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~~KENYA~~ LIMITED

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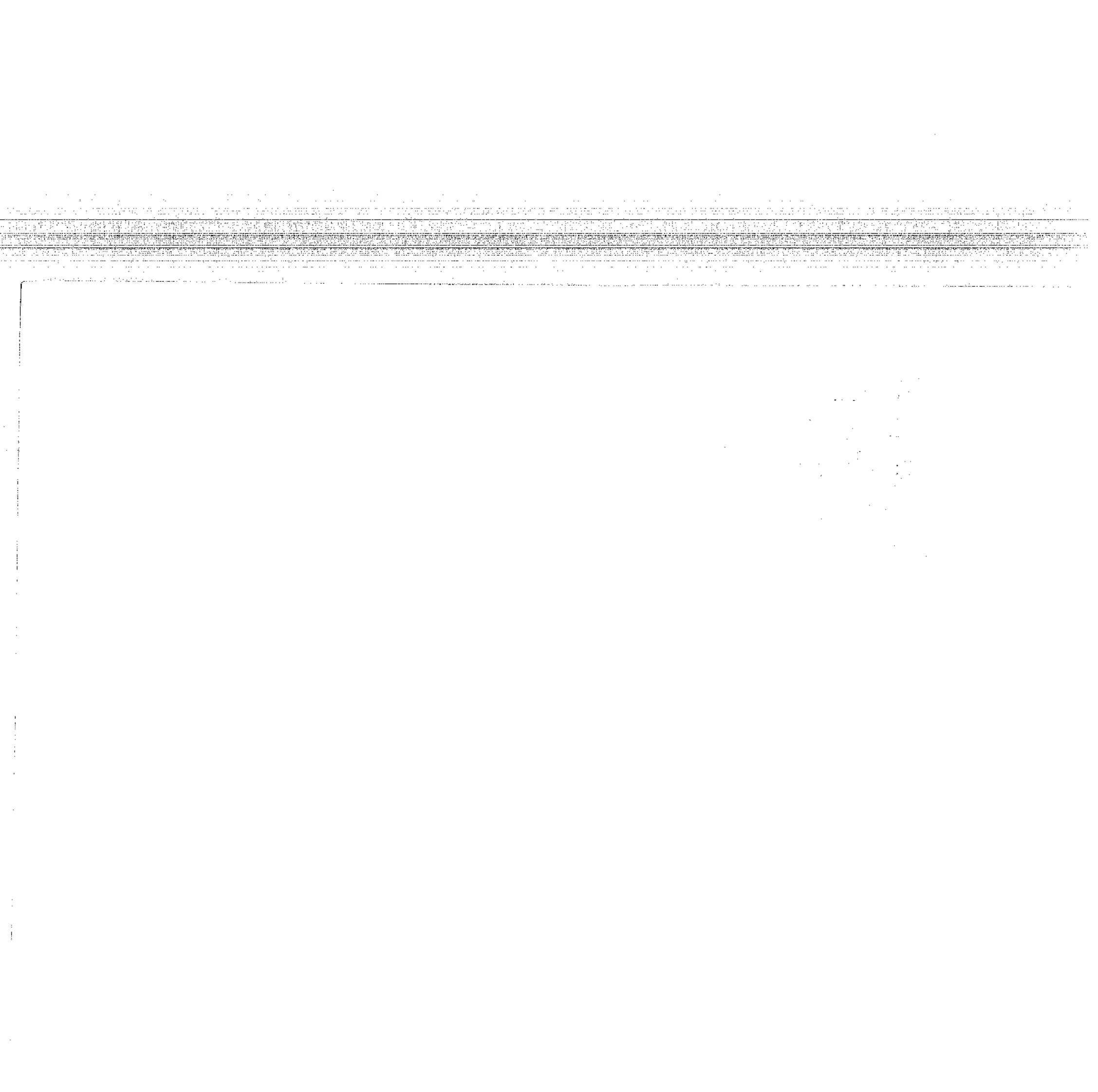
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REPORT AND FINANCIAL STATEMENTS

31 MARCH 1997

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1. Tea trade -- Kenya -- per capita
2. Tea trade -- Williamson -- Kenya



GEORGE WILLIAMSON KENYA LIMITED

Incorporated 15 December 1952

COMPANY INFORMATION

SHARE CAPITAL

Authorised

13,134,480 ordinary shares of Sh 5 each, Sh 65,672,400

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 (37.79% owned)

- KAPCHORUA ESTATE

Other wholly owned companies:

George Williamson Engineering Limited

Tea Manufacturing and Supplies Limited

George Williamson Accounting and Management Services Limited

Tea Properties Limited

Lelsa Tea Estates Limited

George Williamson Uganda Limited (Registered in Uganda)

Other:

Williamson Developments Limited (44.4% owned)

DIRECTORS

N G Sandys-Lumsdaine* - Chairman ✓

E A Bristow

P Magor*

R B Magor*

H Salwegter (Netherlands)

D B White

E M Kimani

S C A Koech (Alternate to H Salwegter) - appointed 21 January 1997

* British

SECRETARY

E M Kimani

2007/1273

REGISTERED OFFICE

Williamson House, 4th Ngong Avenue

P O Box 42281, Nairobi

BANKERS

Kenya Commercial Bank Limited

Barclays Bank of Kenya Limited

AUDITORS

Deloitte & Touche

4251 2A



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the forty seventh ANNUAL GENERAL MEETING of the shareholders will be held at Fairview Hotel, Bishops Road on Monday 28th July, 1997 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 1997.
2. To declare a Dividend.
3. To elect 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.
7. Special business

- (a) To consider and if thought fit to pass the following resolution as an ordinary resolution:

That the authorised share capital of the company be increased from shillings sixty five million six hundred seventy two thousand four hundred (Sh 65,672,400) divided into thirteen million one hundred thirty four thousand four hundred and eighty (13,134,480) ordinary shares of shillings five (Sh 5) each to shillings eighty seven million five hundred sixty three thousand and two hundred (Sh 87,563,200) divided into seventeen million five hundred and twelve thousand six hundred forty (17,512,640) ordinary shares of shillings five (Sh 5) each by the creation of four million three seventy eight thousand one hundred and sixty (4,378,160) ordinary shares of shillings five (Sh 5) each to rank pari passu with the existing ordinary shares of the company in all respects.

