Mungai
Please analyse together with Kapchorua Tea Co. using guidelines in Place.
2/8/96

GEORGE WILLIAMSON

KENYA LIMITED

Report

&

Accounts

1996

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1996

CONTENTS

GEORGE WILLIAMSON KENYA LIMITED

Incorporated 15 December 1952

COMPANY INFORMATION

SHARE CAPITAL	Authorised, issued and fully paid 8,756,320 ordinary shares of Sh 5 each, Sh 43,781,600
GROUP COMPANIES	Tea production companies: George Williamson Kenya Limited - CHANGOI ESTATE (incorporating LELSA ESTATE) Kaimosi Tea Estates Limited (wholly owned) - KAIMOSI ESTATE Tinderet Tea Estates (1989) Limited (76% owned) - TINDERET ESTATE Kapchorua Tea Company Limited (32.139% 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 * British
SECRETARY	E M Kimani
REGISTERED OFFICE	Williamson House, 4th Ngong Avenue P O Box 42281, Nairobi
BANKERS	Kenya Commercial Bank Limited Barclays Bank of Kenya Limited
AUDITORS	Gill & Johnson

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the forty sixth ANNUAL GENERAL MEETING of the Shareholders will be held at the Fairview Hotel, Bishops Road, on Wednesday 11 September, 1996, 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 1996.

2 To declare a dividend.

3 To re-elect retiring directors.

4 To approve the remuneration of the directors.

5 To authorise the directors to fix the remuneration of the auditors.

6 To transact such other competent business as may be brought before the meeting.

7 Special business:
To consider, and if thought fit, to pass an ordinary resolution to increase the authorised share capital by 50% from 8,756,320 ordinary shares of shs 5 each to 13,134,480 ordinary shares of shs 5 each.

BY ORDER OF THE BOARD

E M KIMANI
Secretary
Nairobi

20 June 1996

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

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

STATEMENT BY THE CHAIRMAN

FINANCIAL RESULTS

Following record crop, the group profit before tax was K.Shs.31 million as compared to Shs.10 million for the previous year as restated. This improvement was in the main due to World Tea prices which improved slowly during the year and a more advantageous Exchange Rate. During the period every possible economy was taken to contain productions costs inspite of the ever escalating cost of inputs particularly fertiliser.

TEA

Crop production was as follows :-

	1995/96	*1994/95*
	Kgs	*Kgs*
Changoi	*3,414,244*	*3,211,690*
Kaimosi	*3,455,635*	*2,241,010*
Tinderet	*1,707,778*	*1,558,981*

The above totals include 2,279,731 (1994/95 - 1,127,257) Kgs. for outgrowers leaf of which 1,221,119 (1994/95 - 251,926) kgs. was from Kenya Tea Development Authority and 571,205 (1994/95 - 493,902)Kgs from the Nyayo Tea Zone Corporation.

Our capital expenditure programme had to be curtailed as a result of the difficult trading conditions and liquidity constraints.

PROPERTY

With the proceeds of Sale from the Upper Hill Plot as reported last year, we have purchased one further floor in Williamson House to consolidate our investment there to a total of eight floors out of the eighteen in the Building.

ENGINEERING

While our Generator business continued to expand our General Engineering business again produced disappointing results and your Board has therefore decided to close it down. Action on this is now well advanced, the majority of the staff have been absorbed on our Estates and we are seeking bids for the Workshop Premises.

Once sold we will rent smaller premises from which to operate our Generator business.

STATEMENT BY THE CHAIRMAN

SOCIAL CONTRIBUTION

The salient facts under this heading include :

i) There are now 4,813 workers employed and some 20,200 dependants within the group.

ii) Our foreign currency earning amounted to the equivalent of Kshs.550,083,000.

iii) The Company and its subsidiaries expect to pay Tax to the Government of Kshs.17,143,000 and County Council Produce Cess for disbursement through the Tea Board of Kenya of Kshs.7,014,045.

iv) Our Companies spent Kshs.21,948,336 as revenue expenditure on a wide range of welfare activities.

