

Limuru Tea Plc

P. O. BOX 20-20200,
Kericho, Kenya
Telephone: 0722307394/5

ANNOUNCEMENT OF RESULTS FOR THE TWELVE MONTHS ENDED 31st DECEMBER 2021

The Board of Directors is pleased to announce the Company's results for the year ended 31st December 2021. The figures have been extracted from the Company's audited financial statements, which have received an unqualified audit opinion.

STATEMENT OF FINANCIAL POSITION		
	As at 31 December 2021	As at 31 December 2020
	KShs'000	KShs'000
EQUITY		
Share capital	24,000	24,000
Retained earnings	158,290	166,781
Total equity	182,290	190,781
Non-current liabilities		
Deferred income tax liability	-	4,849
Post-employment benefit obligations	16,480	14,417
	16,480	19,266
	198,770	210,047
REPRESENTED BY:		
Non-current assets		
Biological assets – fuel trees	2,737	3,576
Property and equipment	90,008	90,220
Deferred Tax Asset	1,898	-
	94,643	93,796
Current assets		
Biological asset - green leaf	2,951	2,553
Current income tax recoverable	7,699	9,100
Receivables and prepayments	102,844	123,940
Cash and cash equivalents	364	307
	113,858	135,900
Current liabilities		
Payables and accrued expenses	9,731	19,649
	9,731	19,649
Net current assets	104,127	116,251
	198,770	210,047

CONDENSED STATEMENT OF CASH FLOWS		
	2021	2020
	KShs'000	KShs'000
Net cash from operating activities	2,930	768
Net cash used in investing activities	(2,873)	-
Net cash used in financing activities	-	(1,680)
Increase/(decrease) in cash and cash equivalents	57	(912)
Movement in cash and cash equivalents		
At start of year	307	1,219
Increase/(decrease) in the year	57	(912)
At 31 December	364	307

CONDENSED STATEMENT OF COMPREHENSIVE INCOME		
	2021	2020
	KShs'000	KShs'000
Turnover	84,269	96,670
Loss before income tax	(14,198)	(7,898)
Income tax credit	4,643	4,233
Loss attributable to the shareholders	(9,555)	(3,665)
Authorized, Issued and fully paid shares of KShs 10 each	2,400,000	2,400,000
Earnings per share (KShs)	(3.98)	(1.53)

CONDENSED STATEMENT OF CHANGES IN EQUITY				
	Share Capital KShs'000	Retained Earnings KShs'000	Proposed Dividend KShs'000	Total KShs'000
Balance at 1 January 2020	24,000	168,346	1,680	194,026
Loss for 2020	-	(3,665)	-	(3,665)
Charge to other comprehensive income (Actuarial gain net of tax)	-	2,100	-	2,100
Dividends				
-Final Paid For 2020	-	-	(1,680)	(1,680)
-Proposed Dividend 2020	-	-	-	-
Balance as at 31 December 2020	24,000	166,781	-	190,781
Balance at 1 January 2021	24,000	166,781	-	190,781
Loss for 2021	-	(9,555)	-	(9,555)
Charge to other comprehensive income (Actuarial gain net of tax)	-	1,064	-	1,064
Balance as at 31 December 2021	24,000	158,290	-	182,290

The above extract is based on the financial statements of Limuru Tea PLC for the year ended 31 December 2021 as audited by KPMG Kenya upon which they issued an unqualified opinion and raised a key audit matter relating to assumptions and judgements used by the directors in valuation of biological assets when determining fair values and fair value changes in biological assets held by the Company.

COMMENTARY

Performance

In 2021 the Company produced 3,207,330 (2020 – 3,882,430) kilograms of green leaf, which in turn was manufactured into 743,453 (2020 – 844,103) kilograms of black tea. Green Leaf and black tea reduced by 17% and 12% respectively in 2021.

The turnover reduced by 13% to KShs 84 million in 2021 from KShs 97 million in 2020. This was driven by the 12% reduction in made tea volume and 1% drop in the net realized price.

The Company posted a pre-tax loss of KShs 14.2 million in the year ended 31 December 2021 compared to KShs 7.9 million pre-tax loss in the prior year. The declined performance was largely driven by Inflationary pressures and lower production volumes realized in 2021 compared to 2020 due to lower rainfall by 40%.

Dividend

The Directors do not recommend payment of dividend for the year ended 31 December 2021 (2020: Nil).

Prospects

Whereas post COVID-19 pandemic adverse impacts, market instability and general cost inflation remains a concern, the board and management have taken the necessary precautions to safeguard our staff and the interests of the business in 2022 and beyond. We continue to see yield improvement from the investment made in prior years. Cost management remains a key focus area.

The management will continue with strategic initiatives to ensure any risks are mitigated in its continued focus to grow the business.

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Dorcas Muli
Chair
1 April 2022