



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 .....

.....

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 Wednesday 29th July, 1998 and at any  
adjournment thereof.

Dated this ..... day of ..... 19 .....

Signature: .....

Address: .....

.....

.....

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



REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2000

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



GEORGE WILLIAMSON KENYA LIMITED  
*Incorporated 15 December 1952*

COMPANY INFORMATION

SHARE CAPITAL

Authorised  
17,512,640 ordinary shares of Sh 5 each, Sh 87,563,200

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

GROUP OF 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 (82% owned)	- TINDERET ESTATE
Kapchorua Tea Company Limited (39.56% owned)	- KAPCHORUA ESTATE

Other wholly owned companies:

Tea Properties Limited	- PROPERTY INVESTMENT
Williamson Power Limited (formerly George Williamson Engineering Ltd)	- SALE OF GENERATORS
Tea Manufacturing and Supplies Limited	- DORMANT

Lelsa Tea Estates Limited	- DORMANT
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Other:

Williamson Developments Limited (50% owned)	- PROPERTY INVESTMENT
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DIRECTORS

N G Sandys-Lumsdaine\* - Chairman  
E A Bristow  
E M Kimani  
S C A Koech  
P Magor\*  
R B Magor\*  
H Salwegter\*\*  
D B White

\* British

\*\*Dutch

SECRETARY

D B White  
P O Box 42281, Nairobi

REGISTERED OFFICE

Williamson House, 9<sup>th</sup> Floor, 4<sup>th</sup> Ngong Avenue  
P O Box 42281, Nairobi

AUDITORS

Deloitte & Touche

BANKERS

Barclays Bank of Kenya

Kenya Commercial Bank Limited

LAWYERS

Kaplan & Stratton

332: 2A

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## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the forty ninth ANNUAL GENERAL MEETING of the shareholders will be held at the Nairobi Club, Ngong Avenue on 27 July 2000 at 10.00 am 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 2000.
- 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.

BY ORDER OF THE BOARD  
**D.B. WHITE**  
Secretary

18 May, 2000

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.



## CHAIRMAN'S STATEMENT

Although the last three months of the year were extremely dry, our estate crops, except Kaimosi, were a little better than last year while deliveries from our outgrowers were down, although production from Nyayo Tea Zones showed a substantial increase.

Towards the end of the year with falling supply there was some improvement in world tea prices. However, there was a further weakening of the Kenya Shilling on last year's rates.

The collective Bargaining Agreement negotiated through the Kenya Tea Growers Association expired on 31 December 1999. Negotiations continue for an agreement for the next two years. In spite of the very substantial Industrial Court award for 1998 and 1999 some further increase in our labour costs must be expected.

Weather conditions of drought and frost at Kericho and Nandi have been most unfavourable during the final three months of the financial year and the crop has suffered accordingly. Except Nandi, useful rain has been received since then but all possible cost controls will be required to ensure profitability is maintained.

Considering the above, a cautious approach will be needed and your Directors are therefore recommending a first and final dividend of Sh 2/50 per share for the year ended 31 March 2000 (1998/99 - Sh 2/50).

### TEA

Crop production in Kgs of made tea on our estates was as follows:

	1999/2000	1998/1999
<i>Changoi</i>	3,529,654	3,876,614
<i>Kaimosi</i>	2,290,470	2,446,865
<i>Tinderet</i>	1,689,552	1,485,317

The above totals include 1,709,111 Kgs (1998/99 - 1,998,687) of made tea from outgrowers leaf of which 703,003 Kgs (1998/99 - 620,346) was from Nyayo Tea Zones Corporation.

During the course of the year, we incurred capital expenditure in the sum of Sh 99,545,966 on our estates for new areas planted, buildings and labour housing and some upgrading of our transport. With a development loan from our Bankers we were able to carry out some important machinery improvements in the factories.

### PROPERTY

There have been no changes to our property portfolio, which continues to provide valuable support to our operations. However, the very erratic water supply to Williamson House is greatly increasing our service costs.

### ENGINEERING

Sales and profitability were again adversely affected by the continuing depressed state of the economy in Kenya.

The encouraging start to the year was not maintained and a loss was recorded for the year and we are actively re-appraising our strategy for the future.



## CHAIRMAN'S STATEMENT (continued)

### SOCIAL CONTRIBUTION

The major salient facts under this heading include:

- (i) There are now 5,676 workers and over 23,000 dependants within the Group estates. We now operate five primary schools, one secondary school and five health clinics. Where possible, we look to provide an increasing range of welfare facilities for our workers and their families.
- (ii) The Group's foreign currency earnings amounted to the equivalent of Sh 928,404,000.
- (iii) The Group has paid Corporation Tax to the Government of Sh 38,195,000 and Agricultural Produce Cess to the Tea Board of Kenya of Sh 4,502,245 for disbursement to the local councils and Tea Roads Cess Committees, for maintenance of tea roads in the districts where we operate.
- (iv) The Group spent Sh 46,091,000 as revenue expenditure and Sh 16,250,000 as capital expenditure on the provision of a wide range of welfare, educational and health facilities.
- (v) During the year, Bureau Veritas as Auditors for the Tea Sourcing Partnership in the United Kingdom carried out a successful assessment on the standards of our operating procedures and our social accountability on our various estates.

### STAFF

Following the changes last year, Bill Sainna at Changoi, Samuel Thumbi at Kaimosi and Tom Lloyd at Tinderet continue as our General Managers.

On Shareholders behalf may I thank them, their management teams and the staff in the estates, the staff in Nairobi, both in the Office and Engineering, for their hard work and the results achieved during the past problematic year.

### FUTURE PROSPECTS

While some rain has fallen, much more particularly in Nandi is needed if our crops are to improve to our estimated levels.

It is of course too early in the financial year to put forward any forecasts, but we do expect that the year 2000/2001 will not be easy.

**N G SANDYS-LUMSDAINE**

Chairman

Nairobi

18 May 2000



## NAKALA YA MWENYEKITI

Hata ingawa miezi mitatu ya mwisho wa mwaka ilikuwa ya ukavu mno, kufuatia ukosefu wa mvua, mazao ya mashamba yalikuwa ya kufaa zaidi ikilinganishwa na mwaka uliopita, isipokuwa yale ya Kaimosi ambayo yalikuwa ya chini.

