REGISTERED NUMBER: 1173126

GEORGE WILLIAMSON & CO. LTD

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2006

GEORGE WILLLIAMSON & CO. LTD

COMPANY INFORMATION
For The Year Ended 31 March 2006

DIRECTORS:	P Magor ACA (Chairman) V H J Clements FCA S G T Elliott J J Garwood J M T Magor
SECRETARY:	P Magor ACA
REGISTERED OFFICE:	Phoenix House Bartholomew Street Newbury Berkshire RG14 5QA
REGISTERED NUMBER:	1173126
BANKERS:	C Hoare & Co. 37 Fleet Street London EC4P 4DQ
AUDITORS:	Grant Thornton UK LLP Registered Auditors Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

GEORGE WILLLIAMSON & CO. LTD

NOTICE IS HEREBY GIVEN that the THIRTY FIRST ANNUAL GENERAL MEETING of the members will be held at 5 West Mills, Newbury on 24th October 2006 at 12 noon for the following purposes:

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 31 March 2006.

2. To approve the proposed dividend.

3. To re-appoint Grant Thornton UK LLP as Auditors and to authorise the Directors to determine the Auditors remuneration.

By order of the Board

P Magor

Secretary

Dated 2nd October 2006

Phoenix House
Bartholomew Street
Newbury
Berkshire
RG14 5QA

Note: A member entitled to attend and vote, can appoint a proxy in his stead and that proxy need not be a Member.

REPORT OF THE DIRECTORS
For The Year Ended 31 March 2006

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

George Williamson & Co. Limited, a company registered in England and Wales, acts as Secretaries and Agents to Companies in the tea industry operating in Kenya.

The subsidiary group, headed by Williamson Tea Holdings plc, which is registered in England and Wales, acts as producers of tea. On 13 July 2005 the company disposed of its interest in the group's Indian tea gardens for £21.35 million.

Details of principal subsidiary companies of the Group are given in note 31 to these financial statements.

BUSINESS REVIEW

In the year under review the Kenya tea estates experienced a most difficult trading period with the severe drought in the last quarter of the financial year having a devastating effect on tea production forcing the factories to reduce their operations to a three day week.

Fortunately the manner in which the rose farms operate isolated them to a large extent from the vagaries of the weather and the production of stems showed an increase as the programme of replanting with more valuable varieties made headway.

During the financial year the strong Kenya shilling against the major trading currencies depressed sales realisations for both roses and tea whilst increased costs of production, principally wages and social facilities, eroded profitability. The trading conditions for our Kenya tea estates have recently improved with better sales realisations and a weaker shilling.

In the UK the tea packing factory maintained its profitability but the farm continued to suffer from high operating costs and low produce sales.

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

The directors recommend the payment of a final dividend of £2.50 per share (2005: £5 per share), payable on 24 October 2006. Total dividends in respect of the year ended 31 March 2006 are £200,000 (2005: £600,000).

SUBSIDIARY COMPANIES

The company's shareholding in Williamson Tea Holdings plc was 70.6% at 31 March 2006 (2005: 70.6%).

DIRECTORS

The directors during the year under review were:

P Magor
Mrs J J Garwood
Mrs J M T Magor
S G T Elliott
V H J Clements

The beneficial interests of the directors holding office on 31 March 2006 in the issued share capital of the company were as follows:

	2006	2005
Ordinary £1 shares		
Mr P Magor	**6,000**	6,000
Mrs J J Garwood	**4,000**	4,000
Mrs J M T Magor	**4,500**	4,500
Mrs S G T Elliott	**4,000**	4,000
Mr V H J Clements	-	-

REPORT OF THE DIRECTORS (continued)
For The Year Ended 31 March 2006

No directors have been appointed since the previous Annual General Meeting. No directors are required to retire under the Articles of Association.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors recognise that there are a number of financial risks to the Group and seek where possible to manage both the incidence and consequences of such risks.

The Directors constantly review whether their policies are appropriate and effective and attempt to ensure that financial risks are approached in a prudent manner with the long term always a priority.

Currency risks

The Group is exposed to a significant currency risk as its trading income from the sale of teas from its Kenya estates is largely denominated in the world's major trading currencies.

