KAKUA EDUCATIVE TREE SEED ORCHARD (KETSO) COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Content	**Page**
General Information	3
Director's Report	4 – 8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flow	11
Notes to the Financial Statements	12 - 17

General information

Board of Directors:	Eamonn Hanson
Registered office:	Makombeh Saffroko Chiefdom Karene District Sierra Leone.
Registration number:	301120KETSO2001620
Chief Executive Officer:	Eamonn Hanson KESTO House, Makombeh Village Karene District, Sierra Leone Telephone: +232 77 733203 Email: eamonn_hanson@yahoo.co.uk
Bankers:	Eco Bank (SL) Limited 11 Rawdon Street Freetown Sierra Leone

Director's Report
The Director's presents the annual report together with the financial statements of Kakua Educative Tree Seed Orchard (KETSO) for the year ended 31 December 2024

Statement of CEO's Responsibilities for the financial statements
Company Law requires the Director to prepare financial statements for each year which give a true and fair view of the state of affairs of the company, and the surplus or deficit for the period.

In preparing those statements the CEO is required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether suitable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organization and enable them to ensure that the financial statements comply with the Sierra Leone Companies Act 2009. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results for the year
The result of the company is shown in the attached financial statements

Share capital
Details of the company's share capital are given in the financial statements.

Principal activity
The principal activity of the company is to buy, sell, import, distribute and trade in any type of agricultural products and other agricultural processes including farming activities.

Review of the company's activities:

In 2024, KETSO delivered the Women's Agro-Forestry Initiative (WAFI), integrating smallholder agriculture with reforestation while empowering women farmers in Makombeh and surrounding areas. The project connected community-based reforestation with women's livelihoods, food security, and emission compensation.

Key Results:
• 5,781 trees planted across Elephant and Hippo sites (teak, cashew, tamarind, guava, Terminalia ivorensis)
• 30 women received plots and training in intercropping and agroforestry
• Approx. 50 hectares mapped with GPS for monitoring
• Training in pruning, planting, tractor use, and water management
• Basic infrastructure completed: solar panels, inverters, well, and nursery tools
• Fire prevention plan agreed with community fire-watch volunteers

Community Impact:
The initiative improved food security and income for women through intercropping between trees, reduced post-harvest losses, and built ecological resilience. The combination of trees and annual crops enhanced soil fertility and local biodiversity.

Partners and Funding (Women's Agro-Forestry Initiative (WAFI) 2024**):**
The WAFI initiative was supported by Wilde Ganzen, War Child, and additional donors via Plant N Boom.

This appendix provides supporting visuals and reference data for the WAFI activities implemented in 2024. The project integrated reforestation, women's livelihood development, and emission compensation.

• GPS coordinates map of Elephant and Hippo sites (approx. 50 ha)

Tabel 1. GPS coordinates of the tree stands.

Forest name	Tree type	Gps-coordinates
Elephant (ELEP)	Tectona grandis, Cashew, Guave, Tamarind, terminalia ivorensis	8.9630252122, -12.52116406 8.966553700, -12.520741196 8.9662514487, -12.52249720 8.9612055430, -12.52257012 8.9614041941, -12.52395909
Hippo Area	Tectona grandis, Cashew, Guave, Tamarind, terminalia ivorensis	8.9712210372, -12.52588299 8.9698055852, -12.53057468 8.9741869736, -12.53102202 8.9754110667, -12.52683844 8.9784084353, -12.52779985 8.9789613056, -12.52572558 8.9765228424, -12.52411315 8.9761875662, -12.52300641 8.9728117547, -12.52143723

• Photo 1 – Solar installation for field operations

Figure 1. Solar panels installed

Figure 2. Inverter system for solar.

• Photo 2 – Nursery with fruit and timber seedlings

Figure 3. KETSO staff in the nursery.

- **War Child 2022 emissions: approximately 2,200 tCO_2 targeted for sequestration (footnote)**

Figure 4. Trees planted for CO2-sequestration.

Footnote: The linkage between WAFI tree planting and War Child's 2022 emissions has been documented as part of Plant N Boom's emission compensation framework.

Next Steps 2025:
KETSO will continue strengthening women-led cooperatives under the Self-Reliance programme, expanding agroforestry training to Gbanti and Samaia, and integrating new livelihood components such as solar-dried produce and seedling sales.
In the Karene District of Sierra Leone, the natural habitats of village communities are under pressure, and the primary forests have disappeared. Although population density remains relatively low, poverty, population growth, and deforestation continue to grow. Traditional farming methods, such as slash-and-burn and shifting cultivation, are increasingly depleting the soil. Over time, secondary forests and woodland savannahs have formed. The fragile economy offers little opportunity for villagers, making their dependence on agriculture and what the forest yields significant.