Kiasi kilichopokelewa kutoka kwa wakusaji wa nje kilishuka lakini mazao kutoka Nyayo Tea Zones yaliongezeka.

Karibu na mwisho wa mwaka kadiri ya kupatikana iliendelea kushuka, kulikuwa na kuimarika kwa bei ya majani chai ulimwenguni. Kwa jumla shilingi ya Kenya iliendelea kushuka thamani yake ikilinganishwa na viwango vya mwaka uliotangulia.

Ule mkataba uliyoafikiwa kufuatia mashauriano ya viama vya wafanyi kazi na chama cha wakuza majani chai nchini uliisha tarehe 31 Desemba 1999. Mashauriano ya kuafikia mkataba mpya wa miaka miwili iliyayo yanaendelea. Hata baada ya mahakama kuu ya Viwanda kutendekeza malipo ya juu zaidi kwa wafanyi kazi mwaka wa 1998 na 1999, baado ongezeko ya gharama ya wafanya kazi linatarajiwa. Miezi mitatu ya mwisho wa mwaka kulikuwa na hali ya hewa mbaya kufuatia ukame na baridi kali iliyosababisha umande wa theluji huku Kericho na Nandi. Hali hii iliathiri sana mazao. Hivi sasa mvua imeanza kunyesha isipokuwa Nandi ambapo imechelewa. Lakini hata hivyo tutafanya kila juhudi kupunguza gharama na hivyo kuendelea kupata faida zaidi.

Kwa sababu ya hali hii ngumu njia za tahadhali zaidi zinatafikana na hivyo wakurugenzi wenu wamependekeza gawio la mwisho la Sh. 2/50 kwa hisa kwa mwaka ulioisha Machi 31, 2000 (1998/1999 - Sh. 2.50)

### CHAI

Mazao yaliyopatikana kwa kilo yalikuwa kama ifuatavyo:-

	<u>1999/2000</u>	<u>1998/99</u>
<i>Changoi</i>	3,529,654	3,176,314
<i>Kaimosi</i>	2,290,470	2,445,863
<i>Tinderet</i>	1,689,552	1,485,319

Jumla zilizoonyeshwa hapa juu ni pamoja na kilo 1,709,111 (1998/99 - 1,998,687) za chai ya wakuzaji wa nje ambazo kilo 703,003 (1998/99 - 620,346) zilikuwa za shirika la Nyayo Tea Zones.

Hapo mwakani Jumla ya Sh. 99,545,966 zilitumika kwa mipango ya kugharamia rasilimali kwa mashamba yetu yote mwaka huu. Na ilikuwa ni pamoja na kupanda mimea maeneo mapya, ujenzi wa nyumba na ujenzi wa makao mapya ya wafanyi kazi na pia kukamilisha zaidi uchukuzi. Tulipata mkopo wa maendeleo kutoka kwa Banki zetu na huo ulituwezesha kusitawisha mitambo katika viwanda vyetu.

### MALI

Hakuna mabadiliko yoyote kwa jumla ya mali yetu ambayo inaendelea kuchangia vyema kwa kuendesha biashara zetu. Lakini ukosefu wa maji mara kwa mara katika jumba la Williamson unachangia zaidi kuongeza gharama zote katika kutoa huduma bora.



## NAKALA YA MWENYEKITI (*Inaendelea*)

### UHANDISI

Mauzo na faida ziliathiriwa tena na hali mbaya ya uchumi wa nchi ambao uliendelea kuzorota.

Matokeo mazuri hapo mwanzoni wa mwaka hayakuifadhiwa na hasara ilipatikana mwaka huu. Tunaendelea kulejea ubora wa hila zetu kwa siku za usoni.

### MCHANGO WA MAMBO YA JAMII

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

- (i) Sasa kuna wafanyi kazi 5,676 walioajiriwa na 23,000 wanaotegemea kote kwa kundi letu.  
Tunaendesha shule tano za msingi, shule moja ya upili na vituo vitano vya afya. Ikiwezekana tutaendelea kutoa huduma na vifaa bora vya kustarehe kwa wafanyi kazi wetu pamoja na jamii zao.
- (ii) Pesa zetu za kigeni tulizozipata zilikuwa Sh. 928,404,000.
- (iii) Kampuni hii na viunga vyake zimelipa Serikali kodi ya Sh. 38,195,000 na kodi zingine kwa Tea Board of Kenya ya Sh. 4,502,245 ambayo inatumiwa kwa mabaraza ya miji na pia kwa kamati ya mabarabara za kusitawisha mabarabara katika wilaya zile tunapokuza chai.
- (iv) Kampuni zetu zilitumia Sh. 46,091,000 kama matumizi ya mapato na zingine Sh. 16,250,000 kama rasilimali ya kutoa huduma bora hasa vifaa vya elimu na afya.
- (v) Wahasibu kutoka "Bureau Veritas" walikagua kazi zetu kwa niaba ya "Tea Sourcing Partnership" ya ulaya. Kazi zetu za kila siku pamoja na mchango wetu kwa Jamii ilikubalika kuwa bora kote kwa kundi letu.

### WAFANYI KAZI

Kufuatia mabadiliko ya mwaka uliopita, Bill Sainna, akiwa Changoi, Samuel Thumbi akiwa Kaimosi na Thomas Lloyd akiwa Tinderet wanaendelea kuwa mameneja wetu wakuu.

Kwa niaba ya wanachama wote nawapa mkono wa tahania pamoja na wafanyi kazi wote huku mashambani yetu ya chai, hapa Nairobi na wale wote wa kazi ya kufanya mitambo kwa kazi yao bora iliyochangia matokeo mema mwaka uliopita ambao ulikubwa na shida si haba.

### MATAZAMIO

Hata ingawa mvua imeanza kunyesha bado tunahitaji mvua zaidi hasa huku Nandi hili kutuwezesha kupata mazao yale tunayotarajia.

Kwa kweli ni mapema mno kutabiri mapato ya mwaka huu lakini tunatarajia mwaka wa 2000/2001 hutakuwa na matarajio mema.