- (b) To consider and if thought fit to pass the following resolution as a special resolution:

That the Articles of Association be amended by adding the following regulation as Article 12A immediately after the existing Article 12:

Unless otherwise determined by Special Resolution and except in the case of the issue of shares pursuant to any rights previously conferred in accordance with these Articles, whenever the Board proposes to issue any shares it shall offer them in the first instance to Members (other than preference shareholders not specifically entitled to them under the terms of issue of their preference shares) in proportion as nearly as may be to the number of existing shares held by them.



NOTICE OF MEETING (*Continued*)

Such offer shall be made by notice specifying the number of shares to which the Member is entitled and limiting a time (not less than twenty-one days) within which the offer, if not accepted, will be deemed to be declined and, after the expiration of that time (if the offer is not accepted) or on the earlier receipt of an intimation from the Member to whom the offer is made that he declines to accept the shares offered, the Board may allot or otherwise dispose of those shares to such persons and upon such terms as may be decided by it. The Board may likewise so dispose of any shares which, by reason of the ratio which the number of shares offered bears to the total number of existing issued shares, cannot in the opinion of the Board be conveniently offered under this Article.

BY ORDER OF THE BOARD

E.M. KIMANI

Secretary

Nairobi

24 June, 1997

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 twenty four hours before the meeting.



STATEMENT BY THE CHAIRMAN

FINANCIAL RESULTS

Due to the drought in January, February and March crops were lower than last year, and while the Kenya Shilling continued strong there was a helpful improvement in World Tea Prices. This in turn enhanced our realisation, but the cost of our wages and inputs continued to rise.

The Group profit before tax was K.Shs.86 million as compared to K.Shs.31 million the previous year.

Based on these results and considering the uncertainty of whether the effects of the drought will prevent our achieving our originally projected crops for the current year, your Board recommends a first and final dividend of 30% per existing share for the year ended 31st March 1997 (1995/96 – 20%).

TEA

| | | |
|----------------------------------|-----------|-----------|
| Crop production was as follows : | 1996/97 | 1995/96 |
| | Kgs | Kgs |
| Changoi | 3,506,926 | 3,414,244 |
| Kaimosi | 2,926,364 | 3,455,635 |
| Tinderet | 1,692,630 | 1,707,778 |

The above totals include 2,503,045 (1995/96 2,279,731) Kgs. for outgrowers leaf of which 950,645 (1995/96 1,221,119) Kgs. was from Kenya Tea Development Authority and 464,375 (1995/96 571,205) Kgs. from the Nyayo Tea Zone Corporation.

A limited programme of capital expenditure was incurred and during the year we spent K.Shs.14 million on our Estates.

PROPERTY

Our investment in the eight floors in Williamson House continues to make a valuable contribution to our profitability.

ENGINEERING

The Generator business now operates from a new premises purchased during the year. This year due to the power rationing and supply problems throughout the country the Engineering Company has achieved useful results. Efforts continue to dispose of the Workshop premises.

SOCIAL CONTRIBUTION

The salient facts under this heading include :

- i) There are now 4794 workers employed and some 20120 dependants within the Group.
- ii) Foreign Currency Earnings amounted to the equivalent of K.Shs.724,314,000.



STATEMENT BY THE CHAIRMAN (*continued*)

- iii) The Company and its Subsidiaries expect to pay Tax to the Government of K.Shs.25,599,000 and Agricultural Produce Cess to the Tea Board of Kenya of K.Shs. 7,187,574 for disbursement to County Councils and the Tea Roads Committees.
- iv) Our Companies spent K.Shs.25,853,753 as revenue expenditure on a wide range of welfare, educational and health activities.

STAFF

As in previous years I am happy to convey on your behalf our sincere appreciation to staff at all levels for their effort and commitment throughout the year. Solomon Kocch at Changoi, Bill Sainna at Kaimosi and Tom Lloyd at Tinderet continue as our three General Managers.

AUTHORISED SHARE CAPITAL

Members will recall that, at our Annual General Meeting last year, an increase in the authorised share capital was approved. Your Board of Directors is investigating the possibility of expanding the Company's business through the acquisition of additional tea estates or shares in estate-owning companies. It is possible that such an acquisition would be best funded through a rights issue and the Board would like to be in a position to launch such an issue quickly if this proved to be the case. Obviously, shareholders would be given detailed information at the relevant time and any issue would be subject to the approval of the Nairobi Stock Exchange and the Capital Markets Authority.

It is for these reasons that the Notice of the Annual General Meeting includes provision for a further increase of the authorised share capital and also a resolution to amend the Articles of Association. The purpose of the amendment is to ensure that any issue of shares will be made to existing shareholders in the first instance.

FUTURE PROSPECTS

As mentioned previously it is problematic to accurately forecast our crop for the coming year, but after a poor start Estates are now back in full production and hopefully the current prices, which are higher in foreign currency terms than at this time last year will be maintained.

N G SANDYS-LUMSDAINE

Chairman
Nairobi

24 June 1997



TAARIFA YA MWENYEKITI

MATOKEO YA KIFEDHA

Kwa sababu ya kiangazi kikubwa kilichotokea miezi ya Januari, Febuari na Machi mazao ya mwaka huu yalikua ya chini ikilinganishwa na mwaka uliopita na hata ingawa shilingi ya Kenya iliendelea kuimalika zaidi, bei ya chai ulimwenguni iliendelea kuongezeka kwa manufaa mazuri. Hali hii ilisababisha matokeo yetu mazuri hata ingawa gharama ya malipo kwa wafanyi kazi na gharama ya vifaa iliendelea kupanda zaidi.