STAFF

As in previous years it is my pleasure to express on your behalf our sincere appreciation to all our Staff at all levels for their hard work during the year.

Solomon Koech at Changoi, Bill Saina at Kaimosi and Tom Lloyd at Tinderet continue as our three General Managers. I am delighted to advise that in addition to his position as General Manager Changoi, Solomon Koech has been promoted to the position of Local Visiting Agent.

AUTHORISED SHARE CAPITAL

Members will remember that in General Meeting on 29th August 1994 the Authorised Share Capital of the Company was increased from 6,800,000 shares each of Kshs.5 to 8,756,320 to enable a Bonus Issue of ONE for ONE to be made.

While at the present time your Board has no proposal for any further Bonus or Right issue it is felt that an increase in Authorised Share Capital would be useful to provide flexibility for the future when advantage could be taken with any offer to issue further shares to Members.

It is for this reason that the proposal appears as a special item on the agenda for our Annual General Meeting.

FUTURE PROSPECTS

Kenya's Tea Crop in 1996 to-date is already some 10% ahead of last year which itself was a record for the Country, however it is encouraging to note that this increased quantity has been fully absorbed at prices firmer than this time last year.

The supply and demand position on the World Tea Market continues to be finely balanced and there is every hope that the current firmer conditions will continue for some time.

N G SANDYS-LUMSDAINE
Chairman
Nairobi

20 June 1996

MATOKEO YA KIFEDHA

Kufuatia mazao ya juu zaidi faida ya kundi kabla ya kodi ilikuwa Sh.31 millioni ikilinganishwa na Sh.10 millioni mwaka uliopita ilivyoelezwa tena. Tokeo hili bora lilisababishwa hasa kuongezeka pole pole kwa bei za chai ulimwenguni mwakani na kiwango chema cha ubadilishanaji wa fedha za kigeni. Kwa wakati huu kila njia ya kupunguza gharama ilitumiwa japokuwa gharama za vifaa hasa mbolea viliendelea kuongezeka sana.

CHAI

Mazao yaliyopatikana yalikuwa kama ifuatavyo:

	1995/96	*1994/95*
	Kgs	*Kgs*
Changoi	*3,414,244*	*3,211,690*
Kaimosi	*3,455,635*	*2,241,010*
Tinderet	*1,707,778*	*1,558,981*

Jumla zilizoonyeshwa hapa juu ni pamoja na 2,279,731 (1994/95 - 1,127,257)Kgs za chai ya wakuzaji wa nje ambazo 1,221,119 (1994/95 - 251,926) Kgs zilikuwa za Kenya Tea Development Authority na 571,205 (1994/95 - 493,902) Kgs za Nyayo Tea Zone Corporation.

Matumizi ya rasilimali mwaka huu yalisimamishwa kwa sababu ya hali ngumu ya kibiashara na pia ukosefu wa fedha.

MALI

Kama vile mulivyoambiwa mwaka uliopita sasa kile kiwanja cha Upper Hill road kimeuzwa na mapato yakatumika kwa kununua ghorofa ingine moja kwa Williamson House na hivyo kuongezea hadi ghorofa nane kati ya ghorofa 18 za nyumba hiyo.

KAZI YA KUFANYA MITAMBO

Hali ya biashara ya mitambo ya kutoa nguvu za umeme ikiendelea kupanuka shughuli zetu za ufundi wa mitambo ya kawaida zilikuwa na matokeo ya kuchukiza tena na bodi yenu ilikata kauli ya kuifunga. Mpango huu umeendelea mbele na wengi wa wale wafanyikazi sasa wameajiriwa tena katika mashamba yetu ya chai huku mpango wa kuuza sehemu hiyo ya biashara sasa ikiwa ni kungojea wanunuzi.

Wakati itakaponunuliwa tunatarajia kukodisha sehemu ndogo tu ya kuendelesha biashara ya kuuza mitambo ya kutoa nguvu za umeme.

