



GEORGE WILLIAMSON

KENYA LIMITED

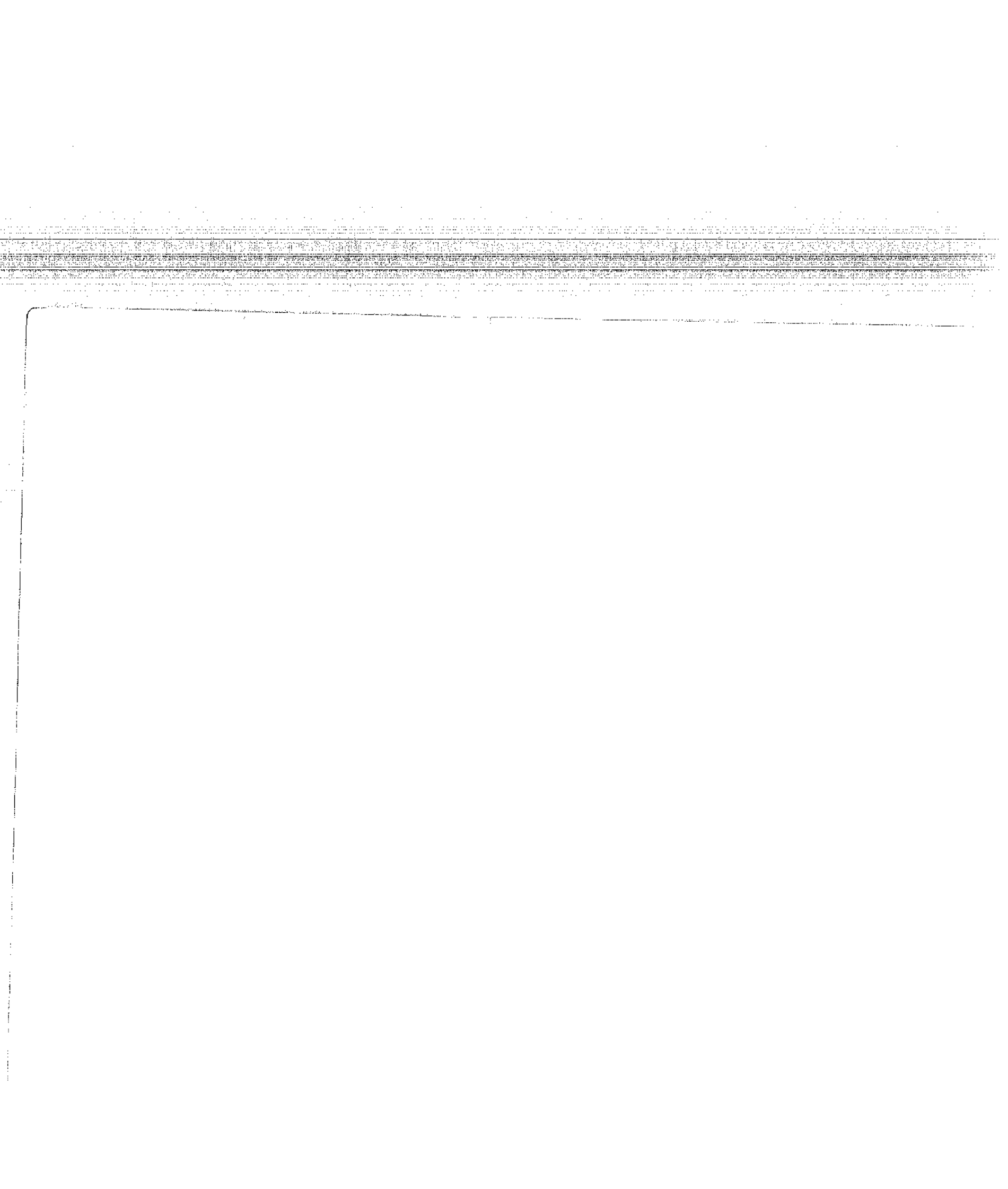
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REPORT AND FINANCIAL STATEMENTS

31 MARCH 1995

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1. Tea trade -- Kenya -- Perennial
2. Tea trade -- Williamson -- Kenya

GEORGE WILLIAMSON KENYA LIMITED

Incorporated 15 December 1952

COMPANY INFORMATION

SHARE CAPITAL

Authorised, issued and fully paid
8,756,320 ordinary shares of Sh 5 each; Sh 43,781,600

GROUP COMPANIES

Tea production companies:

George Williamson Kenya Limited

- CHANGOI ESTATE

(incorporating LELSA ESTATE)

Kaimosi Tea Estates Limited (wholly owned)

- KAIMOSI ESTATE

Tinderet Tea Estates (1989) Limited (76% owned)

- TINDERET ESTATE

Kapchorua Tea Company Limited (30.925% owned)

- KAPCHORUA ESTATE

Other wholly owned companies:

George Williamson Engineering Limited

Tea Manufacturing & Supplies Limited

George Williamson Accounting and Management Services Limited

Tea Properties Limited

George Williamson Properties Limited

Lelsa Tea Estates Limited

George Williamson Uganda Limited (Registered in Uganda)

Other:

Williamson Developments Limited (38.9% owned)

DIRECTORS

N G Sandys-Lumsdaine* - Chairman

E A Bristow

P Magor*

R B Magor*

H Salwegter (Netherlands)