**N.G.SANDYS-LUMSDAINE**

Mwenyekiti

Nairobi

18 Mei 2000





## REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the group for the year ended 31 March 2000.

### ACTIVITIES

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

### RESULTS

	<i>Sh'000</i>
<i>Profit before taxation</i>	<i>112,461</i>
<i>Taxation</i>	<i>30,746</i>
	<hr/>
<i>Profit after taxation</i>	<i>81,715</i>
<i>Minority interest</i>	<i>3,479</i>
	<hr/>
<i>Profit available for appropriation</i>	<i>78,236</i>
<i>Proposed dividend (gross)</i>	<i>21,891</i>
	<hr/>
<i>Retained profit transferred to revenue reserve</i>	<i>56,345</i>
	<hr/>

### DIVIDENDS

The directors recommend the payment of a first and final dividend of Sh 2.50 per share, totaling Sh 21,891,000 in respect of the year.

### DIRECTORS

The directors who held office during the year are shown on page 2.

In accordance with article 106 of the articles of association, Messrs E A Bristow and D B White retire by rotation and, being eligible, offer themselves for re-election.

### AUDITORS

Deloitte & Touche, having expressed their willingness, continue in office in accordance with the provisions of section 159 (2) of the Companies Act.

BY ORDER OF THE BOARD  
**D B WHITE**  
Secretary

18 May 2000



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that each company in the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of each company in the group and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## REPORT OF THE AUDITORS

TO THE MEMBERS OF GEORGE WILLIAMSON KENYA LIMITED

We have audited the financial statements on pages 11 to 30 and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 9, the directors are responsible for the preparation of the financial statements. Our responsibility is to express an opinion on those financial statements based on our audit.

### BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. Those 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. We believe that our audit provides a reasonable basis for our opinion.

### OPINION

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 give a true and fair view of the state of affairs of the company and the group at 31 March 2000 and of the profit and cash flows of the group for the year then ended in accordance with International Accounting Standards and comply with the Companies Act.

**Deloitte & Touche**  
Certified Public Accountants (Kenya)  
Nairobi

22 May 2000



CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2000

		2000	1999
	Note	Sh'000	(Restated) Sh'000
<b>TURNOVER</b>	2	1,045,177	934,225
Cost of Sales		760,039	704,232
<b>GROSS PROFIT</b>		285,138	229,993
Other Operating Income		6,193	12,874
Distribution Costs		(97,188)	(107,031)
Administrative Expenses		(79,006)	(82,189)
<b>OPERATING PROFIT</b>	3	115,137	53,647
Net Finance (Costs)/Income	5	(9,989)	1,993
Share of Profits of Associated Companies		7,313	10,077
<b>PROFIT BEFORE TAXATION</b>		112,461	65,717
TAXATION	6	30,746	16,507
<b>PROFIT AFTER TAXATION</b>	7	81,715	49,210
MINORITY INTEREST		3,479	1,768
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>		78,236	47,442
<b>EARNINGS PER SHARE</b>	8	Sh 8.94	Sh 5.42



# CONSOLIDATED BALANCE SHEET 31 MARCH 2000

		2000	1999
		Sh'000	(Restated) Sh'000
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	9	1,683,472	1,657,692
Investment in associated companies	10	191,717	187,729
Other investments	12	17	13
		<u>1,875,206</u>	<u>1,845,434</u>
<b>Current Assets</b>			
Inventories	13	81,139	94,041
Trade and other receivables	14	242,299	218,645
Due from associated companies		9,743	9,996
Taxation recoverable		5,111	29,593
Short term deposits		38,000	20,000
Cash and bank balances		56,663	15,893
		<u>432,955</u>	<u>387,078</u>
<b>Total assets</b>		<u><u>2,308,161</u></u>	<u><u>2,232,512</u></u>
<b>Equity and Liabilities</b>			
<b>Capital and reserves</b>			
Share capital	17	43,782	43,782
Capital reserve		953,303	923,439
Revenue reserve		476,168	467,991
		<u>1,473,253</u>	<u>1,435,212</u>
<b>Minority interest</b>		<u>54,915</u>	<u>5,000</u>
<b>Non Current Liabilities</b>			
Deferred income taxes	18	410,545	410,545
Retirement benefit obligations	19	57,598	57,598
Loan repayable after 12 months	20	25,286	-
		<u>493,429</u>	<u>468,143</u>
<b>Current Liabilities</b>			
Trade and other payables	21	163,790	158,100
Due to associated companies		15,603	5,111
Taxation		5,308	427
Loans repayable within one year	20	-	2,273
Proposed dividend (gross)		21,891	21,891
Bank overdrafts (secured)		79,972	124,880
		<u>286,564</u>	<u>292,581</u>
<b>Total equity and liabilities</b>		<u><u>2,308,161</u></u>	<u><u>2,232,512</u></u>

The financial statements on pages 11 to 30 were approved by the board of directors on 18 May 2000 and were signed on its behalf by:

S C A Koech }  
E A Bristow } Directors



# COMPANY BALANCE SHEET 31 MARCH 2000

		2000	1999
	Note	Sh'000	(Restated) Sh'000
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	9	906,543	892,708
Investment in associated companies	10	79,837	79,837
Investment in subsidiaries	11	111,877	111,877
Other investments	12	6	6
		<hr/>	<hr/>
		1,098,263	1,084,428
<b>Current Assets</b>			
Inventories	13	40,491	41,712
Trade and other receivables	14	123,038	99,989
Due from associated companies		9,558	9,710
Due from subsidiary companies	15	60,175	55,300
Taxation recoverable		-	9,799
Short term deposits		20,000	-
Cash and bank balances		24,133	7,549
		<hr/>	<hr/>
		277,395	224,059
		<hr/>	<hr/>
<b>Total assets</b>		<b>1,375,658</b>	<b>1,308,487</b>
		=====	=====
<b>Equity and Liabilities</b>			
<b>Capital and reserves</b>			
Share capital	17	43,782	43,782
Capital reserve		528,231	515,272
Revenue reserve		362,887	325,470
		<hr/>	<hr/>
		934,900	884,524
<b>Non Current Liabilities</b>			
Deferred income taxes	18	250,871	268,935
Retirement benefit obligations	19	28,463	22,980
Loan payable after 12 months	20	16,884	-
		<hr/>	<hr/>
		296,218	291,915
<b>Current Liabilities</b>			
Trade and other payables	21	64,675	62,869
Due to associated companies		11,850	575
Taxation		1,809	-
Loans repayable within one year	20	-	2,273
Proposed dividend (gross)		21,891	21,891
Bank overdrafts (secured)		44,315	44,440
		<hr/>	<hr/>
		144,540	132,048
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>1,375,658</b>	<b>1,308,487</b>
		=====	=====