MCHANGO WA MAMBO YA JAMII

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

i) Sasa kuna wafanyi kazi 4,813 walioajiriwa na karibu 20,200 wanaotegemea kote kwa kundi letu.

ii) Pesa za kigeni tulizopata zilifika sh 550,083,000.

iii) Kampuni hii na zile za kusaidia zinatarajia kulipa serikali kodi ya sh 17,143,000 na kodi nyingine kwa County Council kupitia kwa Tea Board of Kenya ya sh 7,014,045.

iv) Kampuni zetu zilitumia sh 21,948,336 kama matumizi ya mapato kwa shughuli za wafanyi kazi.

WAFANYI KAZI

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

Solomon Koech akiwa Changoi, Bill Saina akiwa Kaimosi na Tom Lloyd akiwa Tinderet wanaendelea kuwa mameneja wakuu watatu. Ninafuraha kuwajulisha ya kwamba huku Bwana Solomon Koech akiendelea kama meneja mkuu wa Changoi amepandishwa cheo na sasa ndiye mtaalamu wa viwanda vya chai kwa mashamba yetu yote humu nchini.

HISA ZILIZO IDHINISHWA

Wanachama watakumbuka kwamba kwenye mkutano mkuu tarehe 29 Augusti 1994 rasilimali ya hisa zilizoidhinishwa za kampuni ziliongezwa kutoka 6,800,000 hisa za Sh.5 kila moja hadi 8,756,320 ili kuwezesha hisa za bakshishi za moja kwa moja zitolewe.

Ikiwa kwa sasa bodi yenu haina pendekezo lolote la hisa za bakshishi inafikiria ya kwamba nyongeza ya rasilimali ya hisa zilizoidhiniswa itakuwa bora ili kurahisisha baadaye wakati nafasi inaweza kuchukuliwa ya kutoa hisa nyingine zaidi kwa wanachama.

Ni kwa sababu hii pendekezo hili limeonyeshwa kama la pekee kwa ajenda ya mkutano wetu wa mwaka.

MATAZAMIO

Ongezeko la mazao ya chai ya Kenya mwaka 1996 mpaka sasa iko mbele kwa asilimia 10 ikilinganishwa na mwaka uliopita, hii pia ni rekodi kwa nchi na hasa inatia moyo kwa kuwa haya mazao ya juu yameendelea kuuzwa kwa bei ambayo ni ya kuridhisha ikilinganishwa na ile ya mwaka uliopita.

Viwango vya chai kwa soko la kimataifa sasa ni sawa na vile vilivyohitajika na wanunuzi na kuna matumaini ya kwamba hali hii itaendelea kwa muda fulani.

N G SANDYS-LUMSDAINE
Mwenyekiti
Nairobi

20 Juni 1996

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the group for the year ended 31 March 1996.

ACTIVITIES

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

RESULTS

RESULTS	*Sh'000*
Profit before taxation	*31,328*
Taxation	*17,143*
Profit after taxation	*14,185*
Minority interest	*2,298*
Profit available for appropriation	*11,887*
Proposed dividend (gross)	*8,756*
Retained profit transferred to revenue reserve	*3,131*

DIVIDEND

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

DIRECTORS

The present board of directors is shown on page 2.
In accordance with article 106 of the articles of association, Messrs E A Bristow and D B White retire by rotation and, being eligible, offer themselves for re-election.

AUDITORS

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

By Order of the Board
E M KIMANI
Secretary
Nairobi

20 June 1996

REPORT OF THE AUDITORS

TO THE MEMBERS OF GEORGE WILLIAMSON KENYA LIMITED

1 We have audited the financial statements on pages 10 to 23 and have obtained all the information and explanations considered necessary for our audit.

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

3 We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the directors, and evaluating the overall financial statement presentation.

4 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 1996 and of the profit and cash flows of the group for the year ended on that date.