KETSO fosters a sustainable relationship between villagers and their shared environment. Operating from the village of Makombeh, where it has established a tree nursery, KETSO leads forest protection and reforestation initiatives. The local population is compensated for planting and caring for trees until they mature, strengthening their collective economic and spiritual stake in the recovering forest. The trees are sold to Plant

N Boom Foundation that provides trees for planting to companies and individuals in the Netherlands for CO_2 compensation. In its expansion KETSO needs to adopt an ecological sound planting method that leads to sustainable, communal healthy forests. We call our approach Community-based reforestation (CbR, see the theory of change image).

We see a potential opportunity in evolving KETSO from a small, skilled forestry company into a knowledge hub for a broader approach across a much larger area. We wish to explore this broader approach at the village level in collaboration with a knowledge institute, after which we can replicate it in locations further away from Makombeh.

Plans & Results

Activity	**Results**
Identify how many hectares we will clear for Elephant area	Gps coordinates (10 hectares) sent to Plant N Boom for sales
Identify haw many hectares we will clear in Hippo Gbanty (Bangura family)	Gps coordinates (10 hectares) sent to Plant N Boom for sales
MOU with Gbanti Forestry committee	10 purchased (Bangura family) 20 leased for forestry committee. No proper agreements with Forestry committee because it turned out to be dormant
MOU with KETSO staff for land ownership	No clear follow-up. It is a long term investment, these seems not to be much interest
Training on fruit tree pruning (+repeat of timber tree pruning)	50 farmers involved
Training of use of freezer for ice making (also ice cream; soft drinks; mobile charging)	Ice making as successful but community resistance by existing sellers. The success seemed to put them out of business.
2 women + 2 KETSO staff to learn car driving	This was successfully completed

KETSO – Financial statements 2024
Statement of Profit or Loss
For the year ended 31 December 2024

Description	Notes	2024 (Le)	2023 (Le)
Revenue	1	950,446.74	643,799.00
Operating expenses	2	(379,013.30)	(483,769.20)
Depreciation	13	(70,329.71)	(18,772.00)
Operating surplus		501,103.73	141,257.80
Other income		0.00	13,794.35
Other expenses	3	0.00	(33,783.00)
Surplus before tax		501,103.73	121,269.15
Income tax		0.00	0.00
Surplus for the year		501,103.73	121,269.15

The 2024 surplus reflects a transition phase in which income was received ahead of planned scaling of operations in 2025.

Statement of Financial Position

As at 31 December 2024

Description	Notes	2024 (Le)	2023 (Le)
Non-current assets			
Property, Plant and Equipment	6	622,126.29	118,540.00
Total non-current assets		**622,126.29**	**118,540.00**
Current assets			
Inventory	7	92,200.00	245,663.00
Cash and cash equivalents	8	66,255.24	17,061.00
Total current assets		**158,455.24**	**381,264.00**
Total assets		**780,581.53**	**381,264.00**
Equity			
Share capital	9	50,000.00	250,000.00
Retained earnings	10	379,550.73	(121,553.00)
Capital grant reserve	14	114,453.80	0.00
Total equity		544,004.53	128,447.00
Liabilities			
Non-current liabilities			
Shareholder loan	11	234,534.00	234,534.00
Total non-current liabilities		**234,534.00**	**234,534.00**
Current liabilities			
Trade and other payables		2,043.00	18,461.00
Total liabilities	12	236,577.00	252,995.00
Total equity and liabilities		**780,581.53**	**381,442.00**

Cash Flow Statement

For the year ended 31 December 2024

Item	Notes	2024 (Le)	2023 (Le)
Operating Activities			
Profit/(Loss) before tax		501,103.73	121,269.15
Depreciation	13	70,329.71	18,772.00
Changes in Inventory	14	153,463.00	(157,793.00)
Changes in payables	15	(16,418.00)	8,461.00
Net Operating Cash Flow		708,478.44	(9,290.85)
Investing Activities			
Acquisition of Property, Plant & Equipment		(573,916.00)	(21,942.00)
Net Investing Cash Flow		(85,368.20)	31,736.85
Financing Activities			
Net Financing Cash Flow	16	(85,368.20)	31,736.85
Net Change in Cash		49,194.24	504.00
Opening Cash as at 1 January		17,061.00	16,557.00
Closing Cash as at 31 December	17	66,255.24	17,061.00

Property, Plant and Equipment (PPE)

PPE Summary

Item	Notes	2024 (Le)	2023 (Le)
Total PPE		622,126	118,540
Additions		573,916	21,942
Depreciation		70,330	18,772

Notes to the financial statements

Note 1. Revenue
Tree sales: Le 318,251.60
Charcoal income: Le 3,280.00
Truck income: Le 0.00
Total commercial revenue: Le 321,531.60

Grant income: Le 628,915.14
Total revenue: Le 950,446.74
Revenue includes commercial income and grant funding.