The translation of this income back into Kenya shillings is dependent on the rates set by the Central Bank of Kenya whose policies are not always consistent and seldom to the benefit of the exporter.

The Kenya estates attempt to mitigate this risk by keeping surplus funds in the major trading currencies until such time as funds are required for local expenditure. Unfortunately there is no other mechanism available to hedge this risk.

As a matter of policy the Group favours a progressive devaluation of the Kenya shilling to allow its estates to remain competitive.

Price risk

The Group is unable to set the sale price for the sale of its Kenya teas as the market price is wholly dependent on the supply of and demand for tea in the world. The vagaries of weather and wars over the years have dictated the balance of this equation and are thus entirely outside the control of the Directors.

Sale prices do show remarkable fluctuations and therefore pose a significant risk to the financial performance of the Group.

Liquidity risk

It has long been a policy of the Group to remain as liquid as possible with the current level of cash in the Group balance sheet demonstrating this policy.

However the Directors recognise that it will be necessary to invest surplus cash and will seek to do so in a profitable manner whilst recognising that there may be significant liquidity risks attached to such a course of action.

Political risk

The Group tea estates in Kenya are subject to significant political risk. The proposed new Constitution that went before voters last year included measures for land reform that would have been very detrimental to the integrity of the Group's assets in that country. Whilst the voters rejected the new Constitution land reform is clearly a very political matter and could well be raised again in the near future.

The Directors are not aware of any effective way in which to manage this financial risk to the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

REPORT OF THE DIRECTORS (continued)
For The Year Ended 31 March 2006

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- follow applicable United Kingdom law and accounting standards.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

POLITICAL AND CHARITABLE CONTRIBUTIONS
Political donations of £nil (2005: £2,500) were made during the year. Various charitable contributions totalling £3,100 (2005: £3,000) were made during the year.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
Grant Thornton UK LLP, having offered themselves for reappointment as auditors shall be deemed to be reappointed for the next financial year in accordance with section 386 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

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P Magor - Secretary

Date: 2nd October 2006

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF GEORGE WILLIAMSON & CO LTD

We have audited the group and parent company financial statements (the "financial statements") of George Williamson & Co. Limited for the year ended 31 March 2006 which comprise the principal accounting policies, the group profit and loss account, the group and company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses and notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF GEORGE WILLIAMSON & CO LTD

Opinion

In our opinion:

- the financial statements give a *true and fair view, in accordance with* United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2006 and of the group's result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 March 2006.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
London

Date: 2 October 2006

PRINCIPAL ACCOUNTING POLICIES
For The Year Ended 31 March 2006

BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention as modified to include the revaluation of certain tangible fixed assets, and are in accordance with the Companies Act 1985 and comply with applicable accounting standards. The policies have not changed during the period under review with the exception that dividends proposed or declared on equity shares after the balance sheet date are no longer recognised as a liability at the balance sheet date, and shareholders' funds are not split between equity and non-equity interests. This arises as the result of the introduction of FRS21 and FRS25 and the financial statements reflect a prior year adjustment in respect of FRS21 (see note 20). The following paragraphs describe the main policies.

BASIS OF CONSOLIDATION

(i) The group financial statements consolidate those of the company and its subsidiary undertakings (see note 31) drawn up to 31 March 2006.

(ii) Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life. Negative goodwill is written back to the profit and loss account over the useful economic life of the assets to which it relates.

As a matter of accounting policy, goodwill arising on consolidation first accounted for in accounting periods ending before 23 December 1998, the implementation date of FRS10, was written off to reserves immediately on acquisition. Such goodwill will be charged or credited to the profit and loss account on the subsequent disposal of the business to which it relates.

(iii) Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

(iv) As permitted by Section 230 of the Companies Act 1985 no separate Profit and Loss Account is presented for the company.

TURNOVER

Turnover of tea represents the proceeds of crop manufactured and sold and turnover of other activities represents the amount receivable by the group for those activities in the year excluding sales taxes.

TANGIBLE FIXED ASSETS AND DEPRECIATION

On adoption of FRS15, the group followed the transitional provisions to retain the book value of buildings but to adopt a policy of revaluation in respect of land only in the future.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Buildings and short leasehold improvements	2% to 25%
Plant and machinery	5% to 15%
Transport	20% to 33%
Fixtures and fittings	10% to 40%

LEASING CONTRACTS

All leases are operating leases and costs are charged against profit over the term of the lease.