Faida ya kundi kabla ya kodi ilikuwa KShs.86 milioni ikilinganishwa na KShs.31 milioni mwaka uliopita.

Kwa Matokeo haya na tukikumbuka hasa yakwamba hatuna uhakika kabisa kama kile kiangazi kikubwa kitatuzuia kupata mazao tuliotarajia kupata mwaka huu, Bodi yenu imependekeza kutoa marupurupu ya mwanzo na mwisho ya 30% kwa kila hisa kwa mwaka huu uliyoishia 31 Machi 1997 (1995/96 - 20%).

CHAI

| Mazao yaliyopatikana yalikwa kama ifuatavyo: | 1996/97 | 1995/96 |
|--|------------|------------|
| | <i>Kgs</i> | <i>Kgs</i> |
| <i>Changoi</i> | 3,506,926 | 3,414,244 |
| <i>Kaimosi</i> | 2,926,364 | 3,455,635 |
| <i>Tinderet</i> | 1,692,630 | 1,707,778 |

Jumla zilizoonyeshwa hapa juu ni pamoja na 2,503,045 (1995/96 2,279,731) Kgs. za chai ya wakuzaji wa nje ambazo 950,645 (1995/96 1,221,119) kgs zilikuwa za Kenya Tea Development Authority na 464,375 (1995/96 - 571,205) kgs za Nyayo Tea Zone Corporation.

Matumizi ya kiasi cha KShs.14 milioni yalitumika kwa mipango ya rasilimali kwa mashamba yetu yote mwaka huu.

MALI

Ghorofa zote nane za Williamson House zinaendelea kutulitea mapato ya kulidhisha na hivyo kuendelea kutufanyia mchango wa hali nzuri kwa faida yetu.

KAZI YA KUFANYA MITAMBO

Wakati huu biashara ya mitambo ya kutoa nguvu za umeme inaendelea kutoka majengo mapya ambayo yalinunuliwa mwaka huu.

Kufuatia shida za ugawaji wa nguvu za umeme nchini biashara ya mitambo ya kutoa umeme imepata matokeo ya manufaa.

Juhudi za kuuza lile jengo la zamani la biashara ya kutoa nguvu za umeme hadi zinaendelea.

MCHANGO WA MAMBO YA JAMII

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

- i) Sasa kuna wafanyi kazi 4,794 walio ajiriwa na karibu 20,120 wanaotegemea kotc kwa kundi letu.



TAARIFA YA MWENYEKITI (*inaendelea*)

- ii) Pesa za kigeni tulizopata zilifika KShs.724,314,000.
- iii) Kampuni hii na zile za kusaidia zinatarajia kulipa serikali kodi ya KShs.25,853,753 na kodi zingine kwa county council na kwa kamati ya mabarabara ya chai kupitia kwa Tea Board of Kenya ya KShs.7,187,574.
- iv) Kampuni zetu zilitumia KShs.25,853,753 kama matumizi ya mapato kwa shughuli za wafanyi kazi, kwa elimu na mambo ya kiafya.

WAFANYI KAZI

Kwa mara nyingine tena nina furaha kwa niaba yenu kutoa shukrani zetu za kweli kwa wafanyi kazi wa kila ngazi kwa bidii kubwa na juhudi zao mwaka huu wote.

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

HISA ZILIZO IDHINISHWA

Wanachama watakumbuka kwamba kwenye mkutano mkuu wa mwaka uliopita kauli ilipitishwa ya kuongeza rasilimali ya hisa zilizo idhinishwa za Kampuni.

Bodi yenu ya wakurugenzi inaendelea kuchunguza kama itawezekana kupanua biashara ya Kampuni kupitia ununuzi zaidi wa mashamba mengine ya chai au kununua hisa za Makampuni ambayo yanamashamba makubwa makubwa ya chai. Ununuzi wa aina hii utawezekana kama wanachama watapewa nafasi ya kwanza ya kununua hisa zaidi za Kampuni na kwa hivyo bodi yenu ingependelea kutoa nafasi kama hiyo kwa wanachama kwa njia ya haraka kama itaonelea yakwamba hali kama hiyo itakuwa ya kuridhisha. Kama kawaida, wanachama wote watapewa habari zaidi kuhusu mpango huu kwa wakati utakaofaa na matokeo ya nafasi kama hiyo lazima yatangojewe uamuzi wa Nairobi Stock exchange na ule wa Capital Markets authority.

Ni kwa sababu hii Ilani ya mkutano mkuu wa mwaka huu kumeongezewa pendekezo la kuongeza zaidi kiwango cha hisa zilizoidhinishwa na pia uamuzi wa kubadilisha nakala ya masharti za Kampuni. Sababu ya ubadilishaji huu itakuwa ya kuangalia ya kwamba hisa zozote zitakazo tolewa zitauziwa wanachama walioko kwa orodha ya wanahisa wa Kampuni kwanza.

MATAZAMIO

Kama vile mliyoelezewa hapo awali iko shida ya kutabiri kwa uhakika jinsi mazao yetu yatakavyokuwa kwa mwaka ujao, lakini baada ya mwanzo mbaya mwaka huu mashamba yetu yote yamerudi kwa viwango vizuri vya kutoa mazao na tunatazamia bei ya juu ya chai iliyoko sasa kwa fedha za kigeni ikilinganishwa na mwaka uliopita itaendelea kudumu zaidi.

N G SANDYS-LUMSDAINE

Mwenyekiti
Nairobi

24 Juni 1997



REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the group for the year ended 31 March 1997.

