



CAR & GENERAL (KENYA) PLC

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2020**

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CONTENTS	PAGES
Condensed consolidated statement of comprehensive income	2
Condensed consolidated statement of financial position	3
Condensed consolidated statement of changes in equity	4
Condensed consolidated statement of cash flows	5
Notes to the unaudited interim statements	6 - 10

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2020**

	6 Months to 31 March 2020 Sh '000	6 Months to 31 March 2019 Sh '000	12 Months to 30-Sep-2019 Sh '000
Revenue	6,325,945	5,897,212	11,907,237
Cost of sales	(5,274,047)	(5,028,455)	(10,026,975)
Other costs	(12,143)	(105,051)	(188,159)
Gross profit	1,039,755	763,706	1,692,103
Other income	27,849	58,243	119,695
Gain in fair value of investment properties	-	-	117,250
Selling and distribution costs	(306,091)	(267,627)	(631,222)
Administrative expenses	(431,285)	(357,731)	(817,525)
Share of profit in an associate	120,001	75,061	151,560
Share of (loss)/profit in joint venture	17,187	(5,320)	(9,753)
Earnings Before Finance Costs and Taxation	467,416	266,332	622,108
Finance costs	(231,868)	(222,333)	(475,772)
Lease Interest Charge	(17,434)	-	-
Net foreign exchange gains/(losses)	(8,858)	3,073	(47,013)
Profit/(loss) before taxation	209,256	47,072	99,323
Taxation credit/(charge)	(44,492)	4,216	83,036
Profit for the period	164,764	51,288	182,359
Other comprehensive income:			
Revaluation surplus on property, net of deferred tax	-	-	36,768
Exchange differences arising on translation of foreign operations	(1,746)	(6,446)	33,671
	(1,746)	(6,446)	70,439
Total comprehensive income/(loss) for the period	163,018	44,842	252,798
Profit/(loss) for the period attributable to:			
Owners of the parent	165,042	51,675	171,098
Non-controlling interests	(278)	(387)	11,261
Profit/(loss) for the period	164,764	51,288	182,359
Total comprehensive income attributable to:			
Owners of the parent	163,296	45,229	241,537
Non-controlling interests	(278)	(387)	11,261
Total comprehensive income/(loss) for the period	163,018	44,842	252,798
	Sh	Sh	Sh
Earnings per share - basic and diluted	4.12	1.29	4.27

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	At 31-Mar-2020 Sh '000	At 31-Mar-2019 Sh '000	At 30-Sep-2019 Sh '000
ASSETS			
Non-current assets			
Investment properties	3,495,491	3,222,985	3,472,754
Property, plant and equipment	1,730,379	1,530,449	1,650,715
Intangible assets	22,229	24,868	22,538
Right of Use Asset (RoUA)	415,612	-	-
Investment in an associate	320,378	128,994	197,797
Investment in joint venture	318,258	305,504	301,071
Deferred tax asset	299,973	208,040	289,039
	<u>6,602,320</u>	<u>5,420,840</u>	<u>5,933,914</u>
Current assets			
Inventories	3,307,500	3,294,724	3,713,960
Trade and other receivables	1,616,318	1,600,942	1,573,344
Due from related parties	47,713	10,053	10,070
Corporate tax recoverable	65,996	73,440	69,223
Cash and bank balances	181,162	249,889	183,233
	<u>5,218,689</u>	<u>5,229,048</u>	<u>5,549,830</u>
Total assets	<u>11,821,009</u>	<u>10,649,888</u>	<u>11,483,744</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	200,516	200,516	200,516
Revaluation surplus	744,283	703,314	744,283
Retained earnings	2,642,290	2,370,567	2,477,248
Exchange translation reserve/(deficit)	(30,274)	(68,645)	(28,528)
Equity attributable to owners of the parent	<u>3,556,815</u>	<u>3,205,752</u>	<u>3,393,519</u>
Non-controlling interests	<u>218,717</u>	<u>207,347</u>	<u>218,995</u>
Total equity	<u>3,775,532</u>	<u>3,413,099</u>	<u>3,612,514</u>
Non-current liabilities			
Deferred tax liabilities	932,383	890,243	881,287
Due to related parties	159,205	159,205	159,205
Lease Liability	357,527	-	-
Borrowings	842,716	450,678	474,148
	<u>2,291,831</u>	<u>1,500,126</u>	<u>1,514,640</u>
Current liabilities			
Borrowings	3,835,067	3,899,111	4,184,662
Lease Liability	77,670	-	-
Trade and other payables	1,668,455	1,558,248	1,924,897
Due to related parties	141,747	261,707	234,021
Corporate tax payable	30,707	17,597	13,010
	<u>5,753,646</u>	<u>5,736,663</u>	<u>6,356,590</u>
Total equity and liabilities	<u>11,821,009</u>	<u>10,649,888</u>	<u>11,483,744</u>