PRINCIPAL ACCOUNTING POLICIES (continued)
For The Year Ended 31 March 2006

INVESTMENTS

Fixed asset investments are carried at cost less amounts written off.

Investments held as trading assets and for the short term are included at the lower cost or net realisable value as current assets.

STOCKS

Unsold tea crop, stocks and stores are valued at the lower of cost or net realisable value. Work in progress is carried at cost including a proportion of direct overheads.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

DEFINED CONTRIBUTION SCHEMES

The group operates various pension schemes devised in accordance with the local conditions and practices in the countries concerned. Where schemes are in operation, they are funded by payments to insurance companies or to trustee administered funds completely independent of the group's finances. In addition the subsidiaries in Kenya provide for gratuity payments to certain staff on retirement as provided by statute.

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

LIQUID RESOURCES

Liquid resources are current asset investments held as readily disposable stores of value, in accordance with FRS1, Cash Flow Statements.

FINANCIAL INSTRUMENTS

Financial liability and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, these financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to the financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

Where none of the contractual terms of the share capital meet the definition of a financial liability, then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited to equity.

GEORGE WILLLIAMSON & CO. LTD

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 2006

		2006			2005		
	Notes	Continuing Operations £'000	Discontinued Operations £'000	Total £'000	Continuing Operations £'000	Discontinued Operations £'000	Total £'000
TURNOVER	1	18,540	1,076	19,616	19,767	23,189	42,956
Cost of sales		(14,460)	(1,654)	(16,114)	(12,805)	(18,289)	(31,094)
GROSS PROFIT		4,080	(578)	3,502	6,962	4,900	11,862
Distribution costs		(1,071)	-	(1,071)	(1,083)	(2,870)	(3,953)
Administrative expenses		(5,903)	-	(5,903)	(4,712)	(875)	(5,587)
OPERATING (LOSS)/PROFIT		(2,894)	(578)	(3,472)	1,167	1,155	2,322
Loss on sale of investments	2			(1,257)			-
Other income	3			3,344			-
Interest receivable and similar income	6			1,247			940
Interest payable and similar charges	5			(351)			(346)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				(489)			2,916
Tax on (loss)/profit on ordinary activities	8			(546)			(808)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION				(1,035)			2,108
Equity minority interests				877			(946)
RETAINED (LOSS)/PROFIT FOR THE YEAR	20			(158)			1,162

GEORGE WILLLIAMSON & CO. LTD

CONSOLIDATED BALANCE SHEET
At 31 March 2006

	Notes	2006 £'000	2005 £'000 *(Restated)*
Fixed assets			
Intangible assets			
Goodwill	9	**950**	1,057
Negative goodwill	9	**(867)**	(917)
Tangible assets	10	**23,163**	53,477
Investments	11	**644**	1,007
		23,890	54,624
Current assets			
Stocks	12	**2,380**	4,095
Debtors	13	**4,765**	10,560
Investments	14	**-**	86
Cash at bank and in hand		**30,208**	8,515
		37,353	23,256
Creditors: amounts falling due within one year	15	**(7,746)**	(11,068)
Net current assets		**29,607**	12,188
Total assets less current liabilities		**53,497**	66,812
Creditors: amounts falling due after more than one year	16	**(2,154)**	(4,194)
Provisions for liabilities and charges	17	**(1,452)**	(2,142)
		49,891	60,476
Capital and reserves			
Called up share capital	19	**40**	40
Capital redemption reserve		**10**	10
Profit and loss account	20	**28,050**	17,068
Revaluation reserve	21	**3,075**	13,440
Shareholders' funds – equity		**31,175**	30,558
Interest of minorities – equity		**18,716**	29,918
		49,891	60,476

The financial statements were approved by the Board of Directors on 2nd October 2006