GILL & JOHNSON
Certified Public Accountants(Kenya)
Nairobi

28 June 1996

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1996

	Note	1996 Sh'000	1995 Sh'000
TURNOVER		638,858	520,483
Cost of production		482,547	345,772
		156,311	174,711
Distribution costs		(77,218)	(66,318)
Administrative expenses		(12,627)	(57,375)
OPERATING PROFIT	2	66,466	51,018
Share of profits/(losses) of associated company		3,159	(1,501)
Interest receivable		-	4,643
Dividends receivable		2,304	3,292
Interest payable		(40,601)	(47,950)
PROFIT BEFORE TAXATION		31,328	9,502
TAXATION	3	17,143	13,087
PROFIT/(LOSS) AFTER TAXATION	4	14,185	(3,585)
MINORITY INTEREST		2,298	1,680
PROFIT/(LOSS) AVAILABLE FOR APPROPRIATION		11,887	(5,265)
PROPOSED DIVIDEND (gross)		8,756	8,756
RETAINED PROFIT/(LOSS) FOR THE YEAR	13	3,131	(14,021)
EARNINGS/(LOSS) PER SHARE	5	Sh 1.36	Sh (0.60)

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 1996

	Note	1996 Sh'000	1995 Sh'000
FIXED ASSETS	6	949,099	979,690
ASSOCIATED COMPANIES	8	128,414	117,880
OTHER INVESTMENTS	9	13	13
		1,077,526	1,097,583
CURRENT ASSETS			
Stocks	10	118,954	135,269
Debtors	11	137,450	110,525
Taxation recoverable		8,754	9,516
Bank and cash balances		6,170	4,313
		271,328	259,623
CURRENT LIABILITIES			
Creditors		110,449	91,333
Associated companies		7,728	340
Taxation		7,132	654
Loans repayable within one year	14	24,292	21,473
Bank overdrafts (secured)		115,438	138,951
Proposed dividend (gross)		8,756	8,756
		273,795	261,507
NET CURRENT LIABILITIES		(2,467)	(1,884)
		1,075,059	1,095,699
Financed by:			
SHARE CAPITAL	12	43,782	43,782
RESERVES	13	932,429	931,848
SHAREHOLDERS' FUNDS		976,211	975,630
MINORITY INTEREST		39,276	36,978
LOANS	14	59,572	83,091
		1,075,059	1,095,699

The financial statements on pages 10 to 23 were approved by the board of directors on 20 June 1996 and were signed on its behalf by:

N G Sandys-Lumsdaine
D B White
} Directors

COMPANY BALANCE SHEET

AS AT 31 MARCH 1996

	Note	1996 Sh'000	1995 Sh'000
FIXED ASSETS	6	514,833	514,559
INVESTMENT IN SUBSIDIARIES	7	101,719	101,719
ASSOCIATED COMPANIES	8	48,838	37,482
OTHER INVESTMENTS	9	6	6
		665,396	653,766
CURRENT ASSETS			
Stocks	10	43,471	38,917
Debtors	11	44,340	43,052
Subsidiary companies		63,799	88,747
Associated companies		439	1,128
Taxation recoverable		985	-
Bank and cash balances		2,608	612
		155,642	172,456
CURRENT LIABILITIES			
Creditors		26,599	23,833
Subsidiary company		51	51
Taxation		-	304
Loans repayable within one year	14	20,733	18,305
Bank overdrafts (secured)		52,236	57,631
Proposed dividend (gross)		8,756	8,756
		108,375	108,880
NET CURRENT ASSETS		47,267	63,576
		712,663	717,342
Financed by:			
SHARE CAPITAL	12	43,782	43,782
RESERVES	13	618,111	602,698
SHAREHOLDERSí FUNDS		661,893	646,480
LOANS	14	50,770	70,862
		712,663	717,342

The financial statements on pages 10 to 23 were approved by the board of directors on 20 June 1996 and were signed on its behalf by:

N G Sandys-Lumsdaine **D B White**	} Directors

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 1996

	Note	1996 Sh'000	1995 Sh'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	15(a)	124,925	150,783
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	5,141
Interest paid		(40,601)	(47,950)
Dividends received		2,304	3,292
Dividend paid		(8,756)	(21,891)
Dividend paid to minority		-	(4,468)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(47,053)	(65,876)
TAXATION PAID		(8,472)	(90,619)
INVESTING ACTIVITIES			
Purchase of fixed assets		(39,286)	(106,584)
Proceeds on sale of fixed assets		27,312	4,077
Purchase of investments		(11,356)	(19,863)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(23,330)	(122,370)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		46,070	(128,082)
REPAYMENT OF AMOUNTS BORROWED		(20,700)	(35,694)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15(b)	25,370	(163,776)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996

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.

