u>288,849</u>	-	<u>288,849</u>
At 31 March 2024	<u>1,439,771</u>	<u>32,431</u>	<u>1,472,202</u>
Accumulated depreciation	<u>(9,057)</u>	<u>(18,588)</u>	<u>(27,645)</u>
At 31 March 2024	<u>1,430,714</u>	<u>13,843</u>	<u>1,444,557</u>

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

14. (c) IMPACT OF THE ENACTMENT OF THE LAND REGISTRATION ACT NO. 3 2012 OF THE COMPANY'S

LAND HOLDING STATUS

The current Constitution, enacted on 27 August 2010, introduced significant changes in the landholding by non-citizens. The Constitution no longer allows foreigners and foreign bodies to own 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 becomes 99 year leases upon enactment of the required legislation under Articles 65(4) of the constitution. These changes in the landholding took effect on 2 May 2012 upon the enactment of the Land Registration Act No. 3 of 2012.

As per the definition of Articles 65(3) of the constitution, the company is a non-citizen since its ultimate holding company is a non-citizen. Therefore, the status of its freehold land changes to 99 years lease. The Company has assessed the impact of the amended land laws, and concluded that they do not impact significantly on these financial statements. The Company currently accounts for its land classified as freehold in a similar manner to accounting for the purchase of the land by applying IAS 16 Property, Plant and Equipment, rather than by applying IFRS 16.

The company is waiting for the National Land Commission to issue guidelines that will operationalise the provisions of the constitution and the revised land laws. The company will continue to reassess the impact of the revised land laws to the financial statements as the guidelines are issued.

15. BIOLOGICAL ASSETS

	Coffee	Forestry	Total
	KShs'000	KShs'000	KShs'000
At 1 April 2024	114,904	547	115,451
Decrease due to value of coffee harvested	(99,210)	-	(99,210)
Increase in value due to growth	99,210	-	99,210
Gain arising from changes in fair value	<u>2,589</u>	<u>67</u>	<u>2,656</u>
At 31 March 2025	<u>117,493</u>	<u>614</u>	<u>118,107</u>
At 1 April 2023	114,049	640	114,689
Decrease due to value of coffee harvested	(91,376)	-	(91,376)
Increase in value due to growth	91,376	-	91,376
Gain/(loss) arising from changes in fair value	<u>855</u>	<u>(93)</u>	<u>762</u>
At 31 March 2024	<u>114,904</u>	<u>547</u>	<u>115,451</u>

The company's biological assets consisting of coffee berries and forestry are carried at fair value less estimated costs to sell. 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 company has made certain assumptions about the yields and market prices in future years.

Valuation process

The company has a team within the agronomy department that performs the valuation of biological assets. When considering the appropriate prices for coffee beans to use, the team reviews available information, including: the quantity of coffee beans growing on the coffee bushes; the budding patterns; expected yield from historical patterns; current weather condition and their effect on health of coffee bushes on which they grow; current market prices for coffee bean in Nairobi Coffee Exchange; expected viticulture and harvest costs through to harvest; and the expected timing of harvest

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

15. BIOLOGICAL ASSETS (CONTINUED)

The valuation policies and procedures, as well as changes in the fair value measurements are reviewed by the finance manager annually. The finance manager is responsible for internal valuation team. The company's internal valuation team comprises group of agronomists who hold relevant professional qualifications and are experienced in valuations in the coffee industry.

The key assumptions made and significant unobservable valuation inputs used made concerning the future (projected over 12 months in respect of coffee berries and 15 years in respect of forestry) are as follows::

- Climatic conditions will remain the same:
- The market price of coffee will be US\$ 4,9607 (2024: US\$ 4,467) per ton; The price has been determined by taking year average prices at Nairobi coffee exchange (NCE) market and adjusted with differential between the NCE public price and entity actual prices in the same period.
- Expected yields from existing coffee bearer plants will reasonably compare with the agronomist's flowering charts /budgets.
- Cost to sale based on historical trend of 4.95% of the gross sale proceed.
- The sales proceeds are converted into Kenya Shillings at an exchange rate of KShs 129.32 (2024: KShs 131.80) to the US\$.
- The market price of timber, in constant price shillings terms, will be KShs 3,000 (2024: KShs 3,000) per cubic metre;
- Forest density is 1,333 per ha for Eucalyptus (new), 333 per ha for the coppiced and 267 trees per ha for old trees, respectively; and,
- Expected yield from existing trees is 0.12, 0.81 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 10.419% (2024: 16.9%) for coffee berries, and to the shilling cash flows was 13.93% (2024: 18.39%) for timber.