D B White

E M Kimani

* British

2007/1277

SECRETARY

E M Kimani

REGISTERED OFFICE

Williamson House, 4th Ngong Avenue
P.O. BOX 42281, Nairobi

BANKERS

Kenya Commercial Bank Limited
Barclays Bank of Kenya Limited

AUDITORS

Gill & Johnson



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the forty fifth ANNUAL GENERAL MEETING of the shareholders will be held at the Nairobi Serena Hotel, Nyerere Road, on Friday 18 August, 1995 at 10.30 a.m. for the following purposes:

- 1 To receive and adopt the report of the directors together with the audited financial statements for the year ended 31 March 1995.
- 2 To declare a dividend.
- 3 To re-elect retiring directors.
- 4 To approve the remuneration of the directors.
- 5 To authorise the directors to fix the remuneration of the auditors.
- 6 To transact such other competent business as may be brought before the meeting.

BY ORDER OF THE BOARD

E M KIMANI
Secretary
Nairobi

20 June 1995

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her, and such proxy need not also be a member of the Company.

A form of proxy is provided with this report which shareholders who do not propose to be at the meeting are requested to complete and return to the registered office of the Company so as to arrive not later than forty eight hours before the meeting.



STATEMENT BY THE CHAIRMAN

FINANCIAL RESULTS

In spite of record crops, excluding Tinderet, the Group profit before tax was Shs 25 million as compared to Shs 319 million for the previous year. This substantial decline was due principally to depressed international selling prices and the continued strength of the Kenya Shilling which reduced our Kenya Shilling realisations without any significant reduction in the cost of our inputs.

In view of these results and continuing poor International Tea Prices, your Board recommends a first and final dividend of 20% per existing shares for the year ended 31 March 1995 (1993/94 - 100% prior to the Bonus Issue).

TEA

Crop production was as follows:	1994/95	1993/94
	Kgs	Kgs
Changoi	3,211,690	2,768,783
Kaimosi	2,241,010	1,845,782
Tinderet	1,558,981	1,690,386

The above totals include 1,127,257 (1993/94 - 534,692) Kgs for outgrowers leaf of which 251,926 (1993/94 - 299,314) Kgs was for Kenya Tea Development Authority and 493,902 (1993/94 - 216,659) Kgs for the Nyayo Tea Zone Corporation.

During the year, we continued with our policy of investing significant sums in our factories, labour housing and the provision of welfare amenities for our staff.

Capital expenditure on our Estates during the year amounted to Shs 106 million.

ENGINEERING

Our Engineering business had a disappointing year although sales and servicing of generators continues to expand.

We are reviewing the viability of continuing our operations in the general mechanical engineering field.

Sales to third parties amounted to Shs 31,879,000 compared to Shs 25,378,000 the previous year.



STATEMENT BY THE CHAIRMAN (*continued*)

SOCIAL CONTRIBUTION

Salient facts under this heading include:

- (i) There are now 4,875 workers employed and close to 20,500 dependants within the Group.
- (ii) Our foreign currency earnings amounted to Sh 474,649,000.
- (iii) The Company and its subsidiaries expect to pay Tax to the Government of Shs 13,087,000 and County Council Produce Cess through the Tea Board of Shs 6,707,572.
- (iv) Our Companies spent Sh 18,606,405 as revenue expenditure on welfare activities.
- (v) A capital sum of Sh 25,043,154 was spent on the construction of labour housing and associated facilities, schools and other amenities as part of our long term programme to provide a more attractive environment for all our workers.

STAFF

It is again my pleasure to convey on your behalf our sincere appreciation to staff at all levels for their dedicated efforts during what has been a difficult year.

Solomon Koech at Changoi, Bill Sainna at Kaimosi and Tom Lloyd at Tinderet continue as our three General Managers.

FUTURE PROSPECTS

The increase in the Kenya Tea crop in 1995 to-date as compared with last year has depressed CTC prices. Whilst world production remains ahead of 1994, dry weather in the Indian sub-continent could see lower cropping and a slow recovery in tea prices later in the year.

We have received an attractive offer to purchase the Upper Hill Road plot which, when concluded, will enable us to proceed with other available property investments.

N G SANDYS-LUMSDAINE

Chairman
Nairobi

20 June 1995



TAARIFA YA MWENYEKITI

MATOKEO YA KIFEDHA

Japokuwa mazao yalikuwa ya juu, Tinderet ikiwa kando, faida ya kundi kabla ya kodi ilikuwa Shs 25 milioni ikilinganishwa na Shs 319 milioni mwaka uliopita. Anguko hili kubwa lilitokana hasa na kudhoofika kimataifa kwa bei za uuzaji na kuendelea kupata nguvu kwa shilingi ya Kenya ambayo ilipunguza mapato yetu ya Shilingi ya Kenya bila punguziko la maana la gharama za vifaa ya kuzalisha.

Kwa sababu ya matokeo haya na kuendelea kwa bei za kimataifa mbaya za chai, Bodi yenu imependekeza gawio la kwanza na la mwisho la 20% kwa hisa zilizoko kwa mwaka ulioishia Machi 31, 1995 (1993/94 - 100% mbele ya hisa za bakshishi).

