

# CROWN PAINTS KENYA PLC AND SUBSIDIARIES AUDITED RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2020



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT

	31ST DEC 2020 KShs'000	31ST DEC 2019 KShs'000
ASSETS		
NON-CURRENT ASSETS	1,809,621	1,886,183
CURRENT ASSETS	3,821,241	3,635,358
<b>TOTAL ASSETS</b>	<b>5,630,862</b>	<b>5,521,541</b>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	355,905	355,905
Reserves	1,553,605	951,405
	<b>1,909,510</b>	<b>1,307,310</b>
NON-CURRENT LIABILITIES	504,220	576,033
CURRENT LIABILITIES	3,217,132	3,638,198
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,630,862</b>	<b>5,521,541</b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED

	31-Dec-20 KShs'000	31-Dec-19 KShs'000
REVENUE FROM CONTRACTS WITH CUSTOMERS	9,191,704	8,603,652
<b>PROFIT BEFORE TAX</b>	<b>862,886</b>	<b>527,974</b>
TAX EXPENSE	(263,381)	(204,951)
<b>PROFIT FOR THE YEAR</b>	<b>599,505</b>	<b>323,023</b>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange difference on translation of foreign operations	2,695	136
<b>Total comprehensive income net of tax</b>	<b>602,200</b>	<b>323,159</b>
Basic and diluted earnings per share (Kshs)	8.42	4.54
Number of shares issued	71,181	71,181

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

	31-Dec-20 KShs'000	31-Dec-19 KShs'000
<b>Cash flows generated from operations</b>	<b>1,575,016</b>	<b>1,146,723</b>
Income tax paid	(352,214)	(189,377)
Interest received	11,122	12,217
Interest paid	(233,898)	(305,352)
<b>Net cash generated from operating activities</b>	<b>1,000,026</b>	<b>664,211</b>
<b>Net cash used in investing activities</b>	<b>(168,038)</b>	<b>(251,169)</b>
<b>Net cash used in financing activities</b>	<b>(933,287)</b>	<b>(350,437)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(101,299)</b>	<b>62,605</b>
Cash and cash equivalents at the beginning of the year	389,243	332,264
Effect of exchange rate changes on cash and cash equivalents	15,904	(5,626)
<b>Cash and cash equivalents at the end of the year</b>	<b>303,848</b>	<b>389,243</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED

	Share capital KShs'000	Share premium KShs'000	Revaluation reserve KShs'000	Foreign currency translation reserve KShs'000	Retained earnings KShs'000	Total equity KShs'000
<b>At 1 January 2019</b>	<b>355,905</b>	<b>80,174</b>	<b>81,229</b>	<b>86,675</b>	<b>422,877</b>	<b>1,026,860</b>
Profit for the year	-	-	-	-	323,023	323,023
Other comprehensive income	-	-	-	136	-	136
<b>Total comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136</b>	<b>323,023</b>	<b>323,159</b>
Transfer of revaluation reserve on disposal	-	-	(895)	-	895	-
Transfer of excess depreciation-2019	-	-	(18,743)	-	18,743	-
2018 final dividend paid	-	-	-	-	(42,709)	(42,709)
<b>At 31 December 2019</b>	<b>355,905</b>	<b>80,174</b>	<b>61,591</b>	<b>86,811</b>	<b>722,829</b>	<b>1,307,310</b>
<b>At 1 January 2020</b>	<b>355,905</b>	<b>80,174</b>	<b>61,591</b>	<b>86,811</b>	<b>722,829</b>	<b>1,307,310</b>
Profit for the year	-	-	-	-	599,505	599,505
Other comprehensive income	-	-	-	2,695	-	2,695
<b>Total comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,695</b>	<b>599,505</b>	<b>602,200</b>
Transfer of revaluation reserve on disposal	-	-	(763)	-	763	-
Transfer of excess depreciation- 2020	-	-	(17,335)	-	17,335	-
<b>At 31 December 2020</b>	<b>355,905</b>	<b>80,174</b>	<b>43,493</b>	<b>89,506</b>	<b>1,340,432</b>	<b>1,909,510</b>

### Commentary on the results

The Board of Directors is pleased to announce the audited results for the year ended 31st December 2020. The same accounting policies and methods of computation have been used as were in the last financial statements.

### BUSINESS COMMENTARY

The Group's turnover for the year ended 31 December 2020 grew by 7% (KShs 588 million) to KShs 9 billion in comparison with year 2019 which had a 3% (KShs 288 million) increase against the year 2018. Similarly, the profit before tax, for year ended 31 December 2020 rose by 63% (KShs 335 million) to KShs 863 Million compared to the year ended 31 December 2019 where a 33% (KShs 132 million) growth was attained against the year ended 31 December 2018.

For the Group's business, the first quarter began brightly compared to a similar period in 2019 and had signalled a better 2020 performance. However, in March 2020, the COVID-19 outbreak was confirmed leading to three East African countries instituting the first lockdown measures in April 2020, as they tried to contain the spread of the virus. Our business closed in Rwanda and Uganda, however, for Kenya we remained open despite very low business. It is worth noting that despite our business remaining open over this period, it has been our company's core priority to ensure its employees and customers health was well safeguarded by ensuring that our premises were compliant with the Ministry of Health guidelines.

The initial period of the lockdown had adverse effects on the business as we observed a shortage of materials inflows into our country. The effect of this was a slight shift upwards in raw material prices and a temporary shortage of certain of our products in the market. However, as governments worldwide instituted measures to ensure the flow of trade, the adverse effects continually decreased towards the end of the second quarter. In order to ensure continuity of our company, the management had to change its priorities to offset this difficult time by curtailing spending on matters that were deemed not effective during this period. Unlike many other sectors of our economy where performance decreased due to adverse effects of the lockdown, the painting sector of the construction industry saw the third and fourth quarters being favourable as business activity picked up mainly due to heightened activities of residential repairs and improvements, hence, our business delivering a growth of 63% to the bottom line.

For the year ahead, adapting the "coronavirus forced change" in the way of doing business is not a matter of choice. As the economy of the region is not expected to grow tremendously, during 2021, our company shall continue to depend on the strengths of our brand and our network of stakeholders to our advantage in order to deliver to the shareholders a greater return.

### DIVIDEND

The Board of Directors does not recommend payment of any dividend.

By Order of the Board  
Conrad Nyukuri,  
Company secretary  
7th June, 2021