P Magor – Director Philip Magor

GEORGE WILLLIAMSON & CO. LTD

BALANCE SHEET
At 31 March 2006

	Notes	2006 £'000	2005 £'000 *(Restated)*
Fixed assets			
Tangible assets	10f	**102**	167
Investments	11	**7,555**	7,314
		7,657	7,481
Current assets			
Debtors	13	**1,326**	2,255
Investments	14	**-**	143
Cash at bank and in hand		**2,954**	886
		4,280	3,284
Creditors: amounts falling due within one year	15	**(3,995)**	(3,200)
Net current assets/ (liabilities)		**285**	84
Total assets less current liabilities		**7,942**	7,565
Capital reserves			
Called up share capital	19	**40**	40
Capital redemption reserve		**10**	10
Profit and loss account	20	**7,892**	7,515
Shareholders' funds – equity		**7,942**	7,565

The financial statements were approved by the Board of Directors on 2nd October 2006

P Magor – Director

GEORGE WILLLIAMSON & CO. LTD

CONSOLIDATED CASH FLOW STATEMENT
For The Year Ended 31 March 2006

	Notes	2006 £'000	2005 £'000
Net cash (outflow)/inflow from operating activities	23a	(780)	5,868
Returns on investments and servicing of finance			
Interest received		891	327
Dividends received		30	78
Other income		1,286	248
Interest paid		(351)	(346)
Dividends paid to minority shareholders in subsidiary undertakings		(23)	(1,003)
Net cash inflow/(outflow) from returns on investments and servicing of finance		1,833	(696)
Taxation		485	(718)
Capital expenditure and financial investment			
Purchase of intangible fixed assets		-	156
Purchase of tangible fixed assets		(1,913)	(1,708)
Purchase of investments		(252)	(636)
Sale of tangible fixed assets		116	293
Sale of investments		777	365
Net cash outflow from capital expenditure and financial investment		(1,272)	(1,530)
Acquisitions and disposals			
Sale/(purchase) of interest in subsidiaries		21,352	(98)
Sale of Intellectual property		2,384	—
Net cash inflow/(outflow) from acquisitions and disposals		23,736	(98)
Equity dividends paid		(1,615)	(1,124)
Management of liquid resources			
Sale of investments		86	320
Net cash inflow from management of liquid resources		86	320
Financing			
Repayment of borrowing		(579)	(249)
Net cash outflow from financing		(579)	(249)
Increase in cash	23c	21,894	1,773

GEORGE WILLLIAMSON & CO. LTD

OTHER PRIMARY STATMENTS
For The Year Ended 31 March 2006

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2006 £'000	2005 £'000
(Loss)/profit for the financial year	**(158)**	1,162
Currency translation differences on foreign currency net investments	**799**	245
Total gains and losses recognised since last financial statements	**641**	1,407

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2006 £'000	2005 £'000
(Loss)/profit on ordinary activities before taxation	**(489)**	2,916
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	**98**	311
Historical cost (loss)/profit on ordinary activities before taxation	**(391)**	3,227

GEORGE WILLLIAMSON & CO. LTD

NOTES TO THE FINANCIAL STATMENTS
For The Year Ended 31 March 2006

1. SEGMENTAL ANALYSIS

	Net Assets		Turnover		Pre-Tax Profit/(loss)	
	2006	2005	**2006**	2005	**2006**	2005
	£'000	£'000 *(Restated)*	**£'000**	£'000	**£'000**	£,000
By Activity						
Tea	**19,718**	50,106	**15,917**	41,506	**(761)**	2,571
Other activities	**30,173**	10,370	**3,699**	1,450	**272**	345
	49,891	60,476	**19,616**	42,956	**(489)**	2,916
Geographically – by origin						
India	**-**	32,429	**1,076**	23,190	**(599)**	1,119
Kenya	**20,822**	18,290	**13,449**	14,340	**(328)**	1,273
Tanzania	**(285)**	(837)	**491**	257	**(413)**	(442)
United Kingdom	**29,354**	10,594	**4,600**	5,169	**851**	966
	49,891	60,476	**19,616**	42,956	**(489)**	2,916

Turnover Geographically – by destination	2006	2005
India	**-**	12,056
Kenya	**2,477**	2,455
United Kingdom	**11,579**	19,476
Rest of Europe	**1,145**	3,090
North America	**-**	1,568
Japan	**-**	1,358
Others	**4,415**	2,953
	19,616	42,956

2. EXCEPTIONAL ITEM

	2006	2005
	£'000	£'000
Loss on disposal of subsidiary undertaking (see note 23d)	**1,257**	-

Subject to the agreement of HM Revenue & Customs, the directors do not believe that the disposal of the group's investment in its Indian tea estates gives rise to any tax liability.