The financial statements on pages 11 to 30 were approved by the board of directors on 18 May 2000 and were signed on its behalf by:

S C A Koech }  
E A Bristow } Directors



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2000

	Share capital Sh'000	Capital reserve Sh'000	Revenue reserve Sh'000	Total Sh'000
<b>AT 1 APRIL 1998</b>				
- As previously reported	43,782	599,877	593,202	1,236,861
- Prior year adjustments:				
Deferred taxation	-	(93,837)	(169,473)	(263,310)
Retirement benefit obligations	-	-	(36,074)	(36,074)
Share of associated companies prior year adjustment	-	(32,079)	-	(32,079)
	<hr/>	<hr/>	<hr/>	<hr/>
- As restated	43,782	473,961	387,655	905,398
Revaluation surplus released on sale of property	-	(7,959)	7,959	-
Deferred tax on revaluation surplus released on sale of property	-	2,424	(2,424)	-
Adjustment in respect of changes in associated companies shareholding	-	(7,340)	-	(7,340)
Revaluation surplus	-	598,722	-	598,722
Deferred tax on revaluation surplus	-	(169,615)	-	(169,615)
Net profit for the year	-	-	47,442	47,442
Share of revaluation surplus of associated company	-	35,296	-	35,296
Proposed dividend	-	-	(21,891)	(21,891)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>AT 31 MARCH 1999</b>	43,782	925,489	418,741	1,388,012
Revaluation adjustment (net of minority interest and deferred tax)	-	(656)	-	(656)
Surplus released on disposal of property (net of deferred tax)	-	(1,082)	1,082	-
Net profit for the year	-	-	78,236	78,236
Proposed dividend	-	-	(21,891)	(21,891)
Movement in deferred tax	-	26,993	-	26,993
Share of movement in deferred tax of associate company	-	2,559	-	2,559
	<hr/>	<hr/>	<hr/>	<hr/>
<b>AT 31 MARCH 2000</b>	43,782	953,303	476,168	1,473,253
	=====	=====	=====	=====



COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2000

	Share capital Sh'000	Capital reserve Sh'000	Revenue reserve Sh'000	Total Sh'000
<b>AT 1 APRIL 1998</b>				
- As previously reported	43,782	354,055	427,000	824,837
- Prior year adjustments.				
Deferred taxation	-	(68,889)	(106,246)	(175,135)
Retirement benefit obligations	-	-	(17,724)	(17,724)
- As restated	43,782	285,166	303,030	631,978
Revaluation surplus released				
on disposal of property	-	(256)	256	
Revaluation surplus	-	324,730	-	324,730
Deferred tax on revaluation	-	(94,368)	-	(94,368)
Net profit for the year	-	-	44,075	44,075
Proposed dividend	-	-	(21,891)	(21,891)
<b>AT 31 MARCH 1999</b>	43,782	515,272	325,470	884,524
Revaluation adjustment	-	(2,154)	-	(2,154)
Net profit for the year	-	-	58,788	58,788
Proposed dividend	-	-	(21,891)	(21,891)
Release of revaluation surplus				
on disposal	-	(520)	520	-
Movement on deferred tax	-	15,633	-	15,633
<b>AT 31 MARCH 2000</b>	43,782	528,231	362,887	934,900





CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2000

		2000	1999
	Note	Sh'000	(Restated) Sh'000
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations	22(a)	217,192	155,283
Interest received		1,439	16,324
Dividends received - from associated companies		3,869	11,548
- other		1,404	995
Interest paid		(11,916)	(14,911)
Taxation paid		(8,217)	(133,618)
		<hr/>	<hr/>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		203,771	35,621
		<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>			
Purchase of shares		(4)	-
Purchase of plant and equipment		(104,535)	(123,824)
Proceeds from disposal of plant and equipment		4,571	22,932
Purchase of further interest in associated company		-	(10,844)
		<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(99,968)	(111,736)
		<hr/>	<hr/>
<b>FINANCING ACTIVITIES</b>			
Loans received		25,286	-
Repayment of amounts borrowed		(2,273)	(29,642)
Finance lease repayments		(979)	-
Dividends paid to shareholders		(21,301)	(65,672)
Dividends paid to minority interests		(871)	(3,646)
		<hr/>	<hr/>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		(138)	(98,960)
		<hr/>	<hr/>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		103,665	(175,075)
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>		(88,974)	86,101
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	22(b)	14,691	(88,974)
		<hr/> <hr/>	<hr/> <hr/>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2000

**I ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

**BASIS OF ACCOUNTING**

The financial statements are prepared in accordance with and comply with International Accounting Standards which have been adopted from this accounting period. The financial statements are prepared under the historical cost basis of accounting, modified to include the revaluation of certain property, plant and equipment.

With the exception of IAS 12 on income taxes (Revised) and IAS 19 (employee benefits), there are no other changes in accounting policies that significantly affect profit before taxation resulting from the adoption of International Accounting Standards.

**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 the associated companies.

**INVESTMENT IN ASSOCIATED COMPANIES**

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

**REVENUE RECOGNITION**

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

**INVENTORIES**

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

Generator 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.

**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost or valuation less depreciation.

**DEPRECIATION**

No depreciation is provided on freehold land, long leasehold land and tea development expenditure. Other property, plant and equipment are depreciated on a straight line basis to write off the cost or valuation over their estimated useful lives.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2000

**1. ACCOUNTING POLICIES (continued)**

The annual rates generally in use are:

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

**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 income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

This is a change in accounting policy to comply with International Accounting Standard No 12 (Revised). Previously, deferred income tax was provided for when, in the opinion of the directors, a liability or asset was expected to crystallise in the foreseeable future. The change in policy has been applied retrospectively and comparative figures amended accordingly.