CHAI

Mazao yaliyopatikana yalikuwa kama ifuatavyo:

	1994/95	1993/94
	Kgs	Kgs
<i>Changoi</i>	3,211,690	2,768,783
<i>Kaimosi</i>	2,241,010	1,845,782
<i>Tinderet</i>	1,558,981	1,690,386

Jumla zilizoonyeshwa hapa juu ni pamoja na 1,127,257 Kgs za chai ya wakuzaji wa nje (1993/94 - 534,692 Kgs) ambazo 251,926 Kgs (1993/94 - 299,314 Kgs) zilikuwa za Kenya Tea Development Authority na 493,902 Kgs (1993/94 - 216,659 Kgs) za Nyayo Tea Zone Corporation.

Mwaka huu tuliendelea na maongozi yetu ya kuweka kiasi kikubwa cha pesa viwandani yetu, nyumba za wafanyi kazi na mambo mengine mazuri kwa wafanyi kazi wetu.

Matumizi ya rasilimali kwa mashamba yetu ilifika Shs 106 milioni.

KAZI ZA KUFANYA MITAMBO

Kazi yetu ya mitambo ilikuwa ya kuchukiza mwaka huu ijapokuwa mauzo na uhudumiaji mitambo ya kutoa nguvu za umeme vinaendelea na kukuwa.

Tunachungua uwezekano wa kuendelea na shughuli zetu za ufundi wa mitambo ya kawaida.

Mauzo kwa watu wengine yalifika kiwango cha Shs 31,879,000 yakilinganishwa na Shs 25,378,000 mwaka uliopita.



TAARIFA YA MWENYEKITI (*inaendelea*)

MCHIANGO WA MAMBO YA JAMII

Mambo makubwa ya kweli chini ya dibaji hii ni pamoja na:

- (i) Sasa kuna wafanyi kazi 4875 walioajiriwa na karibu 20,500 wanaotegemea kote kwa kundi letu.
- (ii) Pesa za kigeni tulizopata zilifika Shs 474,649,000.
- (iii) Kampuni hii na zile za kusaidia zinatarajia kulipa Serikali kodi ya Shs 13,087,000 na kodi nyingine kwa County Council kupita kwa Tea Board of Kenya ya Shs. 6,707,572.
- (iv) Kampuni zetu zilitumia Shs 18,606,405 kama matumizi ya mapato kwa shughuli za wafanyi kazi.
- (v) Kiasi cha rasimali cha Shs 25,043,454 kilitumiwa kwa ujenzi wa nyumba za wafanyi kazi na mahitaji yanayo husiana, shule na manufaa mengine ikiwa ni sehemu ya mpango wa muda mrefu wa kutoa mazingira mazuri kwa wafanyi kazi wetu wote.

WAFANYI KAZI

Kwa mara nyingine tena nina furaha kwa niaba yenu kutoa shukrani zetu za kweli kwa wafanyi kazi wa kila ngazi kwa juhudi zao wakati wa mwaka ambao umekuwa mgumu.

Solomon Koech akiwa Changoi, Bill Sainna akiwa Kaimosi na Tom Lloyd akiwa Tinderet wanaendelea kuwa Mameneja wakuu watatu.

MATAZAMIO

Ongezeko la mazao ya chai ya Kenya mwaka 1995 mpaka sasa likilinganishwa na mwaka uliopita limcangusha bei za C T C. Wakati mazao ya ulimwengu yanaendelea kuwa mbele ya 1994, hali ya hewa ya ukame kwa bara kuu dogo la India inaweza kuiletea mazao ya chini na bei za chai kupata nafuu pole pole baadaye mwakani.

Tumepata toleo la kuvutia la kununuliwa kwa kiwanja chetu cha Upper Hill Road ambalo likifaulu litatuwezesha kuendelea na kununua rasimali yingine.

N G SANDYS-LUMSDAINE

Mwenyekiti
Nairobi

20 Juni 1995



REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the group for the year ended 31 March 1995.

ACTIVITIES

The principal activities of the group are cultivation and manufacture of tea, investment in property and sale of tea machinery and generators.

RESULTS	Sh'000
<i>Profit before taxation</i>	25,039
<i>Taxation</i>	<u>13,087</u>
<i>Profit after taxation</i>	11,952
<i>Minority interest</i>	<u>1,680</u>
<i>Profit available for appropriation</i>	10,272
<i>Proposed dividend</i>	<u>8,756</u>
<i>Retained profit transferred to revenue reserve</i>	<u><u>1,516</u></u>

DIVIDEND

The directors recommend the payment of a first and final dividend of Sh 8,756,000 for the year.

DIRECTORS

The present board of directors is shown on page 2.

In accordance with article 106 of the articles of association, Messrs N G Sandys-Lumsdaine and E M Kimani retire by rotation and, being eligible, offer themselves for re-election.



REPORT OF THE DIRECTORS (*continued*)

SHARE CAPITAL

At the forty-fourth annual general meeting, the members resolved to increase the authorised share capital of the company from Sh 34,000,000 to Sh 43,781,600 by the creation of additional 1,956,320 ordinary shares of Sh 5 each to rank *pari passu* in all material respects with the existing ordinary shares. It was further resolved to capitalise the sum of Sh 21,890,800 being part of the amount standing to the credit of the revenue reserve and that such sum be applied in making payment in full at par 4,378,160 new shares of Sh 5 each and such shares be distributed as fully paid among the persons who were registered shareholders at the rate of one fully paid share for every share held to rank *pari passu* in all material respects with the existing ordinary shares of the company.

AUDITORS

The auditors, Gill & Johnson, continue in office in accordance with section 159(2) of the companies act.