ACTIVITIES

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

| | Sh'000 |
|---|--------|
| RESULTS | |
| <i>Profit before taxation</i> | 86,798 |
| <i>Taxation</i> | 26,432 |
| | <hr/> |
| <i>Profit after taxation</i> | 60,336 |
| <i>Minority interest</i> | 2,784 |
| | <hr/> |
| <i>Profit available for appropriation</i> | 57,582 |
| <i>Proposed dividend (gross)</i> | 13,135 |
| | <hr/> |
| <i>Retained profit transferred to revenue reserve</i> | 44,447 |
| | <hr/> |

DIVIDEND

The directors recommend the payment of a first and final dividend of Sh 13,135,000 in respect of the year.

DIRECTORS

The present board of directors is shown on page 2.

In accordance with article 106 of the articles of association, Messrs P Magor and H Salwegter retire by rotation and, being eligible, offer themselves for re-election.

AUDITORS

The auditors, Deloitte & Touche will continue in office in accordance with the provisions of section 159(2) of the Companies Act.

By Order of the Board,
E M KIMANI
Secretary
Nairobi

24 June 1997



REPORT OF THE AUDITORS

TO THE MEMBERS OF GEORGE WILLIAMSON KENYA LIMITED

We have audited the financial statements on pages 11 to 24 and have obtained all the information and explanations considered necessary for our audit.

The financial statements are the responsibility of the directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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 misstatement. 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.

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) 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 1997 and of the profit and cash flows of the group for the year ended on that date.

DELOITTE & TOUCHE
Certified Public Accountants(Kenya)
Nairobi

04 July 1997



CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1997

| | Note | 1997 Sh'000 | 1996 Sh'000 |
|--|------|----------------|----------------|
| TURNOVER | 2 | 813,294 | 638,858 |
| Cost of production | | 582,587 | 482,547 |
| | | <hr/> | <hr/> |
| | | 230,707 | 156,311 |
| Distribution costs | | (95,408) | (77,218) |
| Administrative expenses | | (23,533) | (12,627) |
| | | <hr/> | <hr/> |
| OPERATING PROFIT | 3 | 111,766 | 66,466 |
| Share of profits of associated company | | 10,965 | 3,159 |
| Interest receivable | 4 | 25 | - |
| Dividends receivable | | 1,064 | 2,304 |
| Interest payable | 4 | (37,022) | (40,601) |
| | | <hr/> | <hr/> |
| PROFIT BEFORE TAXATION | | 86,798 | 31,328 |
| TAXATION | 5 | 26,432 | 17,143 |
| | | <hr/> | <hr/> |
| PROFIT AFTER TAXATION | 6 | 60,366 | 14,185 |
| MINORITY INTEREST | | 2,784 | 2,298 |
| | | <hr/> | <hr/> |
| PROFIT AVAILABLE FOR APPROPRIATION | | 57,582 | 11,887 |
| PROPOSED DIVIDEND (gross) | | 13,135 | 8,756 |
| | | <hr/> | <hr/> |
| RETAINED PROFIT FOR THE YEAR | 16 | 44,447 | 3,131 |
| | | <hr/> | <hr/> |
| EARNINGS PER SHARE | 7 | Sh 6.58 | Sh 1.36 |
| | | <hr/> | <hr/> |



CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 1997

| | Note | 1997 Sh'000 | 1996 Sh'000 |
|--|------|----------------|----------------|
| <i>FIXED ASSETS</i> | 8 | 957,368 | 949,099 |
| <i>ASSOCIATED COMPANIES</i> | 10 | 150,849 | 128,414 |
| <i>OTHER INVESTMENTS</i> | 11 | 13 | 13 |
| | | <hr/> | <hr/> |
| | | 1,108,230 | 1,077,526 |
| <i>CURRENT ASSETS</i> | | | |
| <i>Stocks</i> | 12 | 87,941 | 118,954 |
| <i>Debtors</i> | 13 | 180,486 | 137,450 |
| <i>Taxation recoverable</i> | | 7,665 | 8,754 |
| <i>Bank and cash balances</i> | | 10,838 | 6,170 |
| | | <hr/> | <hr/> |
| | | 286,930 | 271,328 |
| <i>CURRENT LIABILITIES</i> | | | |
| <i>Creditors</i> | | 116,529 | 110,449 |
| <i>Associated companies</i> | | 8,778 | 7,728 |
| <i>Taxation</i> | | 2,801 | 7,132 |
| <i>Loans repayable within one year</i> | 17 | 49,172 | 24,292 |
| <i>Bank overdrafts (secured)</i> | | 111,931 | 115,438 |
| <i>Proposed dividend (gross)</i> | | 13,135 | 8,756 |
| | | <hr/> | <hr/> |
| | | 302,346 | 273,795 |
| <i>NET CURRENT LIABILITIES</i> | | <hr/> | <hr/> |
| | | (15,416) | (2,467) |
| | | <hr/> | <hr/> |
| | | 1,092,814 | 1,075,059 |
| <i>Financed by:</i> | | | |
| <i>SHARE CAPITAL</i> | 15 | 43,782 | 43,782 |
| <i>RESERVES</i> | 16 | 977,665 | 932,429 |
| | | <hr/> | <hr/> |
| <i>SHAREHOLDERS' FUNDS</i> | | 1,021,447 | 976,211 |
| <i>MINORITY INTEREST</i> | | 40,867 | 39,276 |
| <i>LOANS</i> | 17 | 30,500 | 59,572 |
| | | <hr/> | <hr/> |
| | | 1,092,814 | 1,075,059 |
| | | <hr/> | <hr/> |

The financial statements on pages 11 to 24 were approved by the board of directors on 24 June 1997 and were signed on its behalf by:

N G Sandys-Lumsdaine }
 E M Kimani } Directors



COMPANY BALANCE SHEET

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AS AT 31 MARCH 1997

| | Note | 1997 Sh'000 | 1996 Sh'000 |
|-----------------------------------|------|----------------|----------------|
| FIXED ASSETS | 8 | 516,716 | 514,833 |
| INVESTMENT IN SUBSIDIARIES | 9 | 101,719 | 101,719 |
| ASSOCIATED COMPANIES | 10 | 64,609 | 48,838 |
| OTHER INVESTMENTS | 11 | 6 | 6 |
| | | <u>683,050</u> | <u>665,396</u> |
| CURRENT ASSETS | | | |
| Stocks | 12 | 31,578 | 43,471 |
| Debtors | 13 | 64,673 | 44,340 |
| Subsidiary companies | 14 | 84,098 | 63,799 |
| Associated companies | | 8,596 | 439 |
| Taxation recoverable | | 1,685 | 985 |
| Bank and cash balances | | 417 | 2,608 |
| | | <u>191,047</u> | <u>155,642</u> |
| CURRENT LIABILITIES | | | |
| Creditors | | 48,415 | 26,599 |
| Subsidiary company | | 51 | 51 |
| Loans repayable within one year | 17 | 44,577 | 20,733 |
| Bank overdrafts (secured) | | 54,771 | 52,236 |
| Proposed dividend (gross) | | 13,135 | 8,756 |
| | | <u>160,949</u> | <u>108,375</u> |
| NET CURRENT ASSETS | | <u>30,098</u> | <u>47,267</u> |
| | | <u>713,148</u> | <u>712,663</u> |
| Financed by: | | | |
| SHARE CAPITAL | 15 | 43,782 | 43,782 |
| RESERVES | 16 | 643,089 | 618,111 |
| SHAREHOLDERS' FUNDS | | <u>686,871</u> | <u>661,893</u> |
| LOANS | 17 | <u>26,277</u> | <u>50,770</u> |
| | | <u>713,148</u> | <u>712,663</u> |

The financial statements on pages 11 to 24 were approved by the board of directors on 24 June 1997 and were signed on its behalf by:

N G Sandys-Lumsdaine }
E M Kimani } Directors



CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 1997

| | Note | 1997 Sh'000 | 1996 Sh'000 |
|--|-------|----------------|----------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 18(a) | 150,486 | 124,925 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | | |
| Interest received | | 25 | - |
| Interest paid | | (37,022) | (40,601) |
| Dividends received | | 2,321 | 2,304 |
| Dividend paid | | (8,756) | (8,756) |
| Dividend paid to minority | | (1,193) | - |
| NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | (44,625) | (47,053) |
| TAXATION PAID | | (25,841) | (8,472) |
| INVESTING ACTIVITIES | | | |
| Purchase of fixed assets | | (58,056) | (39,286) |
| Proceeds on sale of fixed assets | | 6,174 | 27,312 |
| Purchase of investments | | (15,771) | (11,356) |
| NET CASH OUTFLOW FROM INVESTING ACTIVITIES | | (67,653) | (23,330) |
| NET CASH INFLOW BEFORE FINANCING | | 12,367 | 46,070 |
| FINANCING ACTIVITIES | | | |
| Loan received | | 20,000 | - |
| Repayment of amounts borrowed | | (24,192) | (20,700) |
| NET CASH OUTFLOW FROM FINANCING ACTIVITIES | | (4,192) | (20,700) |
| INCREASE IN CASH AND CASH EQUIVALENTS | 18(b) | 8,175 | 25,370 |



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

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 all made up to 31 March, 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.

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 and tea development expenditure.

Other fixed assets are depreciated on a straight line basis to write off the cost or valuation over their estimated useful lives.

The annual rates generally in use are:

| | |
|--|-----|
| Buildings | 5% |
| Machinery and equipment | 10% |
| Motor vehicles | 25% |
| Office equipment, furniture and fittings | 10% |
| Computers | 25% |



NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

TEA DEVELOPMENT

Tea development represents the cost of establishing mature tea bushes. No provision is made for amortisation, as the cost 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 tax legislation.

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

FOREIGN CURRENCIES

Assets and liabilities expressed 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.

| | 1997 Sh'000 | 1996 Sh'000 |
|---|----------------|----------------|
| 2 TURNOVER | | |
| <i>Turnover comprises:</i> | | |
| <i>Tea</i> | 744,413 | 565,621 |
| <i>Generators</i> | 43,786 | 57,003 |
| <i>Rent</i> | 14,727 | 11,588 |
| <i>Management fees</i> | 10,368 | 4,646 |
| | <u>813,294</u> | <u>638,858</u> |
| 3 OPERATING PROFIT | | |
| <i>The operating profit is arrived at after charging:</i> | | |
| <i>Depreciation on fixed assets</i> | 47,033 | 45,357 |
| <i>Directors' remuneration:</i> | | |
| <i> Fees</i> | 150 | 150 |
| <i> Other emoluments</i> | 7,159 | 5,771 |
| <i>Auditors' remuneration</i> | 2,471 | 2,280 |
| <i>and after crediting:</i> | | |
| <i>Unclaimed dividends written back</i> | - | 163 |
| <i>Gain on exchange</i> | 3,036 | 23,462 |
| <i>Profit on sale of fixed assets</i> | 5,087 | 3,317 |



NOTES TO THE FINANCIAL STATEMENTS (continued)

| | 1997 Sh'000 | 1996 Sh'000 |
|--|----------------|----------------|
| 4 INTEREST | | |
| <i>Receivable:</i> | | |
| Bank accounts | 25 | - |
| <i>Payable:</i> | | |
| Bank overdrafts | 12,487 | 17,750 |
| Loans | 24,535 | 22,851 |
| | 37,022 | 40,601 |
| 5 TAXATION | | |
| Based on the adjusted profit for the year at 35% | 22,510 | 15,695 |
| Withholding tax on dividends | 47 | 61 |
| Adjustment for prior year | 42 | (44) |
| | 22,599 | 15,712 |
| Share of associated company's taxation: | | |
| Current taxation | 3,780 | 1,412 |
| Withholding tax on dividends | 16 | 19 |
| Adjustment for prior year | 37 | - |
| | 26,432 | 17,143 |

The adjusted profit for taxation purposes is lower than the profit before taxation mainly due to the utilisation of tax losses brought forward.

At 31 March 1997, the group had tax losses amounting to approximately Sh 21,638,000 (1996 - Sh 33,839,000) available to be offset against future taxable profits.

