

KAKUZI PLC

ANNOUNCEMENT OF GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Summarised Consolidated Statement of Profit or Loss and other Comprehensive Income

	31 December 2019 Shs'000	31 December 2018 Shs'000
Sales	2,888,662	3,152,831
	=====	=====
Profit before fair value gain in non-current biological assets and income tax	931,063	610,001
Fair value gain in non-current biological assets	83,414	74,082
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Profit before income tax	1,014,477	684,083
Income tax expense	(301,038)	(202,489)
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Profit for the year	713,439	481,594
Other Comprehensive Income:		
<i>Items that are not reclassified subsequently to profit or loss:</i>		
Remeasurement of post-employment benefit obligations (net of tax)	11,810	3,046
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Total comprehensive income for the year	725,249	484,640
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	Shs	Shs
Earnings per share (Shs):		
Basic and diluted earnings per ordinary share	36.40	24.57
	=====	=====

Summarised Consolidated Statement of Financial Position

	31 December 2019 Shs'000	31 December 2018 Shs'000
EQUITY		
Share capital	98,000	98,000
Other reserves	31,463	19,653
Retained earnings	4,814,462	4,375,423
Proposed dividends	274,400	176,400
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Total equity	5,218,325	4,669,476
Non-current liabilities	1,007,047	881,602
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	6,225,372	5,551,078
	=====	=====
REPRESENTED BY		
Non-current assets	3,868,015	3,624,125
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Current assets	896,890	815,982
Cash and cash balances	1,696,130	1,500,935
Current liabilities	(235,663)	(389,964)
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Net current assets	2,357,357	1,926,953
	=====	=====
	6,225,372	5,551,078
	=====	=====

Summarised Consolidated Statement of Cash flows

	31 December 2019 Shs'000	31 December 2018 Shs'000
Cash and cash equivalents at the beginning of the year	1,500,935	1,648,749
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Net cash generated from operating activities	785,578	361,190
Net cash used in investing activities	(406,500)	(369,462)
Net cash used in financing activities	(176,400)	(137,200)
Net exchange losses on foreign currency cash & cash equivalent	(7,483)	(2,342)
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Increase/(decrease) in cash and cash equivalents	195,195	(147,814)
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Cash and cash equivalents at the end of the year	1,696,130	1,500,935
	=====	=====

Summarised Consolidated Statement of Changes in Equity

	Share capital Shs'000	Other reserves Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Total Equity Shs'000
At 1.1.2019	98,000	19,653	4,375,423	176,400	4,669,476
Profit for the year	-	-	713,439	-	713,439
Other comprehensive income	-	11,810	-	-	11,810
Dividends – final for 2018	-	-	-	(176,400)	(176,400)
– proposed for 2019	-	-	(274,400)	274,400	-
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At 31.12.2019	98,000	31,463	4,814,462	274,400	5,218,325
	=====	=====	=====	=====	=====

OVERVIEW:

An excellent set of results for 2019 showing a pre-tax profit of Shs 1,014 million against Shs 684 million of last year as a result of firm market demand and pricing for both avocado and macadamia throughout the year. The earnings per Share increased from Shs 24.57 to Shs 36.40. Profitability within the tea operations continued to reflect the difficult trading conditions and significant inflationary pressure on labour and other production costs.

Kakuzi continues to develop its Core Crop Strategy in line with the Group's long-term objectives.

DIVIDEND:

The Directors recommend the payment of a first and final dividend for the financial year 2019 of Shs 14.00 per ordinary share (2018: Shs 9.00) subject to shareholders' approval. The dividend shall be paid on or about 15 July 2020 to the shareholders on the members' register at the close of business on Friday, 19 June 2020.

ANNUAL GENERAL MEETING:

The Annual General Meeting of the Company will be held on Tuesday, 9 June 2020 at 12.00 Noon at Nairobi Serena Hotel. The audited Financial Statements are available on the Group's website: www.kakuzi.co.ke/investor-relations/regulatory-news

BY ORDER OF THE BOARD

G H MCLEAN
CHAIRMAN
19 MARCH 2020



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INDEPENDENT AUDITORS' REPORT ON THE SUMMARISED COSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF KAKUZI PLC

Opinion

The accompanying summarised consolidated financial statements of Kakuzi Plc and its subsidiaries (the "Group"), which comprise the summarised consolidated statement of financial position as at 31 December 2019, the summarised consolidated statement of profit or loss and other comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year then ended, are derived from the audited consolidated financial statements of the Group for the year ended 31 December 2019.

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

Summarised consolidated financial Statements

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

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 19 March 2020. That report also includes the communication of a key audit matter.

Directors' responsibility for the summarised consolidated financial statements

The Directors are responsible for the preparation of the summarised consolidated 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

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated 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*.

Certified Public Accountants (Kenya)

Nairobi

CPA Anne Muraya, Practising certificate No. 1697.

Signing partner responsible for the independent audit

19 March 2020