**RETIREMENT BENEFIT OBLIGATIONS**

The group operates a defined contribution pension scheme for eligible non-unionisable employees. The scheme is administered by the company and is funded by contributions from both the company and employees. The group's contributions to the defined contribution plan are charged to the income statement in the year to which they relate.

The group also contributes to the statutory National Social Security Fund. This is a defined contribution scheme registered under the National Social Security Act. The company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of Sh 80 per month per employee. The company's contributions are charged to the income statement in the year to which they relate.

The group's unionisable staff who resign or whose services are terminated on completion of ten years of continuous and meritorious service are entitled to twenty one days pay for each completed year of service by way of gratuity, based on the wages or salary at the time of such resignation or termination of services, as provided for in the trade union agreement.

An employee who is dismissed or terminated for gross misconduct is not entitled to gratuity.

The service gratuity is provided for in the accounts as it accrues to each employee. This is a change in Accounting Standard No.19. Previously, no provision was made for service gratuity. The change in policy has been applied retrospectively and comparative figures amended accordingly.



## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 1 ACCOUNTING POLICIES *(continued)*

#### 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. Gains and losses on exchange are dealt with in the income statement.

#### SEGMENT REPORTING

Segment results include revenue and expenses directly attributable to a segment.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Capital expenditure represents the total cost incurred during the year to acquire segment assets that are expected to be used during more than one period (property, plant and equipment).

#### COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. In particular, comparatives have been adjusted or extended to take into account the requirements of the International Accounting Standards.

### 2. SEGMENTAL INFORMATION

#### (a) Primary reporting format-Business segments

	<i>Tea</i> <i>Sh'000</i>	<i>Property</i> <i>Sh'000</i>	<i>Generator</i> <i>trading</i> <i>Sh'000</i>	<i>Group</i> <i>Sh'000</i>
<i>Revenue (all external)</i>	974,281	3,955	66,941	1,045,177
<i>Operating profit/(loss)</i>	115,431	3,223	(3,517)	115,137
<i>Group share of associated companies'</i> <i>net profits</i>	7,313	-	-	7,313
<i>Segment assets</i>	2,196,007	69,452	37,591	2,303,050
<i>Segment liabilities</i>	241,874	490	17,001	259,365
<i>Depreciation</i>	76,354	-	1,497	77,851
<i>Capital expenditure</i>	103,504	-	2,941	106,445
	=====	=====	=====	=====

*Transactions between the business segments are not significant.*

#### (b) Secondary reporting-geographical segments

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

	<i>Sh'000</i>
<i>United Kingdom</i>	637,359
<i>Kenya</i>	407,818
	-----
	1,045,177
	=====



NOTES TO THE FINANCIAL STATEMENTS (*continued*)

	2000 Sh'000	1999 Sh'000
<b>3 OPERATING PROFIT</b>		
<i>The operating profit is arrived at after charging:</i>		
Depreciation	77,851	49,942
Directors' remuneration:		
Fees	750	563
Pension to former directors	500	453
Other emoluments	12,749	12,390
Staff costs (Note 4)	291,390	267,645
Auditors' remuneration	3,195	3,102
and after crediting:		
Profit on disposal of plant and equipment	2,509	7,375
	=====	=====
<b>4 STAFF COSTS</b>		
Wages and salaries	269,364	247,135
Social security costs	4,989	4,607
Pension costs (defined contribution plan)	3,327	2,922
Terminal benefits	13,710	12,980
	=====	=====
	291,390	267,645
	=====	=====
<i>The average number of staff employed by the group on contracts of service during the year was as follows:</i>		
	No.	No.
Permanent	4,111	4,676
Seasonals	1,565	1,507
	=====	=====
	5,676	6,183
	=====	=====
	Sh'000	Sh'000
<b>5 FINANCE (COSTS)/INCOME</b>		
Interest receivable from short term deposits	1,618	14,983
Marketable securities:		
- dividend income	1,404	364
Net foreign exchange differences	(1,107)	277
	=====	=====
	1,915	15,624
Interest expense:		
- bank loans and overdrafts	(11,904)	(14,911)
	=====	=====
	(9,989)	799
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS (continued)

	2000 Sh'000	1999 Sh'000
<b>6 TAXATION</b>		
(a) TAX EXPENSE		
Current taxation based on adjusted profit at 30% (1999 - 32.5%)	37,177	19,669
Deferred tax credit	(8,445)	(374)
Adjustment in respect of prior year	-	(6,792)
	<u>28,732</u>	<u>12,503</u>
Share of associated company's taxation:		
Current taxation	2,719	2,812
Deferred taxation	(705)	1,192
	<u>30,746</u>	<u>16,507</u>
	=====	=====
(b) RECONCILIATION OF EXPECTED TAX BASED ON ACCOUNTING PROFIT TO TAX EXPENSE		
Accounting profit before taxation	112,461	65,717
	=====	=====
Tax at the applicable rate of 30% (1999 - 32.5%)	33,738	21,358
Tax effect of expenses not deductible for tax purposes	12,168	2,552
Tax effect of income not taxable	(116)	-
Tax effect of reduction in tax rate	(15,044)	(611)
Adjustment in respect of prior year	-	(6,792)
	<u>30,746</u>	<u>16,507</u>
	=====	=====
(c) DEFERRED TAX RELATING TO ITEMS CREDITED/ (DEBITED) TO CAPITAL RESERVE		
Deferred tax movement	29,552	(167,191)
	=====	=====

**7 PROFIT AFTER TAXATION**

A profit after taxation of Sh 58,789,000 (1999 - Sh 44,075,000 as restated) has been dealt with in the financial statements of George Williamson Kenya Limited.

**8 EARNINGS PER SHARE**

Earnings per share is calculated by dividing the profit attributable to shareholders of Sh 78,236,000 (1999 - Sh 47,442,000 as restated) by the number of shares in issue during the year of 8,756,320 (1999 - 8,756,320).

Diluted earnings per share is the same as the basic earnings per share.