At 31 March 1997, the group's potential deferred tax liability on timing differences amounted to Sh 44,942,000 (1996 - Sh 40,500,000).

6 PROFIT AFTER TAXATION

A profit after taxation of Sh 38,113,000 (1996 - Sh 24,169,000) has been dealt with in the financial statements of George Williamson Kenya Limited.

7 EARNINGS PER SHARE

Earnings per share are calculated on the profit after taxation and minority interest divided by the number of shares in issue at 31 March.



NOTES TO THE FINANCIAL STATEMENTS (continued)

8 FIXED ASSETS

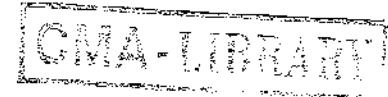
GROUP

| | 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 1996 | 850,765 | 148,625 | 73,815 | 15,515 | - | 1,088,720 |
| Additions | 30,476 | 4,434 | 18,644 | 3,455 | 1,047 | 58,056 |
| Disposals | (1,667) | (274) | (8,063) | (109) | - | (10,113) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 1997 | 879,574 | 152,785 | 84,396 | 18,861 | 1,047 | 1,136,663 |
| Comprising: | | | | | | |
| At valuation - 1989 | 118,909 | - | - | - | - | 118,909 |
| At valuation - 1993 | 626,458 | 54,911 | - | - | - | 681,369 |
| At cost | 134,207 | 97,874 | 84,396 | 18,861 | 1,047 | 336,385 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 879,574 | 152,785 | 84,396 | 18,861 | 1,047 | 1,136,663 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| DEPRECIATION | | | | | | |
| At 1 April 1996 | 42,673 | 44,984 | 44,135 | 7,829 | - | 139,621 |
| Charge for the year | 14,443 | 14,819 | 15,957 | 1,814 | - | 47,033 |
| On disposals | - | - | (7,283) | (76) | - | (7,359) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 1997 | 57,116 | 59,803 | 52,809 | 9,567 | - | 179,295 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | | | | |
| At 31 March 1997 | 822,458 | 92,982 | 31,587 | 9,294 | 1,047 | 957,368 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 1996 | 808,092 | 103,641 | 29,680 | 7,686 | - | 949,099 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |



NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 FIXED ASSETS (Continued)



COMPANY

| | <i>Freehold and long leasehold land, buildings and development Sh'000</i> | <i>Machinery and equipment Sh'000</i> | <i>Motor vehicles Sh'000</i> | <i>Office equipment, computers, furniture and fittings Sh'000</i> | <i>Total Sh'000</i> |
|----------------------------|---|---|--------------------------------------|---|-------------------------|
| COST OR VALUATION | | | | | |
| <i>At 1 April 1996</i> | 467,786 | 63,284 | 38,308 | 10,895 | 580,273 |
| <i>Additions</i> | 12,917 | 1,548 | 9,392 | 1,927 | 25,784 |
| <i>Disposals</i> | (1,281) | - | (3,657) | (57) | (4,995) |
| <i>At 31 March 1997</i> | 479,422 | 64,832 | 44,043 | 12,765 | 601,062 |
| <i>Comprising:</i> | | | | | |
| <i>At valuation - 1993</i> | 425,063 | 25,037 | - | - | 450,100 |
| <i>At cost</i> | 54,359 | 39,795 | 44,043 | 12,765 | 150,962 |
| | 479,422 | 64,832 | 44,043 | 12,765 | 601,062 |
| DEPRECIATION | | | | | |
| <i>At 1 April 1996</i> | 17,307 | 20,331 | 22,306 | 5,496 | 65,440 |
| <i>Charge for the year</i> | 6,386 | 6,226 | 8,696 | 1,254 | 22,562 |
| <i>On disposals</i> | - | - | (3,632) | (24) | (3,656) |
| <i>At 31 March 1997</i> | 23,693 | 26,557 | 27,370 | 6,726 | 84,346 |
| NET BOOK VALUE | | | | | |
| <i>At 31 March 1997</i> | 455,729 | 38,275 | 16,673 | 6,039 | 516,716 |
| <i>At 31 March 1996</i> | 450,479 | 42,953 | 16,002 | 5,399 | 514,833 |



NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | 1997 Sh'000 | 1996 Sh'000 |
|---|----------------|----------------|
| 9 INVESTMENT 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 |
| Lelsu 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> |

10 ASSOCIATED COMPANIES

GROUP

Kapchorua Tea Company Limited (Quoted);
37.79% (1996 - 32.139%) owned:

Share of net assets 130,491 108,056

Williamson Developments Limited (Unquoted);
- 44.4% owned:

At cost 20,358 20,358

150,849 128,414

COMPANY

Kapchorua Tea Company Limited (Quoted);
37.79% (1996 - 32.139%) owned:

At cost - Market value Sh 103,479,040
(1996 - Sh 145,185,176)

44,251 28,480

Williamson Developments Limited (Unquoted);
- 44.4% owned:

At cost 20,358 20,358

64,609 48,838



NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 1997 Sh'000 | 1996 Sh'000 | 1997 Sh'000 | 1996 Sh'000 |
| 11 OTHER INVESTMENTS | | | | |
| Unquoted: | | | | |
| At cost and directors' valuation - | | | | |
| Trade | 9 | 9 | 6 | 6 |
| Other | 3 | 3 | - | - |
| | <u>12</u> | <u>12</u> | <u>6</u> | <u>6</u> |
| Quoted: | | | | |
| At cost - market value Sh 2,109 (1996 - Sh 2,850) | 1 | 1 | - | - |
| | <u>13</u> | <u>13</u> | <u>6</u> | <u>6</u> |
| 12 STOCKS | | | | |
| Unsold tea | 29,299 | 74,317 | 14,630 | 32,335 |
| Generators | 5,946 | 2,057 | - | - |
| Tea nursery | 8,244 | 8,522 | 2,944 | 2,984 |
| Firewood | 5,282 | 2,643 | 2,908 | 789 |
| Stores | 29,076 | 21,233 | 11,096 | 7,363 |
| Work in progress | 847 | 221 | - | - |
| Goods in transit | 9,067 | 9,842 | - | - |
| Other | 180 | 119 | - | - |
| | <u>87,941</u> | <u>118,954</u> | <u>31,578</u> | <u>43,471</u> |
| 13 DEBTORS | | | | |
| Tea | 119,147 | 84,659 | 39,870 | 24,593 |
| Other | 61,339 | 52,791 | 24,803 | 19,747 |
| | <u>180,486</u> | <u>137,450</u> | <u>64,673</u> | <u>44,340</u> |