By Order of the Board,
E M KIMANI
Secretary

Nairobi

20 June 1995



REPORT OF THE AUDITORS

TO THE MEMBERS OF GEORGE WILLIAMSON KENYA LIMITED

- 1 We have audited the financial statements on pages 11 to 25 and have obtained all the information and explanations considered necessary for our audit.
- 2 The financial statements are the responsibility of the directors. Our responsibility is to express an opinion on the financial statements based on our audit.
- 3 We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the directors, and evaluating the overall financial statement presentation.
- 4 As indicated in the accounting policy for depreciation on note 1, the charge to the profit and loss account is the depreciation on the original cost of fixed assets; additional depreciation on asset revaluations is charged directly to the capital reserve. The financial statements do not, therefore, comply with Kenya Accounting Standard No. 5 which requires the provision for depreciation to be based on the revalued amounts and to be charged to the profit and loss account. Had depreciation been charged wholly to the profit and loss account in accordance with the standard, the effect would have been to reduce the operating profit by Sh 12,785,000, to reduce share of profits of associated companies by Sh 2,752,000 and to reduce the profit before and after taxation for the year ended 31 March 1995 by Sh 15,537,000.
- 5 In our opinion:
 - (i) proper books of account have been kept by the company and the company's balance sheet is in agreement therewith.
 - (ii) Except for the matter referred to in paragraph 4 above, the financial statements comply with the Companies Act and give a true and fair view of the state of affairs of the company and the group at 31 March 1995 and of the profit and cash flows of the group for the year ended on that date.

GILL & JOHNSON
Certified Public Accountants(Kenya)
Nairobi

03 July 1995



CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1995

	Note	1995 Sh'000	1994 Sh'000
TURNOVER		520,483	721,177
<i>Cost of production</i>		332,987	317,238
<i>Distribution costs</i>		187,496	403,939
<i>Administrative expenses</i>		(66,318)	(73,076)
		(56,858)	(11,839)
OPERATING PROFIT	2	64,320	319,024
<i>Share of profits of associated companies</i>		4,026	25,832
<i>Interest receivable</i>		4,643	19,309
<i>Interest payable</i>		(47,950)	(45,318)
PROFIT BEFORE TAXATION		25,039	318,847
TAXATION	3	13,087	102,960
PROFIT AFTER TAXATION	4	11,952	215,887
MINORITY INTEREST		1,680	11,237
PROFIT AVAILABLE FOR APPROPRIATION		10,272	204,650
PROPOSED DIVIDEND (GROSS) - 20% (1994 - 100%)		8,756	21,891
RETAINED PROFIT FOR THE YEAR	13	1,516	182,759
EARNINGS PER SHARE	5	Sh 1.17	Sh 23.37



CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 1995

	Note	1995 Sh'000	1994 Sh'000
FIXED ASSETS	6	979,690	904,509
ASSOCIATED COMPANIES	8	117,880	109,541
OTHER INVESTMENTS	9	13	13
		<u>1,097,583</u>	<u>1,014,063</u>
CURRENT ASSETS			
Stocks	10	135,269	103,030
Debtors	11	110,525	198,872
Associated companies		-	2,763
Taxation recoverable		9,516	137
Short term deposits		-	67,984
Bank and cash balances		4,313	16,132
		<u>259,623</u>	<u>388,918</u>
CURRENT LIABILITIES			
Creditors		91,333	88,105
Associated companies		340	-
Taxation		654	69,417
Loans repayable within one year	14	21,473	17,436
Bank overdrafts (secured)		138,951	54,978
Proposed dividends (gross)		8,756	21,891
		<u>261,507</u>	<u>251,827</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,884)</u>	<u>137,091</u>
		<u>1,095,699</u>	<u>1,151,154</u>
Financed by:			
SHARE CAPITAL	12	43,782	21,891
RESERVES	13	931,848	966,675
		<u>975,630</u>	<u>988,566</u>
SHAREHOLDERS' FUNDS			
MINORITY INTEREST		36,978	39,766
LOANS	14	83,091	122,822
		<u>1,095,699</u>	<u>1,151,154</u>

The financial statements on pages 11 to 25 were approved by the board of directors on 20 June 1995 and were signed on its behalf by:

N G Sandys-Lumsdaine }
D B White } Directors



COMPANY BALANCE SHEET

31 MARCH 1995

	Note	1995 Sh'000	1994 Sh'000
FIXED ASSETS	6	514,559	496,186
INVESTMENTS IN SUBSIDIARIES	7	101,719	101,719
ASSOCIATED COMPANIES	8	37,482	17,619
OTHER INVESTMENTS	9	6	6
		<u>653,766</u>	<u>615,530</u>
CURRENT ASSETS			
Stocks			
Debtors	10	38,917	27,494
Subsidiary companies	11	43,052	65,383
Associated companies		88,696	126,040
Short term deposits		1,128	1,421
Bank and cash balances		-	24,000
		612	7,847
		<u>172,405</u>	<u>252,185</u>
CURRENT LIABILITIES			
Creditors		23,833	26,047
Subsidiary companies		-	6,432
Taxation		304	22,031
Loans repayable within one year	14	18,305	13,416
Bank overdraft (secured)		57,631	31,507
Proposed dividends (gross)		8,756	21,891
		<u>108,829</u>	<u>121,324</u>
NET CURRENT ASSETS		<u>63,576</u>	<u>130,861</u>
		<u>717,342</u>	<u>746,391</u>
Financed by:			
SHARE CAPITAL	12	43,782	21,891
RESERVES	13	602,698	635,580
SHAREHOLDERS' FUNDS		<u>646,480</u>	<u>657,471</u>
LOANS	14	70,862	88,920
		<u>717,342</u>	<u>746,391</u>