NOTES TO THE FINANCIAL STATEMENTS (*continued*)

9 **PROPERTY, PLANT AND EQUIPMENT**

GROUP

	<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>Capital work in progress Sh'000</i>	<i>Total Sh'000</i>
<b>COST OR VALUATION</b>						
<i>At 1 April 1999</i>	1,405,810	189,282	113,848	35,523	2,589	1,747,052
<i>Revaluation adjustment</i>	(3,750)	3,054	-	-	(56)	(752)
<i>Additions</i>	34,588	37,490	19,329	3,749	11,289	106,445
<i>Disposals</i>	(1,135)	(120)	(7,132)	(24)	-	(8,411)
<i>Reclassifications</i>	2,000	2,257	-	-	(4,257)	-
<i>At 31 March 2000</i>	1,437,513	231,963	126,045	39,248	9,565	1,844,334
<i>Comprising:</i>						
<i>At valuation - 1999</i>	1,400,925	192,216	-	-	-	1,593,141
<i>At cost</i>	36,588	39,747	126,045	39,248	9,565	251,193
	1,437,513	231,963	126,045	39,248	9,565	1,844,334
<b>DEPRECIATION</b>						
<i>At 1 April 1999</i>	-	69	72,417	16,874	-	89,360
<i>Charge for the year</i>	26,668	28,525	17,610	5,048	-	77,851
<i>Eliminated on disposals</i>	-	(50)	(6,281)	(18)	-	(6,349)
<i>At 31 March 2000</i>	26,668	28,544	83,746	21,904	-	160,862
<b>NET BOOK VALUE</b>						
<i>At 31 March 2000</i>	1,410,845	203,419	42,299	17,344	9,565	1,683,472
<i>At 1 April 1999</i>	1,405,810	189,213	41,431	18,649	2,589	1,657,692

All property, plant and equipment other than motor vehicles, office equipment, computers, furniture and fittings were revalued on 31 March 1999 by Lloyd Masika Limited, registered valuers and estate agents. The revaluation adjustment relates to changes in values which were subsequently revised.



NOTES TO THE FINANCIAL STATEMENTS (continued)

9 PROPERTY, PLANT AND EQUIPMENT

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 1999	779,446	83,887	55,393	18,914	2,257	939,897
Revaluation adjustment	(2,920)	766	-	-	-	(2,154)
Additions	15,728	21,139	6,087	2,032	5,086	50,072
Disposals	(520)	(120)	(3,417)	(24)	-	(4,081)
Reclassification	-	2,257	-	-	(2,257)	-
At 31 March 2000	791,734	107,929	58,063	20,922	5,086	983,734
Comprising:						
At valuation - 1999	776,006	84,533	-	-	-	860,539
At cost	15,728	23,396	58,063	20,922	5,086	123,195
	791,734	107,929	58,063	20,922	5,086	983,734
DEPRECIATION						
At 1 April 1999	-	-	35,544	11,645	-	47,189
Charge for the year	10,558	12,248	8,109	2,572	-	33,487
Eliminated on disposals	-	(50)	(3,417)	(18)	-	(3,485)
At 31 March 2000	10,558	12,198	40,236	14,199	-	77,191
NET BOOK VALUE						
At 31 March 2000	781,176	95,731	17,827	6,723	5,086	906,543
At 31 March 1999	779,446	83,887	19,849	7,269	2,257	892,708

All property, plant and equipment other than motor vehicles, office equipment, computers, furniture and fittings were revalued as at 31 March 1999 by Lloyd Masika Limited, registered valuers and estate agents. The revaluation adjustment relates to certain assets whose values were subsequently revised.





NOTES TO THE FINANCIAL STATEMENTS (continued)

	2000 Sh'000	1999 Sh'000
<b>10 INVESTMENT IN ASSOCIATED COMPANIES</b>		
GROUP		
<i>Kapchorua Tea Company Limited (Quoted); 39.56% owned: At share of net assets (market value Sh 232,138,000; 1999 - Sh 193,472,000)</i>	168,386	163,815
<i>Williamson Developments Limited (Unquoted) - 50% Share of net assets</i>	23,331	23,914
	<u>191,717</u>	<u>187,729</u>
	=====	=====
COMPANY		
<i>Kapchorua Tea Company Limited (Quoted); 39.56% owned: At cost - (market value - Sh 232,138,000; 1999 - Sh 193,472,000)</i>	49,479	49,479
<i>Williamson Developments Limited (Unquoted); - 50% owned at cost</i>	30,358	30,358
	<u>79,837</u>	<u>79,837</u>
	=====	=====
<b>11 INVESTMENT IN SUBSIDIARIES</b>		
(a) Unquoted investments at cost in wholly owned subsidiaries:		
<i>Kaimosi Tea Estates Limited</i>	2,863	2,863
<i>Williamson Power Limited</i>	3,689	3,689
<i>Tea Manufacturing and Supplies Limited</i>	2,000	2,000
<i>George Williamson Accounting and Management Services Limited</i>	-	-
<i>Tea Properties Limited</i>	2	2
<i>Lelsa Tea Estates Limited</i>	-	-
	<u>8,554</u>	<u>8,554</u>
(b) Unquoted investment at cost in Tinderet Tea Estates (1989) Limited (82% owned)	103,323	103,323
	<u>111,877</u>	<u>111,877</u>
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS (continued)

	GROUP		COMPANY	
	2000 Sh' 000	1999 Sh' 000	2000 Sh' 000	1999 Sh' 000
<b>12 OTHER INVESTMENTS</b>				
<i>Unquoted:</i>				
<i>At cost and directors' valuation</i>				
- Trade	13	9	6	6
- Other	3	3	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	16	12	6	6
<i>Quoted:</i>				
<i>At cost (market value Sh 470; 1999 - Sh 651)</i>	1	1	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	17	13	6	6
	<hr/>	<hr/>	<hr/>	<hr/>
<b>13 INVENTORIES</b>				
<i>Unsold tea</i>	39,901	53,686	26,044	31,174
<i>Tea nursery</i>	11,792	11,276	2,843	3,313
<i>Firewood</i>	7,994	4,410	5,302	1,551
<i>Stores</i>	16,933	18,398	6,302	5,674
<i>Generators</i>	3,897	3,696	-	-
<i>Work in progress</i>	177	1,485	-	-
<i>Goods in transit</i>	245	987	-	-
<i>Other</i>	200	103	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	81,139	94,041	40,491	41,712
	<hr/>	<hr/>	<hr/>	<hr/>
<b>14 TRADE AND OTHER RECEIVABLES</b>				
<i>Tea</i>	176,246	151,039	83,933	67,125
<i>Other</i>	66,053	67,606	39,105	32,864
	<hr/>	<hr/>	<hr/>	<hr/>
	242,299	218,645	123,038	99,989
	<hr/>	<hr/>	<hr/>	<hr/>

Other receivables include loans to directors amounting to Sh 1,602,559 (1999 - Sh 2,429,495).