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

Tea nursery and firewood are stated at production cost.

Stores are stated at average purchase cost.

DEPRECIATION
Depreciation is not provided on freehold and long leasehold land 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	20%

Additional depreciation on asset revaluations was previously charged directly to the capital reserve. This policy is now changed and consequently, the profit and loss account and reserves for the prior year have been restated.

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 denominated 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.

	1996 Sh'000	1995 Sh'000
2 **OPERATING PROFIT**		
The operating profit is arrived at after charging:		
Depreciation on fixed assets	45,357	39,847
Director's remuneration:		
Fees	150	150
Other emoluments	5,771	4,927
Auditor's remuneration	2,280	2,130
Exchange loss	-	25,083
and after crediting:		
Unclaimed dividends written back	163	-
Gain on exchange	23,462	-
Profit on sale of fixed assets	3,317	2,396
Rent receivable	11,862	9,529

		1996 Sh'000	1995 Sh'000
3	**TAXATION**		
	Based on the adjusted profit for the year:		
	Income tax at 35%	15,712	6,437
	Drought levy at 2.5%	-	460
	Adjustment for previous year	-	5,580
		15,712	12,477
	Share of associated company's taxation	1,431	610
		17,143	13,087

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

At 31 March 1996, the group's potential deferred tax liability amounted to Sh 28,675,000 (1995 - Sh 28,973,000).

4 PROFIT AFTER TAXATION

A profit after taxation of Sh 24,169,000 (1995 - Sh 4,819,000) has been dealt with in the financial statements of George Williamson Kenya Limited.

5 EARNINGS/(LOSS) PER SHARE

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

6 **FIXED ASSETS**
GROUP

	Freehold and long leasehold land, buildings and development Sh'000	*Machinery and equipment* Sh'000	*Motor vehicles* Sh'000	*Office equipment, computers furniture and fittings* Sh'000	*Capital work in progress* Sh'000	*Total* Sh'000
COST OR VALUATION						
At 1 April 1995	851,757	146,920	59,079	15,127	2,762	1,075,645
Additions	17,650	2,737	16,390	388	2,121	39,286
Transfers	4,883	-	-	-	(4,883)	-
Disposals	(23,525)	(1,032)	(1,654)	-	-	(26,211)
At 31 March 1996	850,765	148,625	73,815	15,515	-	1,088,720
Comprising:						
At valuation - 1989	119,191	-	-	-	-	119,191
At valuation - 1993	628,935	54,911	-	-	-	683,846
At cost	102,639	93,714	73,815	15,515	-	285,683
	850,765	148,625	73,815	15,515	-	1,088,720
DEPRECIATION						
At 1 April 1995	28,945	28,946	31,574	6,490	-	95,955
Charge for the year	13,728	16,074	14,216	1,339	-	45,357
On disposals	-	(36)	(1,655)	-	-	(1,691)
At 31 March 1996	42,673	44,984	44,135	7,829	-	139,621
NET BOOK VALUE						
At 31 March 1996	808,092	103,641	29,680	7,686	-	949,099
At 31 March 1995	822,812	117,974	27,505	8,637	2,762	979,690

6 **FIXED ASSETS** (continued)

