

# LIMURU TEA PLC.

Limuru Tea Office  
off Nazareth Hospital Road,  
P.O Box 1  
Limuru, Kiambu  
Telephone: 0722307394/5

## ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023.

The Board of Directors is pleased to announce the company's audited results for the year ended 31<sup>st</sup> December 2023.

STATEMENT OF FINANCIAL POSITION		
	As at 31 December 2023	As at 31 December 2022
	KShs'000	KShs'000
<b>EQUITY</b>		
Share capital	24,000	24,000
Retained earnings	168,218	163,394
<b>Total equity</b>	<b>192,218</b>	<b>187,394</b>
<b>Non-current liabilities</b>		
Post-employment benefit obligations	16,472	17,938
Deferred income tax liability	25	1,235
<b>Total non-current liabilities</b>	<b>16,497</b>	<b>19,173</b>
	<b>208,715</b>	<b>206,567</b>
<b>REPRESENTED BY:</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	84,346	86,452
Biological assets – fuel trees	9,971	8,310
<b>Total non-current assets</b>	<b>94,317</b>	<b>94,762</b>
<b>Current assets</b>		
Biological asset - green leaf	4,958	5,086
Current income tax recoverable	-	143
Receivables and prepayments	125,926	123,432
Cash and cash equivalents	1,451	271
<b>Total current assets</b>	<b>132,335</b>	<b>128,932</b>
<b>Current liabilities</b>		
Payables and accrued expenses	14,923	16,338
Current income tax payable	1,145	-
Post-employment benefit obligations	1,869	789
<b>Total current liabilities</b>	<b>17,937</b>	<b>17,127</b>
<b>Net current assets</b>	<b>114,398</b>	<b>111,805</b>
	<b>208,715</b>	<b>206,567</b>

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CONDENSED STATEMENT OF CASH FLOWS		
	As at December 2023 KShs'000	As at December 2022 KShs'000
Net cash from/(used) operating activities	7,180	(93)
Net cash used in investing activities	-	-
Net cash used in financing activities	(6,000)	-
Increase/(Decrease) in cash and cash equivalents	1,180	(93)
<b>Movement in cash and cash equivalents</b>		
At start of the Year	271	364
Increase/(decrease) during the period	1,180	(93)
<b>As at 31 December</b>	<b>1,451</b>	<b>271</b>

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	December 2023 KShs'000	December 2022 KShs'000
Turnover	137,767	122,937
Profit before income tax	10,444	16,363
Income tax charge	(2,328)	(4,967)
<b>Profit attributable to the shareholders</b>	<b>8,116</b>	<b>11,396</b>
<b>Authorized, Issued and fully paid shares of KShs 10 each</b>	<b>2,400,000</b>	<b>2,400,000</b>
<b>Earnings per share (KShs)</b>	<b>3.38</b>	<b>4.75</b>

CONDENSED STATEMENT OF CHANGES IN EQUITY				
	Share Capital KShs'000	Retained Earnings KShs'000	Proposed Dividend KShs'000	Total KShs'000
<b>Balance at 1 January 2022</b>	<b>24,000</b>	<b>151,446</b>	<b>-</b>	<b>175,446</b>
Total recognized Profit to December 2022		5,948		5,948
Dividends Proposed			6,000	6,000
<b>Balance as at 31<sup>st</sup> December 2022</b>	<b>24,000</b>	<b>157,394</b>	<b>6,000</b>	<b>187,394</b>
<b>Balance at 1 January 2023</b>	<b>24,000</b>	<b>157,394</b>	<b>6,000</b>	<b>187,394</b>
Dividends Paid within the year			(6,000)	(6,000)
Total recognized profit for 2023		10,824		10,824
<b>Balance as at 31<sup>st</sup> December 2023</b>	<b>24,000</b>	<b>168,218</b>	<b>-</b>	<b>192,218</b>

Directors: Dorcas Muli; Sarah Mbwaya; Felgona Omollo; Gerridina. Ten Den\*; Samson Korir \*Dutch

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## COMMENTARY

### **Performance**

In the year 2023, total revenues increased by 12% to Kes 137.8 million compared to Kes 122.9 million realised in 2022. This increase was mainly driven by volume growth, quality improvement and positive impact from Foreign exchange (FX) of Made Tea prices.

The company production increased by 13% from 3,005 tons in 2022 to 3,388 tons of green leaf in 2023. This improvement is attributed to improved agronomic activities and a favourable weather in Q4 of 2023.

The company posted a pre-tax profit of Kes 10.4 million in 2023 compared to a pre-tax profit of Kes 16.3 million in 2022. This decline in performance is driven by inflation and adverse FX impact on key raw material inputs mainly fertilizer. Additionally, increase in industry wage rates continue to put pressure on the cost of operations.

Management will continue to put in place cost efficiency programs to mitigate the impact of cost inflation and sustain the quality improvement strategies that will yield better returns to shareholders.

### **Dividend**

The Board of Directors recommend a dividend of kes 1.00/= (2022 kes 2.5/=) per ordinary share for the year ended 31 December 2023, payable net of withholding tax on or about 30 June 2024, to shareholders on the register of Members at the close of business on 13 April 2024.

### **Prospects**

Made Tea Market prices remains volatile and quality strategy will be the key lever for growth and improved performance if optimal weather conditions prevail.

Raw material costs and wage inflations remains a risk and management will continue to drive cost management initiatives to mitigate the impact.

Ms. Dorcas Muli

  
Dorcas Muli (Mar 23, 2024 11:41 GMT+3)

CHAIRPERSON

22<sup>nd</sup> March 2024