

**KAPCHORUA TEA KENYA PLC**  
**AUDITED RESULTS FOR THE YEAR ENDED 31st MARCH 2022**  
 Website: www.williamsontea.com

**SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2022**

	2022 Kshs'000	2021 Kshs'000
<b>Revenue</b>	<b>1,415,471</b>	<b>1,445,640</b>
Gain/(Loss) from operations before tax	217,421	(10,758)
Increase in fair value of biological assets	51,017	21,030
Net finance income	34,575	23,842
Profit before taxation	303,013	34,114
Tax (charge)/credit	(88,997)	(27,049)
Profit for the year	<b>214,016</b>	<b>7,065</b>
Total other comprehensive income	1,687	130,541
Total comprehensive income for the year	<b>215,703</b>	<b>137,610</b>
<b>Profit for the year comprises:</b>		
Profit/(Loss) arising from operating activities	178,304	(7,656)
Profit arising from changes in fair value of biological assets	35,712	14,721
	<b>214,016</b>	<b>7,065</b>
Issued shares of Kshs 5 each	7,824,000	7,824,000
Earnings per share (Kshs) - Basic and diluted	27.35	0.90

**SUMMARISED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022**

	Share Capital Kshs'000	Revaluation surplus Kshs'000	Retained earnings Kshs'000	Total Kshs'000
As at 1 April 2020	39,120	255,729	1,132,042	1,426,891
Profit for the year	-	-	7,065	7,065
Gain on revaluation of property and equipment	-	210,848	210,848	210,848
Deferred tax on revaluation surplus	-	(63,254)	(63,254)	(63,254)
Increase in opening deferred tax liability on revaluation surplus arising from change in tax rate	-	(17,049)	(17,049)	(17,049)
Transfer of excess depreciation	-	(16,197)	16,197	-
Deferred tax on excess depreciation	-	4,859	(4,859)	-
Dividend declared-2020	-	-	(78,240)	(78,240)
<b>Balance at 31 March 2021</b>	<b>39,120</b>	<b>374,936</b>	<b>1,072,205</b>	<b>1,486,261</b>
As at 1 April 2021	39,120	374,936	1,072,205	1,486,261
Profit for the year	-	-	214,016	214,016
Other comprehensive income	-	1,687	-	1,687
Revaluation reserve release on disposal	-	19,014	(19,014)	-
Deferred income tax on disposal	-	(5,704)	5,704	-
Transfer of excess depreciation	-	21,132	(21,132)	-
Deferred income tax on excess depreciation	-	(6,340)	6,340	-
Dividend declared-2021	-	-	(78,240)	(78,240)
<b>Balance at 31 March 2022</b>	<b>39,120</b>	<b>404,725</b>	<b>1,179,879</b>	<b>1,623,724</b>

**COMMENTARY ON THE RESULTS**

During the year Kapchorua steadily gained buyer support both in the auction and private selling to move above competitors in the same category. A combination of good, consistent quality and a concerted marketing push into our emerging destinations has so far proved successful.

**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 29th July 2022. Thereafter, the register will remain closed from 1st August to 2nd August 2022, both days inclusive.

**PROSPECTS**

With global inflationary pressures impacting negatively on our costs and uncertain price realisations we can only hope that our efforts to increase demand for the teas will at least enable us to remain competitive.

**SUMMARY OF KEY AUDIT MATTER**

The auditors' report on the financial statements include the following key audit matter: Valuation 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 80th Annual General Meeting of the Shareholders will be held by electronic communication on Thursday 4th August 2022 at 10.00 a.m. for the following purpose:

**Ordinary Business:**

- 1) To receive and adopt the report of the Directors together with the audited financial statements for the year ended 31 March 2022.
- 2) To approve dividend of Shs 10 per share in respect of the year ended 31 March 2022 payable on 19 August 2022, to shareholders on the Register of Members as at close of business on 29 July 2022.
- 3) To elect Directors:
  - i) In accordance with Article 95 of the Company's Articles of Association, Mr. Philip Magor retires by rotation and offers himself for re-election.
  - ii) In accordance with Article 95 of the Company's Articles of Association, Mr. James Patrick Brooks retires by rotation and offers himself for re-election.
- 4) In accordance with the provisions of Section 769 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:
  - i) Mr. Mathew Koeth
  - ii) Mr. James Patrick Brooks
  - iii) Mr. Edward Charles Magor
- 5) To approve the remuneration of Directors
- 6) Appointment of Auditors  
To ratify appointment PricewaterhouseCoopers LLP as the new Auditors of the Company having replaced Deloitte & Touche.
- 7) To transact such other business as may be brought before the meeting.