Other debtors include loans to directors amounting to Sh 722,738 (1996 - Sh 1,323,280)

| | 1997 Sh'000 | 1996 Sh'000 |
|--------------------------------|----------------|----------------|
| 14 SUBSIDIARY COMPANIES | | |
| Current accounts | 79,498 | 59,199 |
| Loan account | 4,600 | 4,600 |
| | <u>84,098</u> | <u>63,799</u> |



NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | 1997 | 1996 |
|---|--------|--------|
| | Sh'000 | Sh'000 |
| 15 SHARE CAPITAL | | |
| Authorised: | | |
| 13,134,480 (1996 - 8,756,320) shares of Sh 5 each | 65,672 | 43,782 |
| Issued and fully paid: | | |
| 8,756,320 shares of Sh 5 each | 43,782 | 43,782 |

At the annual general meeting held on 11 September 1996, the authorised share capital was increased by a special resolution from 8,756,320 ordinary shares of Sh 5 each to 13,134,480 ordinary shares of Sh 5 each.

16 RESERVES

| | Capital Sh'000 | Revenue Sh'000 | Total Sh'000 |
|--|-------------------|-------------------|-----------------|
| GROUP | | | |
| At 1 April 1996 | 598,566 | 333,863 | 932,429 |
| Retained profit for the year | - | 44,447 | 44,447 |
| Adjustment in respect of changes in associated company's shareholding | 789 | - | 789 |
| Revaluation surplus realised on disposal of fixed assets | (1,511) | 1,511 | - |
| Share of movement in associated company's reserves | (228) | 228 | - |
| | <u>597,616</u> | <u>380,049</u> | <u>977,665</u> |
| At 31 March 1997 | 597,616 | 380,049 | 977,665 |
| COMPANY | | | |
| At 1 April 1996 | 355,561 | 262,550 | 618,111 |
| Retained profit for the year | - | 24,978 | 24,978 |
| Revaluation surplus realised on disposal of fixed assets | (1,230) | 1,230 | - |
| | <u>354,331</u> | <u>288,758</u> | <u>643,089</u> |
| At 31 March 1997 | 354,331 | 288,758 | 643,089 |



NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | 1997 Sh'000 | 1996 Sh'000 |
|--|----------------|----------------|
| 17 LOANS | | |
| GROUP | | |
| <i>Secured loan from a financial institution repayable in equal quarterly instalments by 2001; interest at 24% per annum</i> | 3,924 | 8,818 |
| <i>Secured loans from financial institutions repayable in equal monthly instalments by 1998; interest at 24% per annum</i> | 55,748 | 75,046 |
| <i>Unsecured loan from an associated company</i> | 20,000 | - |
| | <u>79,672</u> | <u>83,864</u> |
| <i>Less: repayable within one year</i> | 49,172 | 24,292 |
| | <u>30,500</u> | <u>59,572</u> |
| COMPANY | | |
| <i>Secured loan from a financial institution repayable in equal quarterly instalments by 2001; interest at 24% per annum</i> | 3,924 | 8,818 |
| <i>Secured loan from a financial institution repayable in equal monthly instalments by 1998; interest at 24% per annum</i> | 46,930 | 62,685 |
| <i>Unsecured loan from an associated company</i> | 20,000 | - |
| | <u>70,854</u> | <u>71,503</u> |
| <i>Less: repayable within one year</i> | 44,577 | 20,733 |
| | <u>26,277</u> | <u>50,770</u> |
| 18 NOTES TO THE CASH FLOW STATEMENT | | |
| (a) <i>Reconciliation of operating profit to net cash inflow from operating activities</i> | | |
| <i>Operating profit</i> | 111,766 | 66,466 |
| <i>Depreciation</i> | 47,033 | 45,357 |
| <i>Development costs written off</i> | 1,667 | 525 |
| <i>Profit on sale of fixed assets</i> | (5,087) | (3,317) |
| <i>Decrease in stocks</i> | 31,013 | 16,315 |
| <i>Increase in debtors</i> | (43,036) | (26,925) |
| <i>Increase in creditors</i> | 6,080 | 19,116 |
| <i>Increase in associated company balances</i> | 1,050 | 7,388 |
| <i>Net cash inflow from operating activities</i> | <u>150,486</u> | <u>124,925</u> |



NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 NOTES TO THE CASH FLOW STATEMENT (Continued)

(b) Analysis of changes in cash and cash equivalents

| | 1997 | 1996 | Change in the year |
|---------------------------------------|-----------|-----------|-----------------------|
| | Sh'000 | Sh'000 | Sh'000 |
| Bank and cash balances | 10,838 | 6,170 | 4,668 |
| Bank overdrafts (secured) | (111,931) | (115,438) | 3,507 |
| | <hr/> | <hr/> | <hr/> |
| Increase in cash and cash equivalents | | | 8,175 |