3. OTHER INCOME

Other income represents proceeds from the sale of intellectual property.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For The Year Ended 31 March 2006

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after:

	2006	2005
	£'000	£,000
Auditors' remuneration:		
United Kingdom Audit services	**46**	50
Non-audit services - taxation	**26**	35
Depreciation and amortisation:		
Goodwill	**(55)**	(57)
Tangible fixed assets, owned	**1,402**	2,137
Rental on operating leases – property	**79**	125

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£'000	£'000
Bank loans & overdrafts	**351**	346

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2006	2005
	£'000	£'000
Bank interest receivable	**891**	327
Fixed asset investments – listed	-	49
Current asset investments – unlisted	-	29
Profit on sale of fixed assets	-	142
Profit on sale of investments	**356**	145
Other income	-	248
	1,247	940

NOTES TO THE FINANCIAL STATEMENTS (continued)
For The Year Ended 31 March 2006

7. DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2006 £'000	2005 £'000
Wages and salaries	5,421	15,339
Social security costs	490	307
Other pension costs	852	331
	6,763	15,977

The average number of employees of the company during the year was:

	2006 Number	2005 Number
Agricultural (overseas)	5,634	31,506
Engineering and others	179	425
	5,813	31,931

Remuneration in respect of directors as follows:

	2006 £'000	2005 £'000
Emoluments	515	556
Fees	13	8
Pension contributions to money purchase pension schemes	626	132
	1,154	696

During the year one director (2005: one) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2006 £'000	2005 £'000
Emoluments	347	387
Pension contributions to money purchase pension schemes	626	132
	973	519

NOTES TO THE FINANCIAL STATEMENTS (continued)
For The Year Ended 31 March 2006

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and represents:

	2006 £'000	2005 £'000
Current tax:		
United Kingdom corporation tax on profits for the period	499	157
Adjustments in respect of prior year:	133	7
Foreign tax	69	884
	701	1,048
Origination and reversal of timing differences	(155)	(240)
	546	808
Factors affecting tax charge for the period		
(Loss)/profit on ordinary activities before tax	(489)	2,916
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2005: 30%)	(147)	875
Effect of:		
Expenses not deductible for tax purposes	262	23
Overseas losses not recognised	336	-
Other adjustments re differences in rates	(7)	(92)
Loss on disposal of subsidiary	377	-
Tax losses arising/(utilised) in year	(8)	(3)
Difference between capital gain and profit on disposal of fixed assets	(251)	(30)
Difference between capital allowances and depreciation	3	81
Exempt income in India and Kenya	-	(211)
Provision for gratuity and terminal dues in Kenya	-	234
Withholding tax suffered	-	155
Other	3	9
Adjustment to tax charge in respect of prior periods	133	7
Current tax charge for period	701	1,048

NOTES TO THE FINANCIAL STATEMENTS (continued)
For The Year Ended 31 March 2006

9. INTANGIBLE FIXED ASSETS

	Goodwill on consolidation £'000	Negative Goodwill £'000	Total £'000
Cost			
At 1 April 2005	2,111	(1,008)	1,103
Additions	-	-	-
At 31 March 2006	2,111	(1,008)	1,103
Amortisation			
At 1 April 2005	354	(91)	263
Provided in year	107	(50)	57
At 31 March 2006	461	(141)	320
Impairment provision at 1 April 2005 and 31 March 2006	700	-	700
Net book amount at 31 March 2006	**950**	**(867)**	**83**
Net book amount at 31 March 2005	1,057	(917)	140

Goodwill included above relates to the acquisition of Subati Ltd and Hortanzia Ltd and is being amortised over its estimated useful life of 20 years on the basis of the agricultural nature of the business. The directors were required to review the carrying value of the goodwill acquired in accordance with Financial Reporting Standard 11. Given the significant losses incurred by the rose farms in the year ended 31 March 2004, the directors were unable to support the carrying value by reference to future cash flows and based their estimate of net realisable value on prevailing market conditions. This resulted in the impairment provision. The directors are not aware of any further impairment. £798,000 of the negative goodwill arises on consolidation of the investments in Subati Limited and Hortanzia Limited. The remainder arose on the acquisition of a further holding in Williamson Tea Holdings plc in the previous year, being the fair value of the assets acquired less consideration paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For The Year Ended 31 March 2006