 N Ng'ang'a
Director

 V V Gidoomal
Director

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020**

	Share capital	Revaluation surplus	Retained earnings	Exchange translation reserve (deficit)	Attributable to owners of the parent	Non-controlling interests	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
6 Months to 31 March 2019							
At 1 October 2018	200,516	709,379	2,548,536	(62,199)	3,396,232	207,734	3,603,966
Day 1 transition adjustment - impairment losses under IFRS 9 on financial assets			(288,030)		(288,030)		(288,030)
Deferred tax on impairment losses			86,409		86,409		86,409
Share of Associate adoption of IFRS 9			(2,005)		(2,005)		(2,005)
Profit for the period	-	-	51,675	-	51,675	(387)	51,288
Exchange difference arising on translation of foreign operations ***	-	-	-	(6,446)	(6,446)	-	(6,446)
Total comprehensive income for the period	-	-	51,675	(6,446)	45,229	(387)	44,842
Transfer of excess depreciation	-	(7,604)	7,604	-	-	-	-
Deferred tax on excess depreciation transfer	-	1,539	(1,539)	-	-	-	-
Dividend paid - 2018	-	-	(32,083)	-	(32,083)	-	(32,083)
At 31 March 2019	200,516	703,314	2,370,567	(68,645)	3,205,752	207,347	3,413,099
initial application of IFRS 9, net of tax							
6 Months to 31 March 2020							
At 1 October 2019	200,516	744,283	2,477,248	(28,528)	3,393,519	218,995	3,612,514
Day 1 transition adjustment - impairment losses under IFRS 9 on financial assets	-	-	-	-	-	-	0
Deferred tax on impairment losses	-	-	-	-	-	-	0
Profit for the period	-	-	165,042	-	165,042	(278)	164,764
Exchange difference arising on translation of foreign operations ***	-	-	-	(1,746)	(1,746)	-	(1,746)
Total comprehensive income for the period	-	-	165,042	(1,746)	163,296	(278)	163,018
Transfer of excess depreciation	-	-	-	-	-	-	-
Deferred tax on excess depreciation transfer	-	-	-	-	-	-	-
Dividend paid - 2019	-	-	-	-	-	-	-
At 31 March 2020	200,516	744,283	2,642,290	(30,274)	3,556,815	218,717	3,775,532
impairment losses under							

***Exchange difference on translation of foreign operations arise as a result of reserves opening balances of subsidiaries outside Kenya.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2020**

	6 Months to 31 March 2020 Sh '000	6 Months to 31 March 2019 Sh '000	12 Months to 30 Sep-2019 Sh '000
Cash flows from operating activities			
Net cash (used in)/generated from operations	861,419	(411,137)	(252,818)
Corporate tax paid	(29,296)	(18,208)	(34,053)
Net cash (used in)/generated from operating activities	832,123	(429,345)	(286,871)
Cash flows from investing activities			
Additions to investment properties	-	(105,996)	(238,458)
Purchase of property, plant and equipment	(148,251)	(72,060)	(168,844)
Purchase of intangible assets	-	(166)	(6,572)
Right of Use Asset (RoUA)	(465,386)		
Investment in an associate company	(38,620)	-	-
Investment in joint venture	-	-	-
Proceeds on disposal of property, plant and equipment	3,362	567	22,537
Dividend received from an associate	36,040	-	9,701
Net cash used in investing activities	(612,855)	(177,655)	(381,636)
Cash flows from financing activities			
Loans received	5,753,525	5,710,130	12,505,924
Loans repaid	(5,624,453)	(4,769,330)	(11,311,452)
Dividend paid	0	(32,083)	(32,082)
Interest paid	(249,302)	(222,333)	(475,772)
Hire - purchase finance	(993)	(869)	(1,788)
Net cash generated from/(used) in financing activities	(121,223)	685,515	684,830
Net (decrease)/increase in cash and cash equivalents	98,045	78,515	16,323
Cash and cash equivalents at the beginning of the period	79,380	61,817	61,817
Effects of exchange rate changes on the balance of cash held in foreign operations	(181)	(813)	1,240
Cash and cash equivalents at the end of the period	177,244	139,519	79,380
	-	-	-