The financial statements on pages 11 to 25 were approved by the board of directors on 20 June 1995 and were signed on its behalf by:

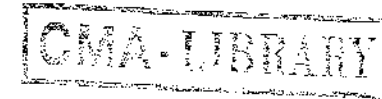
N G Sandys-Lumsdaine }
D B White } Directors



CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 1995

	Note	1995 Sh'000	1994 Sh'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	15(a)	<u>151,300</u>	<u>246,944</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		5,143	18,462
Interest paid		(47,950)	(45,318)
Dividend received from associated company		2,773	1,059
Dividend paid		(21,891)	(9,865)
Dividends paid to minority		(4,468)	-
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(66,393)</u>	<u>(35,662)</u>
TAXATION PAID		<u>(90,619)</u>	<u>(50,016)</u>
INVESTING ACTIVITIES			
Purchase of subsidiary	15(c)	-	(133,229)
Purchase of fixed assets		(106,584)	(89,563)
Proceeds on sale of fixed assets		4,077	3,817
Purchase of investment		(19,863)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(122,370)</u>	<u>(218,975)</u>
FINANCING ACTIVITIES			
New short term loans		-	133,000
Repayment of amounts borrowed		(35,694)	(36,193)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES		<u>(35,694)</u>	<u>96,807</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	15(d)	<u>(163,776)</u>	<u>39,098</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis of accounting, modified to include the revaluation of certain assets.

CONSOLIDATION

The group financial statements reflect the result of the consolidation of the financial statements of the company and its subsidiaries, and include the group's share of the results of associated companies.

INVESTMENT IN ASSOCIATED COMPANIES

The investment in associated companies is stated at the group's share of the related net assets or at cost.

TURNOVER

Turnover represents the gross value of tea sold, rent and net amounts receivable for supplies of other goods and services.

STOCKS

Unsold tea is stated at the lower of cost and net realisable value. Cost comprises all estate, factory and packing expenses.

Tea machinery and generators stocks are stated at the lower of purchase cost and net realisable value.

Tea nursery and firewood are stated at production cost.

Stores are stated at average purchase cost.

DEPRECIATION

Depreciation is not provided on freehold and long leasehold land, tea development expenditure and long leasehold investment property. Other fixed assets are depreciated on a straight line basis to write off the cost or valuation over their estimated useful lives.

The charge to the profit and loss account is the depreciation on the original cost of fixed assets; additional depreciation on asset revaluations is charged directly to the capital reserve.

The annual rates generally in use are:

Buildings	5%
Machinery and equipment	10%
Motor vehicles	25%
Furniture, fittings and office equipment	10%
Computers	20%



NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

TEA DEVELOPMENT

Development represents the cost of establishing mature tea bushes. No provision is made for amortisation, as the costs of replanting, infilling and upkeep are charged against revenue, and the assets are revalued at periodic intervals.

TAXATION

Current taxation is provided on the basis of the results for the year as shown in the financial statements, adjusted in accordance with the tax legislation.

Deferred taxation is accounted for to the extent that it is probable that timing differences will reverse in the foreseeable future.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into Kenya Shillings at the rates of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates ruling at the dates of the transactions. Differences on exchange are dealt with in the profit and loss account.

2 OPERATING PROFIT

The operating profit is arrived at after charging:

	1995 Sh'000	1994 Sh'000
Depreciation of fixed assets (note 6)	39,847	31,515
Less: adjustment on revaluations (note 13)	(12,785)	(13,039)
	<u>27,062</u>	<u>18,476</u>
Directors' remuneration		
Fees	480	550
Other emoluments	4,927	3,582
Auditors' remuneration	2,130	1,874
Exchange loss	25,083	-
and after crediting:		
Gain on exchange	-	15,492
Profit on sale of fixed assets	2,396	2,938
Rent receivable	9,529	7,293
	<u> </u>	<u> </u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

	1995 Sh'000	1994 Sh'000
3 TAXATION		
<i>Based on the adjusted profit for the year:</i>		
<i>Income tax at 35%</i>	6,437	95,163
<i>Drought levy at 2.5%</i>	460	-
<i>Adjustments for previous year</i>	5,580	(504)
	<hr/>	<hr/>
	12,477	94,659
<i>Share of associated companies' taxation</i>	610	8,301
	<hr/>	<hr/>
	<u>13,087</u>	<u>102,960</u>

The adjusted profit for the year is materially lower than the profit before taxation mainly due to excess capital allowances over depreciation.

At 31 March 1995 the group's potential deferred tax liability amounted to Sh 28,973,000 (1994 - Sh 32,970,000).

4 PROFIT AFTER TAXATION

A profit after taxation of Sh 4,819,000 (1994 - Sh 166,213,000) has been dealt with in the financial statements of George Williamson Kenya Limited.

5 EARNINGS PER SHARE

Earnings per share has been calculated on the profit after taxation and minority interest divided by the number of issued shares at the end of the financial year. Due to the bonus issue during the year, the 1994 comparative figure has been amended in line with generally accepted accounting practice.



