

WILLIAMSON TEA KENYA PLC
UNAUDITED RESULTS FOR THE 6 MONTHS ENDED 30TH SEPTEMBER 2019
Website: www.williamsontea.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31.09.2019	31.09.2018
	Kshs'000	Kshs'000
Turnover	1,317,046	1,970,778
(Loss)/profit from operations before tax	(124,242)	16,778
(Decrease)/Increase in fair value of biological assets	5,076	(50,248)
Finance (costs)/ income	37,842	(44,836)
Share of results of associated Companies	(12,776)	(43,222)
(Loss)/profit before taxation	(94,100)	(121,528)
Tax credit/(charge)	28,230	36,459
(Loss)/profit for the year	(65,870)	(85,069)
Attributable to:		
Equity Holders of the parent	(63,150)	(76,790)
Non-controlling interest	(2,720)	(8,279)
(Loss)/profit after tax attributable to members	(65,870)	(85,069)
Comprising:		
(Loss)/profit arising from operating activities	(69,423)	(50,544)
Profit/(Loss) arising from changes in fair value of biological assets	6,273	(26,246)
Non-controlling interest	(2,720)	(8,279)
	(65,870)	(85,069)
Issued Shares of Kshs 5 each	17,512,640	17,512,640
(Loss)/earnings per share (Kshs)	(3.61)	(4.38)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs'000	Revaluation Reserves Kshs'000	Revenue Reserves			Equity Attributable to owners of the company Kshs'000	Non-controlling Interest Kshs'000	Total Kshs'000
			Biological Assets gains/(losses) Kshs'000	Other Kshs'000	Total Kshs'000			
Balance at 1 April 2018	87,563	1,085,535	1,358,649	4,102,975	5,461,624	6,634,722	212,635	6,847,357
Total Comprehensive loss for the year			(26,246)	(50,544)	(76,790)	(76,790)	(8,279)	(85,069)
Dividends Paid - 2018				(350,253)	(350,253)	(350,253)		(350,253)
Balance at 30th September 2018	87,563	1,085,535	1,332,403	3,702,178	5,034,581	6,207,679	204,356	6,412,035
Balance at 1 April 2019	87,563	1,030,507	1,353,175	3,648,532	5,001,707	6,119,777	197,598	6,317,375
Total Comprehensive loss for the year			6,273	(69,423)	(63,150)	(63,150)	(2,720)	(65,870)
Dividends declared - 2019				(350,253)	(350,253)	(350,253)	(7,087)	(357,340)
Balance at 30th September 2019	87,563	1,030,507	1,359,448	3,228,856	4,588,304	5,706,374	187,791	5,894,165

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.09.2019	31.03.2019
	Kshs'000	Kshs'000
ASSETS		
Non current assets		
Property, Plant and Equipment	3,683,800	3,672,274
Intangible assets	1,400	1,829
Prepaid Operating Lease Rentals	41,140	72,371
Investment properties	436,000	436,000
Investment in Associate company	567,876	580,628
Unquoted investments	1,349	1,349
Biological Assets	707,238	699,684
	5,438,803	5,464,135
Current assets		
Biological assets-Unharvested green leaf	39,814	21,523
Inventories	745,227	783,034
Trade and other receivables	487,524	366,439
Associated companies	130,162	39,486
Taxation	322,242	286,758
Short Term bank deposits	640,904	872,898
Bank & Cash	169,260	437,645
	2,535,133	2,807,783
Total Assets	7,973,936	8,271,918
EQUITY AND LIABILITIES		
Capital and reserves		
Share Capital	87,563	87,563
Revaluation surplus	1,030,507	1,030,507
Retained earnings	4,588,304	5,001,707
Equity attributable to owners of the Company	5,706,374	6,119,777
Non-controlling interest	187,791	197,598
Total Equity	5,894,165	6,317,375
Non current liabilities		
Deferred tax liability	994,443	967,735
Service gratuity provision	288,135	291,157
Borrowings		
	1,282,578	1,258,892
Current liabilities		
Trade and other payables	668,903	654,510
Due to associate company	122,488	3,761
Borrowings	5,802	37,380
Corporate tax payable	-	-
	797,193	695,651
Total equity and liabilities	7,973,936	8,271,918

CONSOLIDATED STATEMENT OF CASHFLOWS

	30.09.2019	30.09.2018
Operating activities		
Cash generated from operations	279,653	1,109,677
Interest received	76,675	19,817
Interest paid	(259)	(7,032)
Taxation Paid	(107,757)	(455,041)
	248,312	667,421
Investing activities		
Purchase of Plant and equipment	(263,913)	(105,025)
Purchase of intangible assets	672	(1,211)
Proceeds from disposal of plant and equipment	2,378	7,073
Net Expenditure on biological assets	(11,039)	(1,778)
Dividend from - Associated company	30,951	-
	(240,951)	(100,941)
Financing Activities		
Asset finance loans repaid	(62,319)	(29,398)
Dividends paid to shareholders	(529,042)	(436)
Dividend paid to minority interest	(14,174)	-
	(605,535)	(29,834)
Increase/(decrease) in cash and cash equivalents	(598,174)	536,646
Movement in cash and cash equivalents		
At 1 April	1,394,164	857,518
Increase/(decrease)	(598,174)	536,646
At 30th September	810,164	1,394,164