10. TANGIBLE FIXED ASSETS

Group

	Land £'000	Buildings £'000	Plant & Machinery £'000	Total £'000
Cost				
At 1 April 2005	33,867	22,632	18,446	74,945
Additions	494	762	657	1,913
Exchange differences	420	845	634	1,899
Disposals	(23,442)	(12,959)	(8,415)	(44,816)
At 31 March 2006	**11,339**	**11,280**	**11,322**	**33,941**
Depreciation:				
At 1 April 2005	570	8,552	12,346	21,468
Charge for the year	141	409	852	1,402
Exchange differences	206	171	289	666
Disposals	(71)	(5,541)	(7,146)	(12,758)
At 31 March 2006	**846**	**3,591**	**6,341**	**10,778**
Net book amount at 31 March 2006	**10,493**	**7,689**	**4,981**	**23,163**
Net book amount at 31 March 2005	33,297	14,080	6,100	53,477

Land not depreciated amounts to £10,374,000 (2005: £30,311,000). Land depreciated represents *expenditure on growing plants on the rose farms.*

(a) Exchange differences arising on translation of overseas assets at rates ruling at the date of the balance sheet amount to a profit in Kenya of £1,268,000 (2005: £615,000), a profit in India of £Nil (2005: £273,000) and a loss in Tanzania of £35,000 (2005 profit:£13,000).

(b) Land and buildings – cost/valuation as adjusted for currency fluctuations:

	Land		Buildings	
	2006 £'000	2005 £'000	**2006 £'000**	2005 £'000
Valuation 2002	**6,693**	30,377	-	-
Valuation 1999	-	-	**7,131**	8,666
Cost	**1,954**	3,490	**2,771**	13,966
	8,647	33,867	**9,902**	22,632

Land and buildings include freehold property, and property held in Kenya (2005: India and Kenya), which can be considered as substantially similar to freehold.

(c) The freehold land for all group companies of the overseas subsidiaries was professionally revalued on 31 March 2002 on an existing use basis. *The external valuers involved were:*

India: Omni Consultants PVT Ltd, a firm of Indian Government – approved valuers in Kolkata.
Kenya: Lloyd Masika Ltd, Nairobi, registered valuers and estate agents.

The directors do not consider there to have been a material change in re-valued fixed asset values during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year ended 31 March 2006

(d) If land & buildings had not been revalued they would have been included on the historical cost basis, as adjusted for exchange differences as follows:

	Land £'000	Buildings £'000
Cost	4,805	6,569
Accumulated depreciation	(845)	(1,467)
Book value at 31 March 2006	**3,960**	**5,102**
Book value at 31 March 2005	5,219	5,407

(e) The land in Kenya (2005: India and Kenya) consists of:

	2006 Hectares		2005 Hectares	
	Grant Area	**Tea Area**	Grant Area	Tea Area
Freehold	**1,298**	**951**	1,091	932
Long lease (over 50 years)	**4,301**	**1,829**	4,301	1,829
Short lease (under 50 years)	-	-	15,449	9,440
	5,599	**2,780**	20,841	12,201

The short lease areas shown above include the properties held on rolling leaseholds in Kenya (2005: India and Kenya) which can be considered substantially similar to freehold.

(f) **Parent**

	Vehicles, plant and equipment £'000
Cost	
At 1 April 2005	312
Additions	47
Disposals	(103)
At 31 March 2006	256
Depreciation	
At 1 April 2005	145
Charge for year	66
On disposals	(57)
At 31 March 2006	154
Net book value	
At 31 March 2006	**102**
At 31 March 2005	167

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year ended 31 March 2006

11. FIXED ASSET INVESTMENTS

	Other investments listed overseas £'000	Other investments unlisted £'000	Total £'000
Cost			
At 1 April 2005	1,795	561	2,356
Exchange differences		25	25
Additions		252	252
Disposals	(1,795)	(156)	(1,951)
At 31 March 2006	-	682	682
Amounts written off			
At 1 April 2005	1,170	179	1,349
Provided in year		9	9
Disposal	(1,170)	(150)	(1,320)
At 31 March 2006	-	38	38
Net book value			
At 31 March 2006	**-**	**644**	**644**
At 31 March 2005	625	382	1,007