NOTES TO THE FINANCIAL STATEMENTS (*continued*)

	2000 Sh'000	1999 Sh'000
<b>15 DUE FROM SUBSIDIARY COMPANIES</b>		
<i>Kaimosi Tea Estates Ltd</i>	31,066	35,940
<i>Williamson Power Ltd</i>	4,050	2,710
<i>Tinderet Tea Estates (1989) Ltd</i>	28,251	16,650
<i>Tea Properties Ltd</i>	(3,202)	-
<i>Williamson Development Limited</i>	10	-
	<hr/>	<hr/>
	60,175	55,300
	=====	=====

**16 RELATED PARTIES**

In the normal course of business, the group sells some of its tea through its ultimate parent company which acts as an agent. The ultimate parent company charges a commission of 3% on all private sales.

The commission payable in the year amounted to Sh 18,676,000 (1999 Sh 18,125,000).

**17 SHARE CAPITAL**

*Authorised:*

*17,512,640 shares of Sh 5 each*

87,563 87,563

=====

*Issued and fully paid:*

*8,756,320 shares of Sh 5 each*

43,782 43,782

=====



NOTES TO THE FINANCIAL STATEMENTS (*continued*)

**18 OTHER INVESTMENTS**

Deferred income taxes are calculated on all temporary differences under the liability method using the enacted tax rate of 30% (1999 32.5%).

	<i>GROUP</i>		<i>COMPANY</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>Sh'000</i>	<i>Sh'000</i>	<i>Sh'000</i>	<i>Sh'000</i>
<i>Accelerated capital allowances</i>	46,684	47,425	21,979	21,586
<i>Unrealised exchange gains</i>	517	1,034	381	421
<i>Tax losses carried forward</i>	(1,269)	(2,346)	-	(2,346)
<i>Provision for service gratuity</i>	(17,280)	(15,250)	(8,539)	(7,468)
<i>Tea and other development</i>	141,197	147,431	89,425	93,484
<i>Revaluation surplus</i>	240,696	268,596	147,625	163,258
	<u>410,545</u>	<u>446,890</u>	<u>250,871</u>	<u>268,935</u>
	=====	=====	=====	=====

*The movement on the deferred tax account is as follows:*

	<i>GROUP</i>		<i>COMPANY</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>Sh'000</i>	<i>Sh'000</i>	<i>Sh'000</i>	<i>Sh'000</i>
<i>At 1 April, not previously recognised (liability)</i>	446,890	270,101	268,935	175,135
<i>Income statement tax credit</i>	(8,445)	(374)	(2,431)	(568)
<i>Capital reserve (credit)/debit</i>	(26,993)	169,615	(15,633)	94,368
<i>Minority interest</i>	(907)	7,548	-	-
	<u>410,545</u>	<u>446,890</u>	<u>250,871</u>	<u>268,935</u>
	=====	=====	=====	=====



NOTES TO THE FINANCIAL STATEMENTS (continued)

	GROUP		COMPANY	
	2000 Sh'000	1999 Sh'000	2000 Sh'000	1999 Sh'000
<b>19 RETIREMENT BENEFIT OBLIGATIONS</b>				
Service gratuity	57,598 =====	46,922 -----	28,463 =====	22,980 =====
<b>20 LOANS</b>				
Secured loans from Barclays Bank of Kenya Limited				
Loan repayable by 2007, interest at 3% over the bank's base rate	25,286	-	16,884	-
Loan repayable in equal monthly instalments by 1999; interest at 18% per annum	-	2,273	-	2,273
	25,286	2,273	16,884	2,273
Less repayable within one year	-	(2,273)	-	(2,273)
	25,286 =====	- =====	16,884 =====	- =====

The loan is to be repaid over a period of five years following a two year moratorium from the date of the first draw down.

	GROUP		COMPANY	
	2000 Sh'000	1999 Sh'000	2000 Sh'000	1999 Sh'000
<b>21 TRADE AND OTHER PAYABLES</b>				
Trade payables	53,741	48,428	39,506	38,527
Green leaf provision	46,355	44,695	14,213	10,251
Other payables	62,308	51,381	9,570	13,293
Unclaimed dividends	1,386	796	1,386	796
	163,790 =====	145,300 =====	64,675 =====	62,867 =====



NOTES TO THE FINANCIAL STATEMENTS (*continued*)

22 NOTES TO THE CASH FLOW STATEMENT

	2000 Sh'000	1999 Sh'000
(a) RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED FROM OPERATIONS		
<i>Operating profit</i>	115,137	53,647
<i>Depreciation</i>	77,851	49,942
<i>Profit on disposal of plant and equipment</i>	(2,509)	(7,875)
<i>Net foreign exchange differences</i>	(1,107)	977
<i>Operating profit before working capital changes</i>	189,372	96,691
<i>Decrease in inventories</i>	12,902	61,841
<i>(Increase)/decrease in trade and other receivables</i>	(24,405)	43,960
<i>Increase/(decrease) in trade and other payables</i>	17,912	(67,750)
<i>Movement in associated company balances</i>	10,735	11,295
<i>Provision for service gratuity</i>	10,676	9,246
<i>Cash generated from operations</i>	217,192	155,283
	=====	=====
(b) ANALYSIS OF CASH AND CASH EQUIVALENTS		
<i>Short term deposits</i>	38,000	20,000
<i>Cash and bank balances</i>	56,663	15,895
<i>Bank overdrafts (secured)</i>	(79,972)	(124,869)
<i>At 31 March</i>	14,691	(88,974)
	=====	=====
(c) NON CASH TRANSACTIONS		