NOTES TO THE FINANCIAL STATEMENTS (continued)

6 FIXED ASSETS GROUP

	Freehold and long leasehold land, buildings and development Sh'000	Machinery and equipment Sh'000	Motor vehicles Sh'000	Office equipment, computers furniture and fittings Sh'000	Capital work in progress Sh'000	Total Sh'000
COST OR VALUATION						
At 1 April 1994	782,014	98,503	49,972	11,079	20,833	962,401
Additions	5,873	18,356	12,450	4,170	65,735	106,584
Transfers	53,745	30,061	-	-	(83,806)	-
Disposals	(375)	-	(3,343)	(122)	-	(3,840)
Revaluation surplus	10,500	-	-	-	-	10,500
At 31 March 1995	851,757	146,920	59,079	15,127	2,762	1,075,645
Comprising:						
At valuation - 1989	119,104	-	-	-	-	119,104
At valuation - 1993	628,935	54,911	-	-	-	683,846
At valuation - 1995	23,000	-	-	-	-	23,000
At cost	80,718	92,009	59,079	15,127	2,762	249,695
	851,757	146,920	59,079	15,127	2,762	1,075,645
DEPRECIATION						
At 1 April 1994	16,733	14,555	21,274	5,330	-	57,892
Charge for the year	12,212	14,391	12,001	1,243	-	39,847
On disposals	-	-	(1,701)	(83)	-	(1,784)
At 31 March 1995	28,945	28,946	31,574	6,490	-	95,955
NET BOOK VALUE						
At 31 March 1995	822,812	117,974	27,505	8,637	2,762	979,690
At 31 March 1994	765,281	83,948	28,698	5,749	20,833	904,509

The long leasehold land at George Williamson Properties Limited was revalued by the directors at 31 March 1995 on the basis of open market.



NOTES TO THE FINANCIAL STATEMENTS (continued)

6 FIXED ASSETS (continued) COMPANY

	Freehold and long leasehold land,	buildings and development Sh'000	Machinery and equipment Sh'000	Motor vehicles Sh'000	Office equipment, computers furniture and fittings Sh'000	Capital work in progress Sh'000	Total Sh'000
COST OR VALUATION							
At 1 April 1994		437,527	49,362	24,443	8,146	1,851	521,329
Additions		233	13,922	7,394	2,810	15,999	40,358
Transfers		17,257	-	-	-	(17,257)	-
Disposals		(216)	-	(2,683)	(122)	-	(3,021)
At 31 March 1995		454,801	63,284	29,154	10,834	593	558,666
<i>Comprising:</i>							
At valuation - 1993		427,000	25,037	-	-	-	452,037
At cost		27,801	38,247	29,154	10,834	593	106,629
		454,801	63,284	29,154	10,834	593	558,666
DEPRECIATION							
At 1 April 1994		5,125	5,407	10,808	3,803	-	25,143
Charge for the year		5,832	7,650	5,920	880	-	20,282
On disposals		-	-	(1,235)	(83)	-	(1,318)
At 31 March 1995		10,957	13,057	15,493	4,600	-	44,107
NET BOOK VALUE							
At 31 March 1995		443,844	50,227	13,661	6,234	593	514,559
At 31 March 1994		432,402	43,955	13,635	4,343	1,851	496,186



NOTES TO THE FINANCIAL STATEMENTS (continued)

	1995 Sh'000	1994 Sh'000
7 INVESTMENTS IN SUBSIDIARIES		
(a) Unquoted investments at cost in wholly owned subsidiaries:		
Kaimosi Tea Estates Limited	2,863	2,863
George Williamson Engineering Limited	3,689	3,689
Tea Manufacturing and Supplies Limited	2,000	2,000
George Williamson Accounting and Management Services Limited	40	40
Tea Properties Limited	2	2
George Williamson Uganda Limited	2	2
George Williamson Properties Limited	-	-
Ilesa Tea Estates Limited	-	-
	<u>8,596</u>	<u>8,596</u>
(b) Unquoted investment at cost in Tinderet Tea Estates (1989) Limited 76% owned:	93,123	93,123
	<u>101,719</u>	<u>101,719</u>
8 ASSOCIATED COMPANIES		
GROUP		
Kapchorua Tea Company Limited (Quoted); 30.925% (1994 - 27.1%) owned: Share of net assets	103,521	95,182
Williamson Developments Limited (Unquoted); 38.9% owned: At cost	14,359	14,359
	<u>117,880</u>	<u>109,541</u>
COMPANY		
Kapchorua Tea Company Limited (Quoted); 30.925% (1994 - 27.1) owned: At cost - Market value Sh 181,467,900 (1994 - Sh 92,201,000)	23,123	3,260
Williamson Developments Limited (Unquoted); 38.9% owned: At cost	14,359	14,359
	<u>37,482</u>	<u>17,619</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

