

WILLIAMSON TEA KENYA LIMITED
AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH 2016
Website: www.williamsontea.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31.03.2016 Kshs'000	31.03.2015 Kshs'000
Turnover	3,386,015	2,590,416
Profit from operations before tax	539,779	193,884
Increase/(decrease) in fair value of biological assets	174,046	(471,682)
Finance income/(costs)	133,923	(9,083)
Share of results of associated Companies	<u>132,924</u>	<u>(11,684)</u>
Profit/(loss) before taxation	980,672	(298,565)
Tax Charge/(credit)	(242,463)	70,929
Profit/(loss) for the year	738,209	(227,636)
Attributable to:		
Equity Holders of the parent	705,805	(208,107)
Non-controlling interest	<u>32,404</u>	<u>(19,529)</u>
Profit after tax attributable to members	738,209	(227,636)
Comprising:		
Profit arising from operating activities	583,973	97,298
Profit/(loss) arising from changes in fair value of biological assets	121,832	(305,405)
Non-controlling interest	<u>32,404</u>	<u>(19,529)</u>
	738,209	(227,636)
Issued Shares of Kshs 5 each	17,512,640	8,756,320
Earnings/(loss) per share (Kshs)	40.30	(11.88)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs'000	Revaluation Reserves Kshs'000	Revenue Reserves			Non-controlling Interest Kshs'000	Total Kshs'000
			Biological Assets gains/(losses) Kshs'000	Other Kshs'000	Total Kshs'000		
Balance at 1 April 2014	43,782	640,923	1,597,285	4,084,534	5,681,819	214,003	6,580,527
Total comprehensive income for the year		297,933	(305,405)	97,298	(208,107)	(19,529)	70,297
Excess depreciation transfer		(151,621)		151,621	151,621	-	-
Deferred tax on excess depreciation		45,486	-	(45,486)	(45,486)	-	-
Final Dividends declared-2014		-	-	(61,294)	(61,294)	(6,494)	(67,788)
		-	-	-	-	-	-
Balance at 31 March 2015	43,782	832,721	1,291,880	4,226,673	5,518,553	187,980	6,583,036
Balance at 1 April 2015	43,782	832,721	1,291,880	4,226,673	5,518,553	187,980	6,583,036
Bonus Issue	43,781			(43,781)	(43,781)		
Total comprehensive income for the year			121,832	583,973	705,805	32,404	738,209
Excess depreciation transfer		(50,065)		50,065	50,065	-	-
Deferred tax on excess depreciation		15,020	-	(15,020)	(15,020)	(1,193)	(351,446)
Final Dividends declared-2015		-	-	(350,253)	(350,253)		
		-	-	-	-		
Balance at 31 March 2016	87,563	797,676	1,413,712	4,451,658	5,865,370	219,191	6,969,799

COMMENTARY ON THE RESULTS

Cropping patterns and therefore prices were erratic through the year. Low supply initially forced prices up before giving way to extremely favourable conditions, supply surged and prices crashed. Whilst the Group honoured long term contract commitments to partially miss out on the initial strength of the market, an increase in crop of 19%, higher turnover on higher prices and weal shilling have all contributed to the increase in profitability. Higher inventory levels (unsold tea) also reduced the cost of sales and as a result the Group has reported an operational profit of KShs 584 million against KShs 97 million in the previous year.

DIVIDEND

The Board recommends a final dividend of KShs 20 per share from the profit realised during the year.

The recommended Final Dividend subject to approval in the upcoming Annual General Meeting will accrue to Members on the register at the close of business on 30th June 2016 and therefore the register will remain closed from 1st July to 6th July 2016, both days inclusive.

