APPENDIX 6

KAPCHORUA TEA KENYA PLC

UNAUDITED RESULTS FOR THE 6 MONTHS ENDED 30TH SEPTEMBER 2019

Website: www.williamsontea.com

STATEMENT OF COMPREHENSIVE INCOME

	31.09.2019 Kshs'000	31.09.2018 Kshs'000
Turnover	**388,221**	**724,020**
Loss from operations before tax	(41,632)	(44,463)
increase/(decrease) in fair value of biological assets	3,056	(57,949)
Finance (cost)/income	17,049	(6,844)
Loss before taxation	(21,527)	(109,256)
Tax Credit	6,458	32,777
Loss for the year	**(15,069)**	**(76,479)**
Comprising:		
Loss arising from operating activities	(17,208)	(35,915)
profit/(loss) arising from changes in fair value of biological assets	2,139	(40,564)
	(15,069)	**(76,479)**
Issued Shares of Kshs 5 each	7,824,000	7,824,000
(Loss)/earnings per share (Kshs)	(1.93)	(9.77)

STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs'000	Revaluation Reserves Kshs'000	Revenue Reserves: Biological Assets gains/(losses) Kshs'000	Revenue Reserves: Other Kshs'000	Revenue Reserves: Total Kshs'000	Total Kshs'000
Balance at 1 April 2018	39,120	281,830	519,693	830,976	1,350,669	1,632,499
Total comprehensive income/(loss) for the year			(40,564)	(35,915)	(76,479)	(76,479)
Dividend declared-2018			-	(78,240)	(78,240)	(78,240)
					-	-
Balance at 30th September 2018	**39,120**	**281,830**	**479,129**	**716,821**	**1,195,950**	**1,477,780**
As at 1 April 2019	39,120	251,758	432,185	744,651	1,176,836	1,467,714
Total comprehensive loss for the period	-	-	2,139	(17,208)	(15,069)	(15,069)
Dividends declared 2019			-	(78,240)	(78,240)	(78,240)
Balance at 30th September 2018	**39,120**	**251,758**	**434,324**	**649,203**	**1,083,527**	**1,374,405**

STATEMENT OF FINANCIAL POSITION

	30.09.2019 Kshs'000	31.03.2019 Kshs'000
ASSETS		
Non - current assets		
Property , Plant and Equipment	876,563	919,374
Prepaid Operating Lease Rentals	19,830	19,845
Intangible Assets	286	501
Investments	718	717
Biological Assets	222,469	220,347
	1,119,866	1,160,784
Current Assets		
Unharvested Green leaf	10,532	895
Inventories	272,520	195,099
Trade and other receivables	129,890	138,751
Due from related companies	7,024	3,761
Tax Recoverable	1,582	48,785
Fixed Deposits	387,257	373,561
Cash Balance	113	111,537
	808,918	872,389
Total Assets	**1,928,784**	**2,033,173**
EQUITY AND LIABILITIES		
Capital and reserves		
Share Capital	39,120	39,120
Revaluation reserves	2,517,566	251,758
Revenue Reserves	1,083,529	1,176,836
Shareholders' funds	3,640,215	1,467,714
Non - current Liabilities		
Deferred Taxation	243,705	241,285
Provision for service gratuity	127,517	130,845
	371,222	372,130
Current Liabilities		
Trade and other payables	142,551	152,319
Due to related companies	14,363	39,486
Corporate tax payable	-	-
Dividends Payable	1,403	1,524
Bank Balance	24,839	
	183,156	193,329
Total equity and liabilities	**4,194,593**	**2,033,173**

STATEMENT OF CASH FLOWS

	30.09.2019 Kshs'000	30.09.2018 Kshs'000
Operating activities		
Cash generated from operations	151,622	371,518
Interest received	31,343	2,060
Interest paid	282	(859)
Tax Paid	(32,872)	(108,410)
	150,375	**264,309**
Investing activities		
Purchase of plant and equipment	(52,492)	(37,935)
Purchase of intangible assets	(148)	
Proceeds from disposal of Plant and	-	-
Dividends received	4	
Expenditure on biological assets	(4,605)	(911)
	(57,241)	**(38,846)**
Financing activities		
Dividends paid	(98,027)	-
	(98,027)	**-**
Increase/(decrease) in cash and cash equivalents	**(4,893)**	**225,463**
Movement in cash and cash equivalents		
At 1 April	367,424	141,961
Increase / (decrease)	(4,893)	225,463
At 30th September	**362,531**	**367,424**

COMMENTARY ON THE RESULTS

With our crops on average 15% below last year, we may have expected prices to rise to compensate for some of the crop loss. Aside from a brief period, this has not materialised as enormous carry over of unsold stock from other tea producers negated a prolonged dry weather spike in prices. Therefore, the double problem of lower crops, lower prices and weak market forces - too much supply and insufficient demand has resulted in the results provided for the past 6 months.

By general trade consensus, our efforts to improve our own quality have been successful but our attempts to persuade buyers to benchmark our farms at a superior price level remains work in progress. If a buyer's job is to procure the maximum amount of tea at the cheapest possible price, it is not a challenge to achieve this in the current market. However, we continue to strive to position our teas in the higher customer category.

PROSPECTS

We do not envisage much change going forward and it is unlikely we will make up our crop deficits in the months to March 2020 or that prices will rise.
A regrettably gloomy but unfortunately realistic picture.

G K MASAKI
COMPANY SECRETARY