	GROUP		COMPANY	
	1995 Sh'000	1994 Sh'000	1995 Sh'000	1994 Sh'000
9 OTHER INVESTMENTS				
Unquoted				
At cost and directors' valuation	12	12	6	6
Quoted				
At cost - market value Sh 1,330 (1994 - Sh 1)	1	1	-	-
	<u>13</u>	<u>13</u>	<u>6</u>	<u>6</u>
10 STOCKS				
Tea	64,177	30,960	25,739	19,078
Tea machinery	1,513	3,077	-	-
Generators	37,682	44,268	-	-
Tea nursery	5,607	3,901	2,027	1,609
Firewood	2,723	2,450	1,187	934
Stores	21,463	13,456	9,964	5,873
Work in progress	1,369	1,985	-	-
Goods in transit	290	2,880	-	-
Other	445	53	-	-
	<u>135,269</u>	<u>103,030</u>	<u>38,917</u>	<u>27,494</u>
11 DEBTORS				
Tea	67,034	145,455	24,530	42,332
Other	43,491	53,417	18,522	23,051
	<u>110,525</u>	<u>198,872</u>	<u>43,052</u>	<u>65,383</u>
Other debtors include loans to directors of Sh 1,666,097 (1994 - Sh 1,871,308).				
12 SHARE CAPITAL			1995 Sh'000	1994 Sh'000
Authorised				
8,756,320 (1994 - 6,800,000) shares of Sh 5 each			<u>43,782</u>	<u>34,000</u>
Issued and fully paid				
8,756,320 (1994 - 4,378,160) shares of Sh 5 each			<u>43,782</u>	<u>21,891</u>



NOTES TO THE FINANCIAL STATEMENTS (continued)

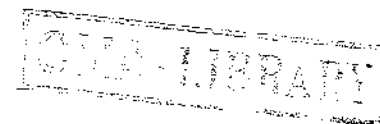
13 RESERVES

GROUP

	Capital Sh'000	Revenue Sh'000	Total Sh'000
At 1 April 1994	591,191	375,484	966,675
Retained profit for the year	-	1,516	1,516
Capitalisation on bonus issue	-	(21,891)	(21,891)
Adjustment in respect of changes in associated company's shareholding	(15,251)	5,836	(9,415)
Revaluation surplus realised on disposals	(335)	335	-
Depreciation adjustment on revaluations	(12,785)	-	(12,785)
Share of movement in associated companies' reserves	(2,801)	49	(2,752)
Revaluation surplus	10,500	-	10,500
At 31 March 1995	<u>570,519</u>	<u>361,329</u>	<u>931,848</u>

COMPANY

At 1 April 1994	338,951	296,629	635,580
Deficit for the year	-	(3,937)	(3,937)
Capitalisation on bonus issue	-	(21,891)	(21,891)
Revaluation surplus realised on disposals	(207)	207	-
Depreciation adjustment on revaluations	(7,054)	-	(7,054)
At 31 March 1995	<u>331,690</u>	<u>271,008</u>	<u>602,698</u>



NOTES TO THE FINANCIAL STATEMENT (continued)

	1995 Sh'000	1994 Sh'000
14 LOANS PAYABLE		
GROUP		
<i>Secured loan from a financial institution repayable in equal quarterly instalments by 2001; interest at 20% per annum</i>	11,383	13,276
<i>Secured loans from a financial institution repayable in equal monthly instalments by 1998; interest at 20% per annum</i>	93,181	126,982
	<hr/> 104,564	<hr/> 140,258
<i>Less: repayable within one year</i>	21,473	17,436
	<hr/> 83,091	<hr/> 122,822
COMPANY		
<i>Secured loan from a financial institution repayable in equal quarterly instalments by 2001; interest at 20% per annum</i>	11,383	13,276
<i>Secured loan from a financial institution repayable in equal monthly instalments by 1998; interest at 20% per annum</i>	77,784	89,060
	<hr/> 89,167	<hr/> 102,336
<i>Less: repayable within one year</i>	18,305	13,416
	<hr/> 70,862	<hr/> 88,920



NOTES TO THE FINANCIAL STATEMENTS (continued)

15 NOTES TO THE CASHFLOW STATEMENT

1995 1994
Sh'000 Sh'000

(A) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Operating profit	64,320	319,024
Depreciation	27,062	18,476
Development written off	375	483
Profit on sale of fixed assets	(2,396)	(2,938)
Increase in stocks	(32,239)	(42,280)
Decrease/(increase) in debtors	87,847	(66,557)
Increase in creditors	3,228	28,676
Decrease/(increase) in associated company balances	3,103	(7,940)
	<u>151,300</u>	<u>246,944</u>

(B) PURCHASE OF SUBSIDIARY

Fixed assets	-	135,145
Stocks	-	12,466
Debtors	-	23,283
Bank and cash balances	-	14,726
Creditors	-	(8,841)
Liabilities	-	(3,076)
Bank overdraft	-	(54,832)
Minority interest	-	118,871
	-	(28,529)
Goodwill	-	90,342
	-	2,781
	-	<u>93,123</u>
Settled by Cash	-	<u>93,123</u>

(C) ANALYSIS OF NET OUTFLOW OF CASH AND CASH EQUIVALENTS IN RESPECT OF PURCHASE OF SUBSIDIARY

Goodwill	93,123
Bank and cash balances acquired	(14,726)
Bank overdraft of acquired subsidiary	54,832
	<u>133,229</u>



NOTES TO THE FINANCIAL STATEMENTS *(continued)*

15 NOTES TO THE CASHFLOW STATEMENT *(continued)*

	1995 Sh'000	1994 Sh'000	<i>Change in the year Sh'000</i>
(D) ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS			
<i>Short term deposits</i>	-	67,984	(67,984)
<i>Bank and cash balances</i>	4,313	16,132	(11,819)
<i>Bank overdrafts (secured)</i>	(138,951)	(54,978)	(83,973)
	<hr/>	<hr/>	<hr/>
			(163,776)
			<hr/>