*During the year the company entered into finance lease arrangements in respect of motor vehicles with a total capital outlay at inception of the leases of Sh 1,910,000 (1999-Nil).*



## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

	2000 Sh'000	1999 Sh'000
<b>23 CONTINGENT LIABILITIES</b>		
<i>GROUP</i>		
<i>Guarantees in respect of banking facilities granted to an associated company</i>	259 =====	2,243 =====
<i>COMPANY</i>		
<i>Guarantees in respect of banking facilities granted to subsidiary companies</i>	35,657	80,429
<i>Guarantee to a subsidiary company in respect of a bank loan</i>	8,402 -----	- -----
	44,059 =====	80,429 =====
<b>24 CAPITAL COMMITMENTS</b>		
<i>GROUP</i>		
<i>Authorised by the directors and contracted</i>	1,971 =====	- =====
<i>Authorised by the directors but not contracted</i>	42,736 =====	80,084 =====
<i>COMPANY</i>		
<i>Authorised by the directors but not contracted</i>	2,886 =====	900 =====
<b>25 RETIREMENT BENEFIT OBLIGATIONS</b>		
<p>The group makes contributions to a defined contribution scheme and to a statutory defined pension scheme, the National Social Security Fund. Contributions to the group plan are determined by the rules of the plan and totalled Sh 3,327,000 (1999 Sh 2,922,000) in the year. Contributions to the statutory scheme are determined by local statute. For the year ended 31 March 2000, the group contributed Sh 4,989,000 (1999 Sh 4,607,000) to the statutory scheme.</p>		
<b>26 COUNTRY OF INCORPORATION</b>		
<p>The company is incorporated in Kenya under the Companies Act.</p>		
<b>27 ULTIMATE HOLDING COMPANY</b>		
<p>The ultimate holding company is Williamson Tea Holdings Plc, a company incorporated in the United Kingdom.</p>		
<b>28 CURRENCY</b>		
<p>These financial statements are presented in Kenya Shillings Thousands (Sh'000).</p>		



# TEN YEAR COMPARATIVE STATEMENT

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991 (9 months)
<b>Tea Production</b>											
Area under tea	Hectare	1,985	1,941	1,929	1,900	1,885	1,872	1,871	1,312	1,308	1,306
Made tea - own	'000 Kgs	5,798	5,809	6,300	5,623	6,298	5,884	5,471	3,800	3,338	3,564
Bought leaf	'000 Kgs	1,711	2,000	2,562	2,503	2,280	1,127	834	383	331	282
Total	'000 Kgs	7,510	7,809	8,862	8,126	8,578	7,011	6,305	4,183	3,669	3,846
Tea sold	'000 Kgs	7,706	8,574	7,717	9,047	8,427	6,412	5,580	3,860	3,938	4,116
Average price per Kg gross Sh/Ct		126/43	99/68	132/70	82/28	67/12	73/12	88/63	66/25	41/67	36/44
<b>Turnover (Sh'000)</b>											
		1,045,177	934,225	1,096,770	813,294	638,858	520,483	721,177	301,046	191,344	167,500
<b>Profit (Sh'000)</b>											
Profit before taxation		112,461	65,717	424,429	86,798	31,328	9,502	303,430	90,159	21,520	40,154
Taxation		30,746	16,507	135,128	26,432	17,143	13,087	102,960	33,023	8,950	12,280
Profit/(loss) after taxation		81,715	49,210	289,301	60,366	14,185	(3,585)	200,470	57,136	12,570	27,874
Minority interest		3,479	1,768	10,937	2,784	2,298	1,680	11,237	-	-	-
Dividends		21,891	21,891	65,672	13,135	8,756	8,756	21,891	8,756	6,560	6,560
Retained profit/(loss)		56,345	25,551	212,692	44,447	3,131	(14,021)	167,342	48,380	6,010	21,314
<b>Capital employed (Sh'000)</b>											
Property, plant & equipment		1,683,472	1,657,692	971,696	957,368	949,099	979,690	904,509	712,678	368,725	362,660
Investments and long term debtors		191,734	187,742	186,520	150,862	128,427	117,893	109,554	95,463	95,794	70,420
Current assets		432,953	387,670	565,603	286,930	271,328	239,623	388,918	188,673	100,241	87,780
Total assets		2,308,161	2,233,104	1,723,819	1,395,160	1,348,854	1,357,206	1,402,981	996,814	564,760	520,860
<b>Financed by (Sh'000)</b>											
Share capital		43,782	43,782	43,782	43,782	43,782	43,782	21,891	21,891	21,891	21,891
Reserves		1,429,471	1,344,230	1,193,079	977,665	932,429	931,848	966,675	802,117	420,642	414,629
Shareholders' funds		1,473,253	1,388,012	1,236,861	1,021,447	976,211	975,630	988,566	824,008	442,533	436,520
Minority interest		54,915	51,497	40,890	40,867	39,276	36,978	39,766	-	-	-
Medium term borrowings		25,286	-	-	30,500	59,572	83,091	122,822	35,071	37,327	14,360
Non current liabilities		57,598	46,922	-	-	-	-	-	-	-	-
Deferred taxation		410,545	446,890	-	-	-	-	-	-	-	-
Current Liabilities		2,021,597	1,933,321	1,277,751	1,095,814	1,075,059	1,095,699	1,151,154	859,079	479,860	450,880
		286,564	299,783	446,068	302,346	273,795	261,507	251,827	137,735	84,900	69,980
		2,308,161	2,233,104	1,723,819	1,395,160	1,348,854	1,357,206	1,402,981	996,814	564,760	520,860
<b>Financed by (Sh'000)</b>											
Earnings (loss) per share	Cents	894	542	3,179	638	136	(60)	2,161	1,305	287	637
Dividend per share	%	50	50	50	30	20	20	100	40	30	30
Dividend per share	Cents	250	250	750	150	100	100	500	200	150	150
Dividend cover	Times	3.57	2.17	4.24	4.38	1.36	-	8.64	6.53	1.92	4.25

Restated in accordance with International Accounting Standards.