PROSPECTS

The year has started with very high crops and large volumes of tea on offer at the auction selling historically low prices. Any turnaround to this is subject to prevailing weather conditions which will influence the laws of supply and demand.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the SIXTY SIXTH ANNUAL GENERAL MEETING of the Shareholders will be held at the Nairobi Club, Ngong Road,

on Thursday 14 July 2016 at 10.00 a.m for the following purpose:

- 1) To receive and adopt the report of the Directors together with the audited financial statements for the year ended 31 March 2016.
- 2) To declare dividend.
- 3) To elect directors:
 - i) In accordance with Article 108 of the company's Articles of Association, Mr. Ezekiel N K Wanjama, retires by rotation and offers himself for seek re-election.
 - ii) In accordance with Article 108 of the company's Articles of Association, Mr. Philp Magor, retires by rotation and offers himself for seek re-election.
- 4) To approve the remuneration of the Directors.
- 5) To authorise the Directors to reappoint /appoint Auditors and agree their remuneration.
- 6) To transact other business for which notice has duly been served.

G K MASAKI
COMPANY SECRETARY
THURSDAY, JUNE 9 2016

The above extract is based on the Financial Statements of Williamson Tea Kenya Group for the year ended 31 March 2016 as audited by Deloitte & Touche who have issued an unqualified report. The Financial Statements have been prepared in accordance with the International Financial Reporting Standards. The Group's annual reports and press release of the annual results can be accessed at the Company's website: www.williamsontea.com

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.03.2016 Kshs'000	31.03.2015 Kshs'000
ASSETS		
Non current assets		
Property , Plant and Equipment	2,010,403	2,182,475
Intangible assets	4,362	4,807
Prepaid Operating Lease Rentals	76,542	76,626
Investments	1,071,099	971,139
Biological Assets	<u>2,774,565</u>	<u>2,574,062</u>
	5,936,971	5,809,109
Current assets		
Inventories	758,811	452,372
Trade and other receivables	1,287,562	1,142,542
Associated companies	12,720	47,625
Taxation	775,331	658,776
Short Term deposits	466,286	334,584
Bank & Cash	<u>3,348,335</u>	<u>2,749,449</u>
	9,285,306	8,558,558
Total Assets	9,285,306	8,558,558
EQUITY AND LIABILITIES		
Capital and reserves		
Share Capital	87,563	43,782
Revaluation reserves	797,676	832,721
Revenue reserves	<u>5,865,369</u>	<u>5,518,553</u>
	6,750,608	6,395,056
Non-controlling interest	219,191	187,980
Total Equity	6,969,799	6,583,036
Non current liabilities		
Deferred Taxation	1,231,700	1,240,103
Employee benefit obligations	261,618	227,662
Borrowings & Finance lease	<u>140,023</u>	<u>187,493</u>
	1,633,341	1,655,258
Current liabilities		
Trade and other payables	608,656	313,893
Corporate tax payable	73,510	-
Associated companies	-	6,371
	<u>682,166</u>	<u>320,264</u>
	9,285,306	8,558,558
Total equity and liabilities	9,285,306	8,558,558
	-	-
CONSOLIDATED STATEMENT OF CASHFLOWS		
	31.03.2016 Kshs'000	31.03.2015 Kshs'000
Operating activities		
Cash generated from operations	707,779	79,587
Interest received	101,963	93,833
Interest paid	(19,689)	(19,682)
Taxation Paid	<u>(23,579)</u>	<u>(115,936)</u>
	766,474	37,659
Investing activities		
Purchase of Plant and equipment	(101,918)	(208,030)
Purchase of intangible assets	(1,820)	(4,635)
Proceeds from disposal of plant and equipment	7,256	4,508
Expenditure on biological assets	<u>(26,457)</u>	<u>(26,485)</u>
Dividend from - Associated company	7,737	7,798
- other	628	496
	(114,574)	(226,348)
Financing Activities		
Asset finance loans repaid	(47,889)	(17,123)
Asset finance loans received	-	52,608
Dividends paid to shareholders	<u>(354,561)</u>	<u>(58,987)</u>
Dividend paid to minority interest	(1,193)	(6,494)
	(403,643)	(29,996)
(Decrease)/increase in cash and cash equivalents	248,257	(218,685)
Movement in cash and cash equivalents		
At 1 April	993,360	1,212,045
(Decrease)/increase	<u>248,257</u>	<u>(218,685)</u>
At 31 March	1,241,617	993,360
Cash and Bank balances	466,286	334,584
Short term deposits	775,331	658,776
	1,241,617	993,360
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