16 FUTURE CAPITAL EXPENDITURE

GROUP

<i>Contracted but not provided</i>	<hr/> 1,783 <hr/>	<hr/> 24,120 <hr/>
<i>Authorised by the directors but not contracted</i>	<hr/> 59,628 <hr/>	<hr/> 68,769 <hr/>

COMPANY

<i>Contracted but not provided</i>	<hr/> - <hr/>	<hr/> 3,535 <hr/>
<i>Authorised by the directors but not contracted</i>	<hr/> 16,670 <hr/>	<hr/> 36,019 <hr/>

17 ULTIMATE HOLDING COMPANY

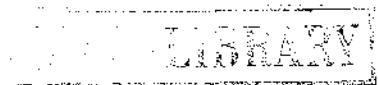
The ultimate holding company is Williamson Tea Holdings plc which is incorporated in England.



TEN YEAR COMPARATIVE STATEMENT

	Notes	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
							(9 months)				
Tea Production											
Area under tea	Hectares	1,872	1,871	1,312	1,308	1,306	1,303	1,278	1,245	1,135	1,075
Made tea - own estates	'000 Kgs	5,884	5,471	3,800	3,338	3,564	2,716	2,861	3,138	3,440	2,927
Bought leaf	'000 Kgs	1,127	834	383	331	282	110	154	135	102	68
Total	'000 Kgs	7,011	6,305	4,183	3,669	3,846	2,826	3,015	3,273	3,542	2,995
Tea sold	'000 Kgs	6,412	5,580	3,860	3,938	4,116	2,406	3,014	3,184	3,528	3,085
Average price per Kg gross Sh/Cis		73/12	88/63	66/25	41/67	36/44	38/78	26/25	26/36	27/46	26/67
Profit (Sh'000)											
Profit/(loss) before taxation (Note)		25,039	318,847	96,585	27,380	45,840	30,980	(360)	9,580	21,040	17,940
Taxation		13,087	102,960	33,023	8,950	12,280	6,740	(200)	2,920	5,840	4,540
Profit/(loss) after taxation		11,952	215,887	63,562	18,430	33,560	24,240	(560)	6,660	15,200	13,400
Minority interest		1,680	11,237	-	-	-	-	-	-	-	-
Dividends		8,756	21,891	8,756	6,560	6,560	6,560	1,100	5,480	6,560	6,560
Retained profit/(loss)		1,516	182,759	54,806	11,870	27,000	17,680	(1,660)	1,180	8,640	6,840
Capital employed (Sh'000)											
Fixed assets		979,690	904,509	712,678	368,725	362,660	361,280	195,040	188,340	185,040	171,220
Investments and long term debtors		116,683	109,554	95,463	95,794	70,420	40,860	24,520	3,260	3,120	3,180
Net current (liabilities)/assets		(1,884)	137,091	50,938	15,341	17,800	26,860	10,720	21,560	23,700	22,800
		1,094,489	1,151,154	859,079	479,860	450,880	429,000	230,280	213,160	211,860	197,200
Financed by (Sh'000)											
Share capital		43,782	21,891	21,891	21,891	21,891	21,891	21,891	21,891	21,891	21,891
Reserves		930,638	966,675	802,117	420,642	414,629	392,749	207,589	189,669	189,969	175,309
Shareholders' funds		974,420	988,566	824,008	442,533	436,520	414,640	229,480	211,560	211,860	197,200
Minority interest		36,978	39,766	-	-	-	-	-	-	-	-
Medium term borrowings		83,091	122,822	35,071	37,327	14,360	14,360	800	1,600	-	-
		1,094,489	1,151,154	859,079	479,860	450,880	429,000	230,280	213,160	211,860	197,200
Earnings per share											
Earnings per share	Cents	117	2,337	1,452	421	767	554	(13)	152	347	306
Dividend per share	%	20	100	40	30	30	30	5	25	30	30
Dividend per share	Cents	100	500	200	150	150	150	25	125	150	150
Dividend cover	Times	1.17	9.35	7.26	2.81	5.12	3.69	-	1.22	2.32	2.04

NOTE: From 1988, additional depreciation arising as a result of assets revaluations is charged directly to the capital reserve.



The Secretary
George Williamson Kenya Limited
9th Floor, Williamson House, 4th Ngong Avenue
P.O. Box 42281
Nairobi

PROXY

I/We
of
being a member/members of George Williamson Kenya Limited do hereby appoint
of

or failing this the chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday 18 August 1995.

My/our proxy is to vote as indicated in respect of the following resolutions:

(Please indicate with an X in the spaces below how you wish your votes to be cast for or against any of the resolutions)

ORDINARY BUSINESS

- i To receive and adopt the report of the directors together with the audited accounts for the year ended 31 March 1995
- ii To declare a dividend
- iii To re-elect retiring directors: N G Sandys-Lumsdaine
E M Kimani
- iv To approve the remuneration of directors of shillings four hundred and eighty thousand (Shs. 480,000) as contained in the accounts

FOR	AGAINST

Date 1995

Signature

Note: In the case of a member being a corporation, the proxy must be under its common seal or under the hand of an officer or attorney duly authorised in writing.

THIS PROXY DOES NOT GIVE THE HOLDER AUTHORITY TO VOTE OTHER THAN FOR THE RESOLUTIONS SHOWN.