Parent

	Investment in subsidiaries £'000
Cost	
At April 2005	12,314
Additions	241
At 31 March 2006	12,555
Amounts written off	
At 1 April 2005 and 31 March 2006	5,000
Net book amount at 31 March 2006	**7,555**
Net book amount at 31 March 2005	7,314

12. STOCKS

	Group	
	2006 £'000	2005 £'000
Unsold tea crop	**552**	2,122
Stocks, stores and work in progress	**1,828**	1,973
	2,380	4,095

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year ended 31 March 2006

13. DEBTORS

	Group		Parent	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Trade debtors	**2,961**	5,238	**5**	448
Amounts owed by subsidiary undertakings	**-**	-	**1,195**	1,725
Other debtors	**1,082**	4,050	**62**	4
Deposits with Agricultural Board	**-**	826	**-**	-
Corporation tax	**230**		**26**	
Prepayments	**492**	446	**38**	78
	4,765	10,560	**1,326**	2,255
Including amounts due after more than one year	**983**	1,356	**-**	-

14. CURRENT ASSET INVESTMENTS

	Group		Parent	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Investments unlisted	**-**	86	**-**	143

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
		(Restated)		*(Restated)*
Bank loans & overdrafts (secured – Note 16)	**822**	1,023	**-**	-
Trade creditors	**2,841**	7,032	**1,006**	1,088
Amounts due to subsidiary undertakings	**-**	-	**2,396**	1,799
Social security	**1,173**	164	**60**	153
Taxation	**551**	387	**415**	-
Other creditors	**2,077**	1,081	**29**	64
Accruals	**282**	1,381	**89**	96
	7,746	11,068	**3,995**	3,200

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year ended 31 March 2006

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Parent	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Bank loans (secured)	**854**	1,382	-	-
Taxation – overseas	-	1,628	-	-
Other creditors	**1,300**	1,184	-	-
	2,154	4,194	-	-

Total borrowings as shown in notes 15 and 16 are repayable as follows:

	Group		Parent	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Within one year	**513**	1,023	-	-
Between one and two years	**190**	501	-	-
Between one and five years	**571**	881	-	-
In five years or more	**92**	-	-	-
	1,366	2,405	-	-

Loans carry interest at rates varying from floating to 8% and are repayable in the country of origin in instalments.

Security is given for bank loans and overdrafts by hypothecation of crop, stocks and other moveable assets and mortgage charges over property.

17. PROVISIONS FOR LIABILITIES AND CHARGES

	Group Deferred Taxation (note 18) £'000
At 1 April 2005	2,142
Exchange differences	(133)
Released in year	(557)
At 31 March 2006	1,452

18. DEFERRED TAXATION

Deferred taxation provided in the financial statements is set out below. There were no unprovided amounts of deferred taxation at 31 March 2006 or 31 March 2005.

	Group	
	Amount provided	
	2006	2005
	£'000	£'000
Accelerated capital allowances	**2,103**	3,093
Other timing differences	**(433)**	(951)
Tax losses carried forward	**(218)**	-
	1,452	2,142

No liability arises in respect of timing differences on United Kingdom capital allowances and depreciation.

No provision has been made for taxation which would accrue if land and buildings were disposed of at their revalued amounts on the grounds that there are no plans for disposal in the foreseeable future. It is not practical to quantify this potential liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year ended 31 March 2006

19. SHARE CAPITAL

	2006	2005
	£'000	£'000
Authorised:		
250,000 ordinary shares of £1 each	250	250
Allotted, issued and fully paid:		
40,000 ordinary shares of £1 each	40	40

20. PROFIT AND LOSS ACCOUNT

	Group	Parent
	£'000	£'000
At 1 April 2005 *(Restated)*	17,068	7,515
Exchange differences	625	-
Retained profit for the year	(158)	577
Disposal of subsidiary undertaking	10,856	-
Dividends paid	(341)	(200)
At 31 March 2006	28,050	7,892

The profit for the financial year dealt with in the financial statements of the parent company was £1,135,031 (2005: £362,247). The cumulative amount of goodwill arising from acquisitions accounted for in years ending before 23 December 1998, which has been written off to reserves is £936,000 (2005: £936,000).