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2020**
Basis of preparation

The accounting policies and methods of computations followed in the preparation of these interim financial statements are consistent with those used in the annual financial statements as at and for the year ended 30 September 2019 except for the adoption of IFRS 16 from 1st October 2019.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months to 31 March 2020 Sh '000	6 Months to 31 March 2019 Sh '000	Year to 30-Sep-2019 Sh '000
Reconciliation of profit before taxation to net cash generated from/(used in) operations			
Profit before taxation	209,256	47,072	99,323
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	40,573	37,049	77,050
Intangible assets amortisation	2,281	2,296	5,964
Lease Depreciation	49,774	-	-
Fair value gains on investment properties	-	-	(117,250)
Loss/(gain) on disposal of property and equipment	(2,349)	(168)	(3,429)
Net book value of assets transferred	-	-	5,391
Interest expense	249,302	222,333	475,772
Exchange translation (opening)	(31,641)	2,608	(10,886)
Exchange rate adjustment on borrowings	(9,170)	(17,143)	45,642
Share of profit from associate	(120,001)	(75,061)	(151,560)
Share of (profit)/loss from joint venture	(17,187)	5,320	9,753
<i>Movements in working capital items:</i>			
Inventories	406,460	(224,443)	(643,679)
Trade and other receivables	35,283	95,812	123,410
Charges in fair value on debt instruments	-	(288,030)	(288,030)
Movement in JV/Associates	(129,917)	44,161	16,458
Trade and other payables	(256,442)	(262,943)	103,253
Lease Liability	435,197	-	-
Net cash (used in)/generated from operations	861,419	(411,137)	(252,818)
Analysis of changes in borrowings:			
At the beginning of the period	4,554,957	3,316,631	3,316,631
Loans received	5,753,525	5,710,130	12,505,924
Repayments	(5,624,453)	(4,769,330)	(11,311,452)
Hire purchase facility	(993)	(869)	(1,788)
Exchange rate adjustments	(9,170)	(17,143)	45,642
At the end of the period	4,673,866	4,239,419	4,554,957

NOTES TO THE STATEMENT OF CASH FLOWS (continued)
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2020
Cash and cash equivalents:

For the purposes of the statement of cash flows, cash and cash equivalents at period end comprise the following:

	At 31 March 2020 Sh '000	At 31 March 2019 Sh '000	At 30-Sep 2019 Sh '000
Cash and bank balances	181,162	249,889	183,233
Bank overdrafts	(3,918)	(110,370)	(103,853)
	<u>177,244</u>	<u>139,519</u>	<u>79,380</u>

SEGMENTAL INFORMATION

The segment information provided to the group board of directors for reportable segments is as follows:

<i>(i) Revenue and earnings</i>	Trade and workshop sh '000	Investment properties sh '000	Poultry sh '000	Joint Venture and Associate sh '000	ICT Training & Talent Development sh '000	Group sh '000
31 March 2020						
Revenue	<u>6,181,200</u>	<u>47,632</u>	<u>94,641</u>	<u>-</u>	<u>2,472</u>	<u>6,325,945</u>
Gain in fair value of investment properties	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings/(Loss) before Finance cost & Tax	<u>354,843</u>	<u>(4,865)</u>	<u>(7,675)</u>	<u>137,188</u>	<u>(12,075)</u>	<u>467,416</u>
31 March 2019						
Revenue	<u>5,741,296</u>	<u>29,907</u>	<u>125,656</u>	<u>-</u>	<u>353</u>	<u>5,897,212</u>
Gain in fair value of investment properties	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings/(Loss) before Finance cost & Tax	<u>180,501</u>	<u>(11,470)</u>	<u>38,883</u>	<u>69,741</u>	<u>(11,323)</u>	<u>266,332</u>
30 September 2019						
Revenue	<u>11,596,284</u>	<u>53,067</u>	<u>255,773</u>	<u>-</u>	<u>2,113</u>	<u>11,907,237</u>
Gain in fair value of investment properties	<u>-</u>	<u>117,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,250</u>
Earnings/(Loss) before Finance cost & Tax	<u>372,445</u>	<u>81,783</u>	<u>50,465</u>	<u>141,807.00</u>	<u>(24,392)</u>	<u>622,108</u>

Revenue reported above represents revenue generated from external customers.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2020**
SEGMENTAL INFORMATION (continued)

(ii) Segment assets and liabilities

	Trade and workshop sh '000	Investment properties sh '000	Poultry sh '000	ICT Training & Talent Development sh '000	Group sh '000
31 March 2020					
Assets	8,267,685	3,059,601	455,359	38,364	11,821,009
Liabilities	5,575,175	2,372,945	93,609	3,748	8,045,477
31 March 2019					
Assets	6,988,708	3,239,287	396,021	25,872	10,649,888
Liabilities	6,534,890	573,540	128,359		7,236,789
30 September 2019					
Assets	7,521,523	3,480,536	449,345	32,340	11,483,744
Liabilities	7,197,588	587,984	83,644	2,014	7,871,230