The company has 205.82 (2024: 205.82) hectares of mature coffee bushes and nil (2024: nil) hectares of immature coffee bushes located in the major coffee growing areas of the country. The company also has 5 (2024: 5) hectares of forestry. The expected quantity of berries on the coffee bushes at 31 March 2025 was 200 tons (2024: 157 tons).

Sensitivity analysis

Significant increases/ (decreases) of the above key assumptions and/or significant unobservable valuation inputs in isolation would result in a significantly higher (lower) fair value. The company has no biological assets whose title is restricted, or biological assets pledged as security for liabilities.

The company has no commitments for the development or acquisition of biological assets..

Significant unobservable input	Variance	Estimated increase / (decrease) in fair value	
		2025	2024
		KShs	KShs
Average annual yield	+/- 5 %	6,091,023	6,116,151
Average cost to sale	+/- 5 %	(323,956)	(325,293)
Coffee market prices	+/- 5 %	6,091,023	6,116,151

Eaagads Limited has no encumbrances on its parcels of land. There is no title restriction on any carrying amounts of the biological assets. The 2025/2025 budget allocation for the management of biological assets to maintain the current state of coffee bushes is KShs 90.4 million (pruning- KShs 15 million, weed control – KShs 7.2 million, fertilizers and soil improvements – KShs 27.3 million, field irrigation- KShs 12.9 million, pests and disease control – KShs 24.8 million, infilling, mulching and shade planting and maintenance -KShs 2.6 million).

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

15. BIOLOGICAL ASSETS (CONTINUED)

The business has an agronomy risk management tool to mitigate on the crop production risks

- i. Smart climate change agriculture; planting of shade trees, mulching and irrigation rounds to combat adverse weather conditions. Eaagads Limited has a Rain Forest Alliance certification due to its forest cover area.
- ii. Relational agency model; ensuring there are onsite agricultural extension services through CMS to avert production risk. CMS guarantees best market pricing of the coffee beans through direct sales integration and auction sales to mitigate the market and price risk. This agency model has also ensured there is soft loan advances through a deed of assignments of coffee proceeds to tame the liquidity risk.
- iii. Insurance policy to cater for workers welfare (WIBA), fidelity guarantees insurance policy, burglary and fire on the coffee stocks.
- iv. Governance; management through an independent board who have wealthy of experience in coffee sub-sector. Compliance to regulatory bodies (NEMA, KRA, CMA, AFFA-Coffee Directorate etc.)
- v. Integrated coffee varieties farming; Eaagads has also adopted improved coffee varieties, Ruiru 11 (85.2 Ha) which are resistant to Coffee Berry Diseases and early maturing crop varieties. This is an ongoing process in a move to replace the SL varieties (120Ha).

16. RIGHT OF USE ASSETS

	2025	2024
	KShs'000	KShs'000
Cost		
At 1st April	<u>214</u>	<u>214</u>
At 31 March	<u>214</u>	<u>214</u>
Amortisation		
At 1st April	1	1
Charge for the year	<u>-</u>	<u>-</u>
At 31 March	<u>1</u>	<u>1</u>
Net carrying amount	<u>213</u>	<u>213</u>

The carrying amount of the right of use asset is stated at cost less accumulated amortization. The land measures 341 Ha and was last revalued on 31 December 2024 by CBRE, independent external property valuers. The land is valued at approximately KShs 9.3 billion (2024: KShs 10.6 billion).