Note 2. Operating expenses
Programme costs:
Local partner and staff costs: Le 250,964.50
Travel and accommodation: Le 40,213.50
Training costs (KETSO): Le 49,080.00

Operational costs:
Housing costs: Le 3,000.00
Telephone and internet: Le 200.00

Administrative costs:
Bank charges: Le 3,064.30
Accounting and administrative costs: Le 28,491.00

Grants and support:
Subsidies and gifts provided: Le 0.00
Settlements: Le 25,500.00
Programme grants and gifts provided: Le 0.00

Total operating expenses: Le 379,013.30
A significant portion of operating expenses relates directly to programme activities.

Note 3. Other expenses
Other expenses represent non-recurring or non-operational costs.
No other expenses occurred in 2024.

Note 4. Basis of preparation
The entity operated as a limited liability company in 2024 and is transitioning to a social enterprise.

Note 6. Property, Plant and Equipment
Property, plant and equipment include investments in infrastructure, land preparation, tools, vehicles, solar installation, and nursery-related assets. These costs were capitalised as long-term assets.

Note 7. Inventory
Inventory consists primarily of seedlings held in the nursery for future planting or sale. Inventory was estimated at 4,610 trees at Le 20 each, resulting in a year-end value of Le 92,200.00.

Note 8. Cash and cash equivalents

Cash and cash equivalents represent actual cash held in bank accounts and, where applicable, cash on hand. Cash is measured at nominal value. The balance at 31 December 2024 was Le 66,255.24.

Note 9. Share capital
Share capital represents shareholder funds not intended for repayment. The 2024 balance reflects the amount currently treated as permanent capital.

Note 10. Retained earnings
Retained earnings represent the cumulative profits and losses of the company. The 2024 balance was calculated as 2023 retained earnings plus the 2024 surplus.

Note 11. Shareholder loan
Shareholder loan represents funds transferred by Eamonn Hanson to KETSO from the Netherlands and is expected to be repaid. The amount is carried forward from prior year records.

Note 12. Trade and other payables
Trade and other payables represent amounts still owed at year-end but not yet paid. The 2024 balance was estimated at Le 2,043.00 based on outstanding obligations at year-end.

Note 13. Depreciation policy

Depreciation policy: Depreciation is calculated using the straight-line method over the estimated useful life of the assets. A half-year convention is applied to additions.
Note 15. Trade and other payables represent short-term obligations to suppliers for goods and services received in the normal course of operations. These balances are classified as current liabilities when settlement is expected within one year. KETSO operates a cash-based procurement model whereby materials and services are generally paid immediately upon delivery. As a result, there are typically no significant outstanding payables at year-end. In 2024, the movement reflects settlement of prior year obligations.
Note 14. Capital grant reserve
The capital grant reserve represents the portion of grant funding used to finance property, plant and equipment. This amount is recognised in equity to reflect that these funds are invested in long-term assets rather than fully recognised as income.
Note 16. Financing activities represent cash inflows received from donors, partners, and supporting organisations to fund the company's operations and capital investments. KETSO does not have external borrowings, loans, or interest-bearing liabilities. As a result, financing cash flows consist entirely of funding received during the year. In 2024, net financing cash flows amounted to an outflow of Le 85,368.20 (2023: inflow of Le 12,965.00).
Note 17. Property, Plant and Equipment
Movement schedule:

Item	Opening Cost 2024	Additions	Closing Cost	Useful Life
Tools	9,104	39,290	48,394	3
Motor Bikes & Trucks	20,500	139,000	159,500	5
Shed and Kiosk	46,160	209,163	255,323	20
Machinery	33,700	159,960	193,660	7
Furniture	15,700	26,243	41,943	5

Office Equipment	15,760	260	16,020	5
Water Well	20,820	0	20,820	15
Computer & Accessories	25,918	0	25,918	3

Note 18: Major additions relate to expansion of operations including acquisition of machinery, motorbikes/tricycles and construction of a kiosk and storage facility.