

KAPCHORUA TEA KENYA PLC
AUDITED RESULTS FOR THE YEAR ENDED 31st MARCH 2021
 Website: www.williamson.co.ke

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2021

	2021		2020	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Revenue	1,445,649 1,124,302			
Loss from operations before tax	(10,758)	(41,065)		
Increase in fair value of biological assets	23,030	21,801		
Net finance income	23,842	30,588		
Profit before taxation	34,114	11,234		
Tax (charge)/credit	(27,000)	8,111		
Profit for the year	7,065 19,437			
Total other comprehensive income	135,545	32,200		
Total comprehensive income for the year	137,610 51,637			
Profit for the year comprises:				
Class specific income from operating activities	(7,656)	3,086		
Profit arising from changes in fair value of biological assets	14,721	16,351		
7,065 19,437				
Issued shares of Kshs 5 each	7,624,000	7,624,000		
Earnings per share (Kshs) - Basic and diluted	0.30	0.28		

SUMMARISED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021

	Share Capital		Reserves		Total	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
As at 1 April 2019	39,120	251,758	1,176,256	1,467,714		
Profit for the year	-	-	19,437	19,437		
Decrease in opening deferred tax liability on revaluation surplus arising from change in tax rate	-	17,980	-	17,980		
Transfer of excess depreciation	-	(18,681)	18,681	-		
Defined tax on success depreciation	-	4,072	(4,072)	-		
Dividend declared-2019	-	-	(78,240)	(78,240)		
Balance at 31 March 2020	39,120	255,729	1,132,642	1,426,891		
As at 1 April 2020	39,120	255,729	1,132,642	1,426,891		
Profit for the year	-	-	7,065	7,065		
Gain on revaluation of property and equipment	-	210,448	-	210,448		
Defined tax on revaluation surplus	-	(63,254)	(63,254)	-		
Increase in opening deferred tax liability on revaluation surplus arising from change in tax rate	-	(17,849)	-	17,849		
Transfer of excess depreciation	-	(16,197)	16,197	-		
Defined tax on success depreciation	-	4,899	(4,899)	-		
Dividend declared-2020	-	-	(78,240)	(78,240)		
Balance at 31 March 2021	39,120	374,936	1,072,266	1,486,261		

COMMENTARY ON THE RESULTS

The global Covid-19 pandemic, including economic and over-supply of Kenya tea coinciding with weak demand from certain areas all contributed to a difficult year. The over-supply of Kenya tea resulted in very depressed prices throughout the year. It is however pleasing to record that Kapchorua met performance market expectations and achieved successful cost cutting, competitors and reaching new markets.

DIVIDEND

The Directors resolved to recommend a first and final dividend of Kshs. 10 per share to be paid out of the retained earnings. The recommended final dividend, subject to approval, will accrue to the members on the register at the close of business on 21st July 2021. Thereafter, the dividend will remain closed from 22nd July to 23rd July 2021, both days inclusive.

PROSPECTS

The future looks very difficult, with major buyers in and out of the market and with availability of tea remaining very high quantities may be purchased at a loss.

SUMMARY OF KEY AUDIT MATTER

The auditors' report on the financial statements include the following key audit matter: Valuation and measurement of biological assets.

BASIS OF PREPARATION OF SUMMARISED FINANCIAL STATEMENTS

The summarised financial statements have been prepared in accordance with the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 (Requirements as applicable to summarised financial statements).

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 79th Annual General Meeting of the Shareholders will be held by electronic communication on Friday 23rd July 2021 at 10:00 a.m. for the following purpose:

- Ordinary Business:**
- To receive and adopt the report of the Directors together with the audited financial statements for the year ended 31st March 2021.
 - To consider and approve a first and final dividend of Sh 10 per share for the year ended 31st March 2021 payable to the shareholders on the Register of Members.
 - To elect Directors.
 - In accordance with Article 95 of the Company's Articles of Association, Mr. Ezekiel Njiru Kimani Wanjama retires by rotation and offers himself for re-election.
 - In accordance with Article 95 of the Company's Articles of Association, Mr. Muthwa Kooch retires by rotation and offers himself for re-election.
 - In accordance with the provisions of Section 369 of the Companies Act 2015, the following directors being members of the Board Audit Committee, be appointed individually to continue to serve as members of the said committee:
 - Mr. Muthwa Kooch
 - Mr. James Patrick Brooks
 - Mr. Edward Charles Magye
 - To approve the remuneration of Directors
 - To appoint Messrs Deloitte & Touche as Auditors of the company in accordance with the provisions of Section 721 (2) of the Kenyan Companies Act, 2015 and to authorise the Directors to fix the Auditors' remuneration for the ensuing Financial Year in accordance with the provisions of Section 724 (1) of the Kenyan Companies Act, 2015.
 - To transact such other business as may be brought before the meeting.