17. INVENTORIES

	2025	2024
	KShs'000	KShs'000
Coffee stock	1,228	29,497
Consumables	<u>6,898</u>	<u>7,626</u>
	<u>8,126</u>	<u>37,123</u>

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

18. TRADE AND OTHER RECEIVABLES

Trade receivables	18,338	6,624
Other receivables	1,050	484
Less: provision for impairment losses	<u>(64)</u>	<u>(64)</u>
Prepayments and other receivables	<u>19,324</u>	<u>7,044</u>
VAT recoverable	<u>17,551</u>	<u>7,377</u>
VAT claim filed	29,757	30,895
	47,308	38,272
	<u>66,632</u>	<u>45,316</u>

Trade and other receivables are non-interest bearing and are generally on terms of 30 to 90 days

19. RELATED PARTY BALANCES AND TRANSACTIONS

a. Nature of related party relationships

The company is controlled by Kofinaf Company Limited incorporated and domiciled in Kenya. The ultimate holding company is Rendeavour Holding Limited, incorporated and domiciled in Bermuda.

b. Amounts due from related companies

The amount due to Kofinaf Company Limited as at 31 March 2025 was in respect of payroll costs paid on behalf of the company

	2025	2024
	KShs'000	KShs'000
Kofinaf Company Limited	<u>8,636</u>	<u>21,402</u>

The following transactions were carried out with related parties:

Kofinaf Company Limited:

Payroll costs	<u>12,766</u>	<u>1,734</u>
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c. Amounts due to related companies

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees received or provided for any related party receivables or payables.

During the year ended 31 March 2025, the company did not have any impairment of receivables relating to amounts owed by related parties (2024: Nil). No amount was outstanding as at year end. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

19. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

c. Amounts due to related companies (continued)

Directors' remuneration

	2025	2024
	KShs'000	KShs'000
Fees for services as a director	<u>1,284</u>	<u>1,900</u>

There were no material contracts involving directors' interests for the year ended 31 March 2025.

The company obtains other key management personnel services from Coffee Management Services Limited, which is the outsourced managing entity. Coffee Management Services (CMS) Limited are the appointed agents entrusted to manage the coffee estates owned by Eaagads Limited..

	2025	2024
	KShs'000	KShs'000
Management fees paid to CMS		
Management fees (Note 9)	2,395	2,686
Professional fees for staff seconded	2,867	2,867
Crop commissions (Note 10)	7,412	4,900
Coffee marketing commission (Note 10)	7,155	157
Finance costs	<u>4,272</u>	<u>10,928</u>
	<u>24,101</u>	<u>18,244</u>

Management fees are charged at USD 90 per Ha per year for 205 Ha under CMS management, the same has performance-based component for production above 1500 kg per Ha i.e. USD 20 per Ha for 500 kg more, USD 100 for 2,001 – 2500 kg/ Ha and USD 120 for >2500 kg/Ha.

Crop commissions paid to CMS on gross coffee proceeds at 2.75%. Coffee marketing commission is paid on gross coffee proceeds at 2.3% on auction sales and 2% on direct sales.

Finance costs relate to interest on loans extended to Eaagads Limited at 12% and arrangement fee at 1% (2024: interest at 12% and arrangement fee at 1%).

	2025	2024
	KShs'000	KShs'000
At 1 April	28,015	-
Amount advanced by CMS	28,098	139,896
Interest cost and arrangement fees cost	4,272	10,928
Repayments during the year		
- Principal	(25,796)	(111,881)
- Interest	(4,272)	(10,928)
At 31 March	<u>30,317</u>	<u>28,015</u>

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

20. SHARE CAPITAL

	2025	2024
	KShs'000	KShs'000
Authorized:		
40,000,000 ordinary shares of KShs 1.25 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
32,157,000 ordinary shares of KShs 1.25 each	<u>40,196</u>	<u>40,196</u>

21. REVALUATION RESERVE

The revaluation reserve represents solely the surplus on the revaluation of land and buildings and plant and machinery, net of deferred income tax, and is not distributable to shareholders.

22. RETAINED EARNINGS

The retained earnings represent accumulated surplus arising from normal operating activities. These reserves are available for dividend distribution to the shareholders of the company.

23. DEFERRED TAX

Deferred income tax is provided using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date, using the enacted income tax rate of 30% (2024 - 30%), except for revaluation surplus on freehold land, which has been provided for using the capital gains tax rate of 15% (2024 - 15%). Deferred income tax assets and liabilities, deferred income tax charge in profit or loss, other comprehensive income and statement of changes in equity are attributable to the following items:

	01-Apr-24	Profit or loss	Other comprehensive income	31-Mar-24
	KShs'000	KShs'000	KShs'000	KShs'000
Deferred tax liabilities:				
Property, plant and equipment	(1,164)	2,941	-	1,777
Fair value gains/losses on biological assets	34,634	796	-	35,430
Unrealized exchange gains	497	(703)	-	(206)
Provision for long service awards	(121)	-	-	(121)
Leave provision	(28)	24	-	(4)
General provision for expected credit losses	(19)	-	-	(19)
Staff gratuity	(5,180)	(95)	(190)	(5,465)
Deferred tax on revaluation surplus on land	206,830	-	(27,433)	179,397
Deferred tax on revaluation surplus on plant and machinery and buildings	<u>4,859</u>	<u>(2,658)</u>	<u>-</u>	<u>2,201</u>
	<u>240,308</u>	<u>306</u>	<u>(27,623)</u>	<u>212,991</u>

EAAGADS LIMITED

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

23. DEFERRED TAX (CONTINUED)

The company had no accumulated tax losses in the year under review (2024: KShs'000 10,755). The deferred tax asset of KShs 3,226,000 arising from the tax losses for the year ending 31 March 2024 has not been recognised in the financial statements.

	01-Apr-23	Profit or loss	Other comprehensive income	31-Mar-24
	KShs'000	KShs'000	KShs'000	KShs'000
Deferred tax liabilities:				
Property, plant and equipment	(1,247)	83	-	(1,164)
Fair value gains/losses on biological assets	34,406	228	-	34,634
Unrealized exchange gains	(115)	612	-	497
Provision for long service awards	(121)	-	-	(121)
Leave provision	(26)	(2)	-	(28)
General provision for expected credit losses	(19)	-	-	(19)
Staff gratuity	(5,466)	(378)	664	(5,180)
Deferred tax on revaluation surplus on land	163,502		43,328	206,830
Deferred tax on revaluation surplus on plant and machinery and buildings	<u>7,517</u>	<u>(2,658)</u>	<u>-</u>	<u>4,859</u>
	<u>198,431</u>	<u>(2,115)</u>	<u>43,992</u>	<u>240,308</u>

24. RETIREMENT BENEFITS OBLIGATIONS - SERVICE GRATUITY

The provisions for service gratuity represent entitlements that accrue as a result of services offered by the unionisable employees, based on the collective bargaining agreement for the years 2023 and 2024.

The level of benefits provided depends on the member's length of service and salary at retirement age. The cost and the present value of the obligation of the service gratuity are determined using actuarial valuations conducted by ActServe, who are independent actuarial consultants. The valuations involve making estimates on the projected benefits that will become payable to each individual in each future year based on valuation probability assumptions. The valuations are conducted annually as at the reporting date. The last valuation was carried out on 31 March 2025.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

24. RETIREMENT BENEFITS OBLIGATIONS - SERVICE GRATUITY (CONTINUED)

The following table summarizes the components of net benefit expense recognized in the statement of profit or loss and other comprehensive income and the amounts recognized in the statement of financial position for the plan:

	2025	2024
	KShs'000	KShs'000
Opening employee benefit obligation	<u>17,270</u>	<u>18,224</u>
Current service cost	831	692
Interest cost	2,859	2,426
Past service cost	114	-
	3,804	3,118
Actuarial gain	<u>(634)</u>	<u>(2,212)</u>
Benefits and expenses paid	<u>(2,219)</u>	<u>(1,860)</u>
Closing employee benefit obligation	<u>18,221</u>	<u>17,270</u>
Categorised as:		
Current portion	<u>3,298</u>	<u>3,168</u>
Non-current portion	<u>14,923</u>	<u>14,102</u>
	<u>18,221</u>	<u>17,270</u>

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

24. RETIREMENT BENEFITS OBLIGATIONS - SERVICE GRATUITY (CONTINUED)

The principal assumptions used in determining service post-employment benefit obligations for the company's plan are shown below:

	2025	2024
	%	%
- Discount rate (% p.a.)	12.25%	17.25%
- Future salary increases (% p.a.)	10.25%	15.25%
- Mortality assumptions	KE 2007-2010	KE 2001-2003
-Weighted average duration of post-employment benefit obligations	5.8 years	6.1 years

A quantitative sensitivity analysis for significant assumptions as at 31 March 2025 is as shown below:

	Scenario -1	Scenario -2	Scenario -3	Scenario -4	Scenario -5
	Discount rate increased by 1%	Salary rate increased by 1%	Discount rate decreased by 1%	Salary rate decreased by1%	Demographic assumptions increased by 10%
Discount rate	13.25%	12.25%	11.25%	12.25%	12.25%
Salary increase	10.25%	11.25%	10.25%	9.25%	10.25%
Demographic assumptions	No change	No change	No change	No change	Increase by 10%
Opening employee benefit obligation	17,270	17,270	17,270	17,270	17,270
Net expense recognised in profit or loss	3,804	3,804	3,804	3,804	3,804
Net expense recognised in other comprehensive income	(1,496)	310	314	(1,507)	(666)
Benefits and expenses paid	<u>(2,219)</u>	<u>(2,219)</u>	<u>(2,219)</u>	<u>(2,219)</u>	<u>(2,219)</u>
Closing employee benefit obligation	<u>17,359</u>	<u>19,165</u>	<u>19,169</u>	<u>17,348</u>	<u>18,189</u>

A quantitative sensitivity analysis for significant assumptions as at 31 March 2024 is as shown below:

	Scenario -1	Scenario -2	Scenario -3	Scenario -4	Scenario -5
	Discount rate increased by 1%	Salary rate increased by 1%	Discount rate decreased by 1%	Salary rate decreased by1%	Demographic assumptions increased by 10%
Discount rate	18.25%	17.25%	16.25%	17.25%	17.25%
Salary increase	15.25%	16.25%	15.25%	14.25%	15.25%
Demographic assumptions	No change	No change	No change	No change	Increase by 10%
Opening employee benefit obligation	18,224	18,224	18,224	18,224	18,224
Net expense recognised in profit or loss	3,118	3,118	3,118	3,118	3,118
Net expense recognised in other comprehensive income	(3,033)	(1,309)	(1,311)	(3,046)	(2,192)
Benefits and expenses paid	<u>(1,859)</u>	<u>(1,859)</u>	<u>(1,859)</u>	<u>(1,859)</u>	<u>(1,859)</u>
Closing employee benefit obligation	<u>16,450</u>	<u>18,174</u>	<u>18,172</u>	<u>16,437</u>	<u>17,291</u>

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

24. RETIREMENT BENEFITS OBLIGATIONS - SERVICE GRATUITY (CONTINUED)

Discount rate

IAS 19 requires the discount rate to be determined by reference to the market yields, on the reporting date, on high quality corporate bonds, or in the countries where there is no deep market in such bonds, the market yields on government bonds. The currency and term of the corporate or government bonds should be consistent with the currency and estimated term of the post- employment benefit obligation..

The actuaries assumed a long –term discount rate of 12.25% pa. This rate is the interpolated rate of the 5-year and 6-year Treasury bond issued by the Central Bank of Kenya as listed on the Nairobi Securities Exchange as at 31 March 2025.

The principal assumptions used in determining service gratuity and long service awards obligations for the company’s plans are shown below:

Mortality rate

Benefits will decrease or cease when the individual dies. It is, therefore, essential that the actuary, in his projections, takes into account the mortality of the employees. Mortality is expressed as the probability of death within the next year for an individual of a specific age. Different mortality rates are set for each age - group.

The mortality table used for the current employees was KE 2007 - 2010 as published by the Institute of Actuaries.

Salary increases

Salaries can generally increase as a result of inflation, merit increases and promotions. Assumptions are made on future salary increases as the actual benefits payable to an employee on retirement date will be dependent on his current salary as at the retirement date. As retirement benefits are directly linked to the salary, the higher the assumption, the higher the liabilities.

As there is a link between general inflation in a country and the salary increases granted to employees, expectations on general inflation have been used in determining the salary inflation assumption. Given the past experience in inflation variations, a salary increase of 10.25% p.a. has been determined as mutually compatible rate taking into account the likely future economic scenarios of the country.

25. LONG SERVICE AWARDS

	2025	2024
	KShs’000	KShs’000
At the beginning of the year	<u>402</u>	<u>402</u>
At the end of the year	<u>402</u>	<u>402</u>
Categorized as:		
Current portion	-	-
Non-current portion	<u>402</u>	<u>402</u>
	<u>402</u>	<u>402</u>

These long service awards are recognised based on the length of service served by the employees. Employees are paid specific defined amounts as long service awards on reaching the 10th, 20th, 30th, 40th and 50th anniversary with the company. Employees who have not reached any of the anniversaries or are dismissed from service due to misconduct are not entitled to any benefit under the arrangement. There were no provisions for long service award in the current year. Due to the poor financial performance of the company, the last such incentive was paid out to members of staff in January 2008. The continuous accrual of the incentive has been frozen and the amount classified as a non-current liability.