COMPANY

	Freehold and long leasehold land, buildings and development Sh'000	Machinery and equipment Sh'000	Motor vehicles Sh'000	Office equipment, computers furniture and fittings Sh'000	Capital work in progress Sh'000	Total Sh'000
COST OR VALUATION						
At 1 April 1995	454,801	63,284	29,154	10,834	593	558,666
Additions	11,976	-	9,595	61	593	22,225
Transfers	1,186	-	-	-	(1,186)	-
Disposals	(177)	-	(441)	-	-	(618)
At 31 March 1996	467,786	63,284	38,308	10,895	-	580,273
Comprising:						
At valuation - 1993	427,000	25,037	-	-	-	452,037
At cost	40,786	38,247	38,308	10,895	-	128,236
	467,786	63,284	38,308	10,895	-	580,273
DEPRECIATION						
At 1 April 1995	10,957	13,057	15,493	4,600	-	44,107
Charge for the year	6,350	7,274	7,254	896	-	21,774
On disposals	-	-	(441)	-	-	(441)
At 31 March 1996	17,307	20,331	22,306	5,496	-	65,440
NET BOOK VALUE						
At 31 March 1996	450,479	42,953	16,002	5,399	-	514,833
At 31 March 1995	443,844	50,227	13,661	6,234	593	514,559

		1996 Sh'000	1995 Sh'000
7	**INVESTMENTS IN SUBSIDIARIES**		
(a)	*Unquoted investments at cost in wholly owned subsidiaries:*		
	Kaimosi Tea Estates Limited	2,863	2,863
	George Williamson Engineering Limited	3,689	3,689
	Tea Manufacturing and Supplies Limited	2,000	2,000
	George Williamson Accounting and Management Services Limited	40	40
	Tea Properties Limited	2	2
	George Williamson Uganda Limited	2	2
	Lelsa Tea Estates Limited	-	-
		8,596	8,596
(b)	*Unquoted investment at cost in Tinderet Tea Estates (1989) Limited 76% owned:*	93,123	93,123
		101,719	101,719

George Williamson Properties Limited, a wholly owned subsidiary, was sold on 12 September 1995.

8 ASSOCIATED COMPANIES

	1996 Sh'000	1995 Sh'000
GROUP		
Kapchorua Tea Company Limited (Quoted); 32.139% (1995 - 30.925%) owned: Share of net assets	108,056	103,521
Williamson Developments Limited (Unquoted); 44.4% (1995 - 38.98%) owned: At cost	20,358	14,359
	128,414	117,880
COMPANY		
Kapchorua Tea Company Limited (Quoted); 32.139% (1995 - 30.925%) owned: At cost - Market value Sh 145,185,176 (1995 - Sh 181,467,900)	28,480	23,123
Williamson Developments Limited (Unquoted); 44.4% (1995 - 38.98%) owned: At cost	20,358	14,359
	48,838	37,482

		GROUP		COMPANY	
		1996 Sh'000	1995 Sh'000	1996 Sh'000	1995 Sh'000
9	**OTHER INVESTMENTS**				
	Unquoted				
	At cost and directors' valuation	12	12	6	6
	Quoted:				
	At cost - market value Sh 2,850 (1995 - Sh 1,330)	1	1	-	-
		13	13	6	6
10	**STOCKS**				
	Unsold tea	74,317	64,177	32,335	25,739
	Tea machinery	-	1,513	-	-
	Generators	2,057	37,682	-	-
	Tea nursery	8,522	5,607	2,984	2,027
	Firewood	2,643	2,723	789	1,187
	Stores	21,233	21,463	7,363	9,964
	Work in progress	221	1,369	-	-
	Goods in transit	9,842	290	-	-
	Other	119	445	-	-
		118,954	135,269	43,471	38,917
11	**DEBTORS**				
	Tea	84,659	67,034	24,593	24,530
	Other	52,791	43,491	19,747	18,522
		137,450	110,525	44,340	43,052

Other debtors include loans to directors amounting to Sh 1,323,280 (1995 - Sh 1,666,097)

		1996 Sh'000	1995 Sh'000
12	**SHARE CAPITAL**		
	Authorised, issued and fully paid:		
	8,756,320 shares of Sh 5 each	43,782	43,782

