

LIMURU TEA COMPANY LIMITED

P. O. BOX 42011, Nairobi 00100, Kenya
Telephone: Nairobi 532520

ANNOUNCEMENT OF RESULTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2014

The Board of Directors is pleased to announce the company's results for the year ended 31 December 2014. 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 31.12.14		As At 31.12.13
CAPITAL EMPLOYED	Shs'000		Shs'000
Share capital	24,000		24,000
Retained Earnings & reserves	226,515		227,346
Proposed dividends	1,200		9,000
Total equity	251,715		260,346
Non Current Liabilities			
Deferred income tax	50,554		52,691
Post employment benefit obligation	20,000		21,749
	70,554		74,440
Total equity and noncurrent liabilities	322,269		334,786
REPRESENTED BY			
Noncurrent assets			
Property, plant and equipment	9,891		2,593
Biological assets	196,702		201,732
	206,593		204,325
Current assets			
Receivables from parent company	123,983		127,565
Current income tax asset	-		3,291
Inventory	152		59
Cash at bank and in hand	7,872		7,767
	132,007		138,682
Current Liabilities			
Trade and other payables	14,776		8,221
Current income Tax liability	1,555		-
	16,331		8,221
Net current assets	115,676		130,461
	322,269		334,786

CONDENSED STATEMENT OF CASH FLOWS			
	As at 31 Dec 2014 shs '000		As at 31 Dec 2013 shs '000*
Net cash from operating activities	16,541		11,515
Net cash used in investing activities	(7,436)		(1,671)
Net cash used in financing activities	(9,000)		(9,000)
Increase in cash and cash equivalents	105		844
Movement in cash and cash equivalents			
At start of year	7,767		6,923
Increase	105		844
At end of December	7,872		7,767

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME			
	2014 Shs '000		2013 Shs '000
Turnover	92,250		104,192
Profit before income tax	2,078		41,556
Income tax (expense)	(2,409)		(13,043)
Profit attributable to the shareholders	(331)		28,513
Issued shares of Kshs. 20 each	1,200,000		1,200,000
Earnings per share (Shs)	(0.28)		23.8
Total Dividends per share (Shs)	1		7.5

CONDENSED STATEMENT OF CHANGES IN EQUITY				
	Share Capital Shs '000	Retained Earnings & reserves Shs '000	Proposed Dividend Shs '000	Total Shs '000
Balance at 1 January 2013	24,000	209,233	9,000	242,233
Total recognised income for 2013	-	28,513	-	28,513
Dividends				
Charge to income statement (actuarial loss less of Tax)		(1,400)		(1400)
-Final Paid For 2012			(9,000)	(9,000)
-Proposed final for 2013		(9,000)	9,000	-
Balance as at 31 December 2013	24,000	227,346	9,000	260,346
Balance at 1 January 2014	24,000	227,346	9,000	260,346
Total recognised income for 2014	-	(331)	-	(331)
Charge to income statement (Actuarial gain less of Tax)		700		700
Dividends				
-Final Paid For 2013			(9,000)	(9000)
-Proposed final for 2014		(1,200)	1,200	
Balance as at 31 December 2014	24,000	226,515	1,200	251,715

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COMMENTARY

Performance

In 2014 the company produced 3,403,760 kilograms of green leaf, which in turn was manufactured into 770,058 kilograms of black tea. The 14% increase in green leaf volume is attributed to a good rainfall distribution in the year 2014.

Total revenues decreased by 11% to Ksh. 92 million in 2014 from Ksh. 104 million in 2013. This was attributed to a 16% drop in average prices in the year 2014 (Ksh 180 per kg of black tea compared to Ksh. 215 in 2013).

The company posted a pre-tax profit of Ksh.2.078 million in the year ended 31st December 2014 compared to Ksh. 41.556 million in the year ended 31st December 2013. The 95% decrease in pre-tax profits compared to same period previous year is largely attributed to reduced tea auction prices and the loss on revaluation of biological assets in line with the declining tea prices. (Ksh.5 million loss compared to Ksh.13.5 million gain in 2013). The cost of sales rose by 10% as a result of higher production and inflationary pressures compared to the prior year.

Dividend

The Directors recommend a dividend of Ksh.1 per share for 2014, subject to approval by the shareholders at the Annual General Meeting scheduled for Friday 29th of May 2015. The dividend shall be subject to withholding tax where applicable and will be payable to members on the register on 17th April 2015.

Prospects

2015 started at a slow pace due to a dry spell in the first two months of the year. If weather and market conditions improve, then 2015 performance is expected to also improve.



INVOLATA ORIWO
COMPANY SECRETARY