G.K MASAKI

COMPANY SECRETARY

INDEPENDENT AUDITORS' REPORT ON THE SUMMARISED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF KAPCHORUA TEA KENYA PLC

Opinion
 We have audited the summarised financial statements of Kapchorua Tea Kenya PLC (the "Company"), which comprise the summarised statement of financial position as at 31 March 2021, the summarised statement of profit or loss and other comprehensive income, the summarised statement of changes in equity and the summarised statement of cash flows for the year then ended, as derived from the audited financial statements of the Company for the year ended 31 March 2021.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the audited financial statements of Kapchorua Tea PLC, in accordance with the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 ("the Regulations") as applicable to summarised financial statements.

Summarised financial statements

The summarised financial statements do not contain all the disclosures required by the International Financial Reporting Standards as applicable to annual financial statements. Reading the summarised financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements of the Company and the auditors' report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 29 June 2021. That report also includes the communication of a key audit matter related to valuation and measurement of biological assets. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's financial statements of the current period.

Directors' responsibility for the summarised financial statements

The Directors are responsible for the preparation of the summarised financial statements in accordance with the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 (Requirements as applicable to summarised financial statements).

Auditors' responsibility for the summarised financial statements

Our responsibility is to express an opinion on whether the summarised financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Frederick Aloo, Practising certificate No. 1537

For and on behalf of Deloitte & Touche LLP

Certified Public Accountants (Kenya)

Deloitte Place

Wajaki Way, Mathari

P.O. Box 40992 - 00100, Nairobi, Kenya

29 June 2021

The above content is based on the Financial Statements of Kapchorua Tea Kenya PLC for the year ended 31 March 2021 as audited by Deloitte & Touche who have issued an unmodified report. The Financial Statements have been prepared in accordance with the International Financial Reporting Standards. The Company's annual reports and press releases of the annual results can be accessed at the Company's website: www.williamson.co.ke

SUMMARISED STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2021

	2021		2020	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
ASSETS				
Non-current assets				
Property, plant and equipment	991,564	829,981		
Right of use assets	19,794	19,821		
Intangible assets	42	139		
Unquoted investment	717	717		
Biological assets - timber and fuel trees	302,260	212,641		
	1,315,077	1,063,279		
Current Assets				
Unbilled green leaf	15,552	18,351		
Inventory	219,073	259,994		
Trade and other receivables	174,412	206,526		
Due from related companies	871	2,396		
Corporate tax receivable	1,557	40,659		
Short term bank deposits	307,210	296,517		
Cash and bank balances	150,951	62,381		
	871,626	875,728		
Total Assets	2,086,703	1,942,007		
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	39,120	39,120		
Reserves	374,936	255,729		
Retained earnings	1,072,266	1,132,642		
Shareholders' funds	1,486,261	1,426,891		
Non-current Liabilities				
Deferred taxation	268,738	201,638		
Provisions for service gratuity	140,727	132,528		
	409,465	334,166		
Current Liabilities				
Dividends Payable	1,642	2,418		
Due to related companies	32,926	18,314		
Dividends Payable	149,421	169,242		
	183,989	190,984		
Total equity and liabilities	2,086,703	1,942,007		

SUMMARISED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2021

	2021		2020	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net cash generated from/used in operations	241,148	(12,391)		
Interest received	13,599	29,396		
Interest paid	(143)	(691)		
Tax paid	(1,150)	(8,228)		
Net cash generated from/used in operating activities	252,454	(9,114)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(66,734)	(42,452)		
Dividends received	-	684		
Deposited on biological assets	(1,345)	(1,972)		
Net cash used in investing activities	(71,077)	(46,838)		
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(77,616)	(77,246)		
Net cash used in financing activities	(77,616)	(77,246)		
Net increase/(decrease) in cash and cash equivalents	104,761	(132,290)		
Movement in cash and cash equivalents				
At 1 April	352,809	485,699		
Net increase/(decrease) in cash and cash equivalents	104,761	(132,290)		
At 31 March	457,570	353,409		