13 RESERVES

GROUP

	Capital Sh'000	Revenue Sh'000	Total Sh'000
At 1 April 1995 as previously reported	570,519	361,329	931,848
Prior year adjustment	53,734	(53,734)	-
At 1 April 1995 as restated	624,253	307,595	931,848
Retained profit for the year	-	3,131	3,131
Adjustment in respect of changes in associated company's shareholding	(3,909)	1,359	(2,550)
Revaluation surplus realised on disposal of fixed assets	(21,705)	21,705	-
Share of movement in associated company's reserves	(73)	73	-
At 31 March 1996	598,566	333,863	932,429

COMPANY

	Capital Sh'000	Revenue Sh'000	Total Sh'000
At 1 April 1995 as previously reported	331,690	271,008	602,698
Prior year adjustment	24,048	(24,048)	-
At 1 April 1995 as restated	355,738	246,960	602,698
Retained profit for the year	-	15,413	15,413
Revaluation surplus realised on disposal of fixed assets	(177)	177	-
At 31 March 1996	355,561	262,550	618,111

Prior year adjustment

Since 1988, the depreciation attributable to revaluation surplus was charged directly to capital reserves. From 1996, such is now charged to the profit and loss account and prior years have been restated accordingly.

	1996 Sh'000	1995 Sh'000
14 LOANS		
GROUP		
Secured loan from a financial institution repayable in equal quarterly instalments by 2001; interest at 25% per annum	8,818	11,383
Secured loans from financial institutions repayable in equal monthly instalments by 1998; interest at 25% per annum	75,046	93,181
	83,864	104,564
Less: repayable within one year	24,292	21,473
	59,572	83,091
COMPANY		
Secured loan from a financial institution repayable in equal quarterly instalments by 2001; interest at 25% per annum	8,818	11,383
Secured loan from a financial institution repayable in equal monthly instalments by 1998; interest at 25% per annum	62,685	77,784
	71,503	89,167
Less: repayable within one year	20,733	18,305
	50,770	70,862

15 NOTES TO THE CASH FLOW STATEMENT

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

	1996 Sh'000	1995 Sh'000
Operating profit	66,466	51,018
Depreciation	45,357	39,847
Development costs written off	525	375
Profit on sale of fixed assets	(3,317)	(2,396)
Decrease/(increase) in stocks	16,315	(32,239)
(Increase)/decrease in debtors	(26,925)	87,847
Increase in creditors	19,116	3,228
Increase in associated company balances	7,388	3,103
Net cash inflow from operating activities	124,925	150,783

15 NOTES TO THE CASH FLOW STATEMENT (continued)

(b) ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1996 Sh'000	1995 Sh'000	Change in the year Sh'000
Bank and cash balances	6,170	4,313	1,857
Bank overdrafts (secured)	115,438	138,951	23,513
Increase in cash and cash equivalents			25,370

(c) SUMMARY OF EFFECTS OF DISPOSAL OF GEORGE WILLIAMSON PROPERTIES LIMITED

	Sh'000		Sh'000
Assets disposed:		*Discharged by:*	
Fixed assets	23,000	*Cash received*	23,000

16 CONTINGENT LIABILITIES

	1996 Sh'000	1995 Sh'000
GROUP		
Guarantees in respect of banking facilities granted to an associated company	10,246	7,103
COMPANY		
Guarantees in respect of banking facilities granted to subsidiary companies	75,563	96,817

17 FUTURE CAPITAL EXPENDITURE

	1996	1995
GROUP		
Contracted but not provided	-	1,783
Authorised by the directors but not contracted	42,280	59,628
COMPANY		
Authorised by the directors but not contracted	16,053	16,670