**G K MASAKI**  
COMPANY SECRETARY

**INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF KAPCHORUA TEA KENYA PLC**

**Opinion**

We have audited the summary financial statements of Kapchorua Tea Kenya Plc, which comprise the summary statement of financial position at 31 March 2022 and summary income statement, summary statements of other comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of Kapchorua Tea Kenya Plc (the "Company") for the year ended 31 March 2022. The Company's financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act, 2015.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Company which are prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act, 2015.

**Summary financial statements**

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act, 2015.

Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements report and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

**The audited financial statements and our report thereon**

We expressed an unmodified audit opinion on the audited financial statements in our audit report dated 30 June 2022 was prepared in accordance with the Kenyan Companies Act, 2015.

That audit report also includes the communication of 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.

- Valuation of biological assets

**Directors' responsibility for the summary financial statements**

The directors are responsible for the preparation of the summary financial statements in accordance with the International Financial Reporting Standards and Kenyan Companies Act 2015.

**Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary 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*.

**FCPA Michael Mugaas, Practising Certificate Number 1478**

Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

30 June 2022

The above extract is based on the Financial Statements of Kapchorua Tea Kenya PLC for the year ended 31 March 2022 as audited by PricewaterhouseCoopers LLP 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 release of the annual results can be accessed at the Company's website: www.williamsontea.com

**SUMMARISED STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2022**

	2022 Kshs'000	2021 Kshs'000
<b>ASSETS</b>		
<b>Non - current assets</b>		
Property, plant and equipment	948,574	991,564
Right of use assets	19,362	19,794
Intangible assets	292	42
Unquoted investment	14,203	717
Biological assets - timber and fuel trees	258,274	197,962
	<b>1,240,705</b>	<b>1,210,079</b>
<b>Current Assets</b>		
Unharvested green leaf	2,271	15,552
Inventories	201,331	219,073
Trade and other receivables	122,458	177,283
Due from related companies	-	-
Corporate tax recoverable	-	1,557
Cash and bank balances	582,315	458,161
	<b>908,375</b>	<b>871,626</b>
<b>Total Assets</b>	<b>2,149,080</b>	<b>2,081,705</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	39,120	39,120
Revaluation surplus	404,725	374,936
Retained earnings	1,179,879	1,072,205
<b>Shareholders' funds</b>	<b>1,623,724</b>	<b>1,486,261</b>
<b>Non - current Liabilities</b>		
Deferred taxation	278,885	268,738
Provision for service gratuity	95,646	140,767
	<b>374,531</b>	<b>409,505</b>
<b>Current Liabilities</b>		
Dividends Payable	3,644	3,642
Current income tax	29,474	-
Dividends Payable	117,207	182,297
	<b>150,825</b>	<b>185,939</b>
<b>Total equity and liabilities</b>	<b>2,149,080</b>	<b>2,081,705</b>

**SUMMARISED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022**

	2022 Kshs'000	2021 Kshs'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash generated from/(used in) operations	296,719	237,648
Interest received	31,220	13,599
Interest paid	(34)	(143)
Tax paid	(48,542)	(1,150)
<b>Net cash generated from/(used in) operating activities</b>	<b>281,363</b>	<b>249,954</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(84,970)	(66,734)
Purchase of intangible assets computer software	(342)	-
Proceeds from disposal of PPE	8,777	-
Expenditure on biological assets	(2,532)	(4,343)
<b>Net cash used in investing activities</b>	<b>(79,067)</b>	<b>(71,077)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(78,238)	(77,016)
<b>Net cash used in financing activities</b>	<b>(78,238)</b>	<b>(77,016)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>124,058</b>	<b>101,861</b>
<b>Movement in cash and cash equivalents</b>		
At 1 April	458,161	352,800
Foreign currency translation	96	3,500
Net increase/(decrease) in cash and cash equivalent	124,058	101,861
At 31 March	<b>582,315</b>	<b>458,161</b>