(iii) Other segment information
31 March 2020

Cost of sales	5,205,518	-	67,868	661	5,274,047
Other costs	12,143	-	-	-	12,143
Expenses - selling and administrative	541,851	44,476	46,754	11,667	644,748
Taxation charge/(credit)	64,586	(14,496)	(3,034)	(2,564)	44,492
Interest expenses	244,479	4,822	-	1	249,302
Depreciation/amortisation	76,233	10,531	3,645	2,219	92,628
Capital expenditure	103,209	40,542	3,660	840	148,251

31 March 2019

Cost of sales	4,954,428	-	74,027	-	5,028,455
Other costs	105,051	-	-	-	105,051
Expenses - selling and administrative	541,392	5,962	22,659	11,676	581,689
Taxation charge/(credit)	(15,144)	(3,576)	11,147	3,357	(4,216)
Interest expenses	186,467	35,866	-	-	222,333
Depreciation/amortisation	35,020	-	3,089	1,236	39,345
Capital expenditure	60,497	105,996	8,966	2,763	178,222

30 September 2019

Cost of sales	9,911,821	-	115,154	-	10,026,975
Other costs	188,159	-	-	-	188,159
Expenses - selling and administrative	1,236,802	11,325	94,463	23,143	1,365,733
Taxation charge/(credit)	(86,998)	(24,535)	35,396	(6,899)	(83,036)
Interest expenses	401,307	74,162	303	-	475,772
Depreciation/amortisation	75,212	-	4,440	3,362	83,014
Capital expenditure	386,006	-	22,591	5,277	413,874

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2020**
SEGMENTAL INFORMATION (continued)

(iv) Geographical information

The group's revenues are derived from sales in the following markets:

	6 Months to 31 March 2020 Sh '000	6 Months to 31 March 2019 Sh '000	12 Months to 30 Sep-2019 Sh '000
Kenya	3,855,067	3,725,611	7,433,400
Uganda	359,143	340,710	718,496
Tanzania - (Trade and workshop)	2,003,328	1,696,680	3,482,733
Tanzania - (Poultry)	94,641	125,656	255,773
Rwanda	13,766	8,555	16,835
	<u>6,325,945</u>	<u>5,897,212</u>	<u>11,907,237</u>

The group's earnings before interest and taxation (EBIT) is earned in the following countries:

	6 Months to 31 March 2020 Sh '000	6 Months to 31 March 2019 Sh '000	12 Months to 30 Sep-2019 Sh '000
Kenya	328,048	161,372	414,756
Uganda	29,373	30,025	65,503
Tanzania - (Trade and workshop)	116,179	40,950	103,885
Tanzania - (Poultry)	(7,675)	38,883	50,465
South Sudan	-	(192)	0
Rwanda	1,491	(4,706)	(12,501)
	<u>467,416</u>	<u>266,332</u>	<u>622,108</u>

The group's total assets and liabilities are located in the following countries:

	6 Months to 31 March 2020 Sh '000	6 Months to 31 March 2019 Sh '000	12 Months to 30 Sep-2019 Sh '000
Non-current assets (excluding deferred tax assets)			
Kenya	5,542,192	4,333,700	4,659,880
Uganda	93,881	91,092	101,413
Tanzania	953,420	782,486	878,206
South Sudan	5,303	5,311	5,194
Rwanda	7,524	211	182
	<u>6,602,320</u>	<u>5,212,800</u>	<u>5,644,875</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2020**
SEGMENTAL INFORMATION (continued)

	6 Months to 31 March 2020 Sh '000	6 Months to 31 March 2019 Sh '000	12 Months to 30 Sep-2019 Sh '000
Total assets			
Kenya	8,947,997	8,216,908	8,695,453
Uganda	539,051	492,284	589,985
Tanzania	2,282,579	1,880,047	2,141,695
South Sudan	5,659	5,795	5,620
Rwanda	45,723	54,854	50,991
	<u>11,821,009</u>	<u>10,649,888</u>	<u>11,483,744</u>
Total liabilities			
Kenya	6,434,575	5,839,183	6,258,203
Uganda	226,410	230,061	273,341
Tanzania	1,372,078	1,166,105	1,336,013
Rwanda	12,414	1,440	3,673
	<u>8,045,477</u>	<u>7,236,789</u>	<u>7,871,230</u>