19 CONTINGENT LIABILITIES

GROUP

Guarantees in respect of banking facilities granted to an associated company

| 1997 | 1996 |
|--------|--------|
| Sh'000 | Sh'000 |

| | |
|--------|--------|
| 11,407 | 10,246 |
|--------|--------|

COMPANY

Guarantees in respect of banking facilities granted to subsidiary companies

| | |
|--------|--------|
| 65,978 | 75,563 |
|--------|--------|

20 FUTURE CAPITAL EXPENDITURE

GROUP

Authorised by the directors but not contracted

| | |
|--------|--------|
| 38,706 | 42,280 |
|--------|--------|

COMPANY

Authorised by the directors but not contracted

| | |
|--------|--------|
| 18,180 | 16,053 |
|--------|--------|

21 ULTIMATE HOLDING COMPANY

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



TEN YEAR COMPARATIVE STATEMENT

| | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|
| | | | | | | | | (9 months) | | |
| Tea Production | | | | | | | | | | |
| Area under tea Hectare | 1,900 | 1,885 | 1,872 | 1,871 | 1,312 | 1,308 | 1,306 | 1,303 | 1,278 | 1,245 |
| Made tea - own '000 Kgs | 5,623 | 6,298 | 5,884 | 5,471 | 3,800 | 3,338 | 3,564 | 2,716 | 2,861 | 3,138 |
| Bought leaf '000 Kgs | 2,503 | 2,280 | 1,127 | 834 | 383 | 331 | 282 | 110 | 154 | 135 |
| Total '000 Kgs | 8,126 | 8,578 | 7,011 | 6,305 | 4,183 | 3,669 | 3,846 | 2,826 | 3,015 | 3,273 |
| Tea sold '000 Kgs | 9,047 | 8,427 | 6,412 | 5,580 | 3,860 | 3,938 | 4,116 | 2,406 | 3,014 | 3,184 |
| Average price per Kg gross Sh/Ct | 82/28 | 67/12 | 73/12 | 88/63 | 66/25 | 41/67 | 36/44 | 38/78 | 26/25 | 26/36 |
| Turnover (Sh'000) | 813,294 | 638,858 | 520,483 | 721,177 | 301,046 | 191,344 | 167,500 | 108,812 | 97,216 | 101,647 |
| Profit (Sh'000) | | | | | | | | | | |
| Profit/(loss) before taxation | 86,798 | 31,328 | 9,502 | 303,430 | 90,159 | 21,520 | 40,154 | 29,539 | (1,932) | 7,785 |
| Taxation | 26,432 | 17,143 | 13,087 | 102,960 | 33,023 | 8,950 | 12,280 | 6,740 | (200) | 2,920 |
| Profit/(loss) after taxation | 60,366 | 14,185 | (3,585) | 200,470 | 57,136 | 12,570 | 27,874 | 22,799 | (2,132) | 4,865 |
| Minority interest | 2,784 | 2,298 | 1,680 | 11,237 | - | - | - | - | - | - |
| Dividends | 13,135 | 8,756 | 8,756 | 21,891 | 8,756 | 6,560 | 6,560 | 6,560 | 1,100 | 5,480 |
| Retained profit/(loss) | 44,447 | 3,131 | (14,021) | 167,342 | 48,380 | 6,010 | 21,314 | 16,239 | (3,232) | (615) |
| Capital employed (Sh'000) | | | | | | | | | | |
| Fixed assets | 957,368 | 949,099 | 979,690 | 904,509 | 712,678 | 368,725 | 362,660 | 361,280 | 195,040 | 188,340 |
| Investments and long term debtors | 150,862 | 128,427 | 117,893 | 109,554 | 95,463 | 95,794 | 70,420 | 40,860 | 24,520 | 3,260 |
| Net current (liabilities)/assets | (15,416) | (2,467) | (1,884) | 137,091 | 50,938 | 15,341 | 17,800 | 26,860 | 10,720 | 21,560 |
| | 1,092,814 | 1,075,059 | 1,095,699 | 1,151,154 | 859,079 | 479,860 | 450,880 | 429,000 | 230,280 | 213,160 |
| Financed by (Sh'000) | | | | | | | | | | |
| Share capital | 43,782 | 43,782 | 43,782 | 21,891 | 21,891 | 21,891 | 21,891 | 21,891 | 21,891 | 21,891 |
| Reserves | 977,665 | 932,429 | 931,848 | 966,675 | 802,117 | 420,642 | 414,629 | 392,749 | 207,589 | 189,669 |
| Shareholders' funds | 1,021,447 | 976,211 | 975,630 | 988,566 | 824,008 | 442,533 | 436,520 | 414,640 | 229,480 | 211,560 |
| Minority interest | 40,867 | 39,276 | 36,978 | 39,766 | - | - | - | - | - | - |
| Medium term borrowings | 30,500 | 59,572 | 83,091 | 122,822 | 35,071 | 37,327 | 14,360 | 14,360 | 800 | 1,600 |
| | 1,092,814 | 1,075,059 | 1,095,669 | 1,151,154 | 859,079 | 479,860 | 450,880 | 429,000 | 230,280 | 213,160 |
| Earnings/(loss) per shareCents | 658 | 136 | (60) | 2,161 | 1,305 | 287 | 637 | 521 | (49) | 126 |
| Dividend per share % | 30 | 20 | 20 | 100 | 40 | 30 | 30 | 30 | 5 | 25 |
| Dividend per share Cents | 150 | 100 | 100 | 500 | 200 | 150 | 150 | 150 | 25 | 125 |
| Dividend cover Times | 4.38 | 1.36 | - | 8.64 | 6.53 | 1.92 | 4.25 | 3.47 | - | 1.01 |





PROXY FORM FOR ANNUAL GENERAL MEETING

The Secretary,
George Williamson Kenya Ltd,
PO Box 42281,
NAIROBI.

I/WE.....CAPITAL LETTERS PLEASE

of

being a Member/Members of George Williamson Kenya Limited hereby appoint

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1

of

or failing him the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday 28th July, 1997 and at any adjournment thereof.

Dated this day of 19

Signature:

Address:

[illegible][illegible]

I desire to vote* in favour of the Resolution (s).
against

NOTE: Unless otherwise directed a Proxy holder will vote as he thinks fit and in respect of the member's total holding