The company has no contractual obligation to pay the same, but rather out of goodwill and gesture for appreciation.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

26. TRADE AND OTHER PAYABLES

	2025 KShs'000	2024 KShs'000
Trade payables	3,591	7,790
Other payables	2,967	5,369
Leave provision	<u>17</u>	<u>95</u>
	<u>6,575</u>	<u>13,254</u>

Trade payables are non-interest bearing and are normally settled on 60-day term.

27. CASH AND CASH EQUIVALENTS

Cash at bank	<u>31,578</u>	<u>14,545</u>
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28. FAIR VALUE OF ASSETS AND LIABILITIES

- a. Comparison by class of the carrying amounts and fair values of the financial instruments
Management assessed that the fair value of trade receivables, cash and cash equivalents, trade payables and amounts due to related companies approximate their carrying amounts largely due to the short-term maturities of these instruments..

- b. Fair value hierarchy

The table below shows an analysis of all assets and liabilities measured at fair value in the financial statements or for which fair values are disclosed in the financial statements by their level within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

	Level 1 KShs'000	Level 2 KShs'000	Level 3 KShs'000
31-Mar-25			
Freehold land	-	-	1,195,961
Buildings	-	-	48,760
Plant and machinery	-	-	7,360
Biological assets	<u>-</u>	<u>-</u>	<u>118,107</u>
31-Mar-24			
Freehold land	-	-	1,378,847
Buildings	-	-	51,867
Plant and machinery	-	-	13,843
Biological assets	<u>-</u>	<u>-</u>	<u>115,451</u>

The Freehold land was last revalued by C B Richard Ellis (CBRE), independent external property valuers at 31 December 2023 using the comparable sales method. From the Directors assessment, the value of the land would not be significantly different from 31 December 2023 valuation had the property been inspected as at 31 March 2025.

EAAGADS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

28. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

b. Fair value hierarchy

The company's buildings, plant, and machinery were last revalued on 31 March 2021 by Africa and Beyond valuers Limited. The valuations were based on market value. Fair value of the properties was determined by using market comparable method or the depreciated replacement cost where market comparable was not available. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property.

The depreciated replacement cost is the cost of acquiring, and installing a new or modern substitute asset having the same production capacity as that applied to assets which are part of an operating concern and assumes adequate profitability.

Description of valuation techniques used and key inputs to valuation of assets and liabilities.

The significant unobservable inputs used in the fair value measurement of the company's property and equipment are price per acre, and capital expenditure for a model plant at above capacity and the replacement cost of similar buildings in that area. Details for the unobservable inputs used in the fair value measurement of biological assets are disclosed in Note 15.

Significant increases/decreases in any of the inputs used in the valuation of biological assets in isolation would result in a significantly lower / higher fair value measurement.

29. SEGMENT INFORMATION

The principal activity of the company is growing and selling coffee beans. Therefore, the company has one operating segment.

The directors consider the company to comprise one major product, coffee, and one geographical area, Kenya.

Information about products and about geographical areas

The company's main product is coffee which is sold at the auction. The customers' necessary details including geographical areas at the auction are not available as majority of them are intermediaries. Therefore, the company has not disclosed segmental information about the products and services, geographical areas and customers.

30. CONTINGENT LIABILITIES

The company had no contingent liabilities as at 31 March 2025 and 31 March 2024.

31. COMMITMENTS

There was no capital expenditure contracted for as at 31 March 2025 and 31 March 2024. .

32. EVENTS AFTER THE REPORTING PERIOD

Eaagads limited terminated the management contract with Coffee Management Services with effect from April 1, 2025. The directors are not aware of any other event after the reporting date, as defined by IAS 10 Events after the Reporting Period, that require disclosure in or adjustments to the financial statements as at the date of this report.

33. HOLDING COMPANY

The Company is domiciled and incorporated in Kenya as a public limited liability company under the Kenyan Companies Act, 2015. 61.74% shares of the Company are beneficially held by Kofinaf company Limited, a company incorporated and domiciled in Kenya, and ultimate parent company is Rendeavour Holding Limited, incorporated in Bermuda.





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