18 ULTIMATE HOLDING COMPANY

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

TEN YEAR COMPARATIVE STATEMENT

		1996	1995	1994	1993	1992	1991 (9 months)	1990	1989	1988	1987
			(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	
Tea Production											
Area under tea	*Hectares*	1,885	1,872	1,871	1,312	1,308	1,306	1,303	1,278	1,245	1,135
Made tea - own	*'000 Kgs*	6,298	5,884	5,471	3,800	3,338	3,564	2,716	2,861	3,138	3,440
Bought leaf	*'000 Kgs*	2,280	1,127	834	383	331	282	110	154	135	102
Total	*'000 Kgs*	8,578	7,011	6,305	4,183	3,669	3,846	2,826	3,015	3,273	3,542
Tea sold	*'000 Kgs*	8,427	6,412	5,580	3,860	3,938	4,116	2,406	3,014	3,184	3,528
Average price per Kg gross Sh/Kg		68/69	73/12	88/63	66/25	41/67	36/44	38/78	26/25	26/36	27/46
Turnover (Sh'000)		638,858	520,483	721,177	301,046	191,344	167,500	108,812	97,216	101,647	108,381
Profit (Sh'000)											
Profit/(loss) before taxation		31,328	9,502	303,430	90,159	21,520	40,154	29,539	(1,932)	7,785	21,040
Taxation		17,143	13,087	102,960	33,023	8,950	12,280	6,740	(200)	2,920	5,840
Profit/(loss) after taxation		14,185	(3,585)	200,470	57,136	12,570	27,874	22,799	(2,132)	4,865	15,200
Minority interest		2,298	1,680	11,237	-	-	-	-	-	-	-
Dividends		8,756	8,756	21,891	8,756	6,560	6,560	6,560	1,100	5,480	6,560
Retained profit/(loss)		3,131	(14,021)	167,342	48,380	6,010	21,314	16,239	(3,232)	(615)	8,640
Capital employed (Sh'000)											
Fixed assets		949,099	979,690	904,509	712,678	368,725	362,660	361,280	195,040	188,340	185,040
Investments and long term debtors		128,427	117,893	109,554	95,463	95,794	70,420	40,860	24,520	3,260	3,120
Net current (liabilities)/assets		(2,467)	(1,884)	137,091	50,938	15,341	17,800	26,860	10,720	21,560	23,700
		1,075,059	1,095,699	1,151,154	859,079	479,860	450,880	429,000	230,280	213,160	211,860
Financed by (Sh'000)											
Share capital		43,782	43,782	21,891	21,891	21,891	21,891	21,891	21,891	21,891	21,891
Reserves		932,429	931,848	966,675	802,117	420,642	414,629	392,749	207,589	189,669	189,969
Shareholders' funds		976,211	975,630	988,566	824,008	442,533	436,520	414,640	229,480	211,560	211,860
Minority interest		39,276	36,978	39,766	-	-	-	-	-	-	-
Medium term borrowings		59,572	83,091	122,822	35,071	37,327	14,360	14,360	800	1,600	-
		1,075,059	1,095,669	1,151,154	859,079	479,860	450,880	429,000	230,280	213,160	211,860
Earnings/(loss) per share	*Cents*	136	(60)	2,161	1,305	287	637	521	(49)	126	347
Dividend per share	*%*	20	20	100	40	30	30	30	5	25	30
Dividend per share	*Cents*	100	100	500	200	150	150	150	25	125	150
Dividend cover/(loss)	*Times*	1.36	-	8.64	6.53	1.92	4.25	3.47	-	1.01	2.32

Prior year restatement:

Since 1988 the depreciation attributable to revaluation surplus was charged directly to capital reserve.

From 1996, such is now charged to the profit and loss account and prior years have been restated accordingly.

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

PROXY

I/We ....

of ....

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

....

of ....

or failing this the chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday 11th September 1996.
My/our proxy is to vote as indicated in respect of the following resolutions:
(Please indicate with an X in the spaces below how you wish your votes to be cast for or against any of the resolutions)

ORDINARY BUSINESS	FOR	AGAINST
i To receive and adopt the report of the directors together with the audited Financial statements for the year ended 31 March 1996		
ii To declare a dividend		
iii To re-elect retiring directors: E. A. Bristow		
D. B. White		
iv To approve the remuneration of directors of shillings one hundred and fifty thousand (Shs. 150,000) as contained in the accounts		
v To authorise the directors to fix the remuneration of the auditors.		
vi Subject to the necessary approvals being obtained increase authorised share capital.		

Date 1996

Signature ....

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

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