The impact of the change in accounting policy under FRS21 (see accounting policies note) is that a prior year adjustment is reflected in these financial statements as proposed dividends are no longer recognised as a liability at the balance sheet date. The impact is to increase the previous years' closing reserves by £200,000.

21. GROUP REVALUATION RESERVE

	£'000
At 1 April 2005	13,440
Exchange differences	491
Disposal of subsidiary undertaking	(10,856)
At 31 March 2006	3,075

The reserves of the Williamson Tea Holdings plc group include approximately £5 million of undistributable reserves in overseas subsidiary undertakings. Any distribution from free reserves is subject to local taxes and Exchange Control Regulations. The reserves are apportioned in these financial statements between reserves as set out above and minority interests.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	*2005*
	£'000	£'000
		(Restated)
(Loss)/profit for the financial year	(158)	1,162
Dividends	(341)	(981)
Other recognised gains and losses	1,116	245
Movement in shareholders' funds	617	426
Shareholders' funds at 1 April 2005	30,558	30,132
Shareholders' funds at 31 March 2006	31,175	30,558

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
For the Year ended 31 March 2006

23. CONSOLIDATED CASH FLOW STATEMENT

(a) NET CASH FLOW FROM OPERATING ACTIVITIES

	2006 £'000	2005 £'000
Operating (loss)/profit	**(3,458)**	2,322
Depreciation	**1,402**	2,137
Amortisation	**55**	67
Decrease/(increase) in stock	**1,715**	(144)
Decrease/(increase) in debtors	**5,630**	(1,645)
(Decrease)/increase in creditors	**(6,123)**	3,131
Net changes in currency values	**(1)**	-
Net cash (outflow)/inflow from operating activities	**(780)**	5,868

(b) RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	2006 £'000	2005 £'000
Increase in cash in the year	**21,894**	1,773
Cash flow from repayment of borrowing	**529**	249
Cash flow from movement of liquid resources	**(86)**	(320)
Change in net debt resulting from cash flows	**22,337**	1,702
Effect of foreign exchange movement	**(1)**	158
Movement in net funds in the year	**22,336**	1,860
Net funds at 1 April 2005	**6,196**	4,336
Net funds at 31 March 2006	**28,532**	6,196

(c) ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2005 £'000	Cash flow £'000	Exchange movement £'000	At 31 Mar 2006 £'000
Cash in hand and at bank	8,515	21,693	-	30,208
Overdraft	(1,023)	201	-	(822)
	7,492	**21,894**		**29,386**
Debt	(1,382)	529	(1)	(854)
Current asset investments	86	(86)	-	-
	6,196	**22,337**	**(1)**	**28,532**

(d) EFFECTS OF DISPOSAL OF SUBSIDIARY UNDERTAKINGS

	2006 £'000	2005 £'000
Tangible assets	**22,669**	-
Investments	**500**	-
Working capital	**1,246**	-
Loan capital	**(1,140)**	-
Deferred taxation	**(666)**	-
	22,609	-
Deficiency on disposal	**(1,257)**	-
Consideration: Cash	**21,352**	-

24. GUARANTEES

Guarantees totalling £555,360 (2005: £62,000) in respect of overseas bank advances have been given by members of the Williamson Tea Holdings plc group.

25. CAPITAL COMMITMENTS

Capital expenditure commitments for which no provision has been made in these financial statements were as follows:

	Group		Parent	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Contracted	**225**	-	-	-

26. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2006 or 31 March 2005.

27. RETIREMENT BENEFITS

Defined Contribution Pension Scheme
Group contributions to the defined contribution schemes during the year were **£852,000** (2005: £331,000).

Defined Benefit Pension Scheme
Following the disposal of Borelli Tea Holdings Ltd, the Group has no further liability in respect of the defined benefit scheme operated by that company.

28. LEASING COMMITMENTS

Operating lease payments amounting to £818,000 (2005: £845,000) are due within one year. The leases to which these amounts relate expire as follows:

	2006 Property leases £'000	2005 Property leases £'000
In one year or less	**-**	174
Between one and five years	**181**	546
In five years or more	**637**	125
	818	845

29. TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The company has taken advantage of the exemption in Financial Reporting Standard No 8 " Related party disclosures" and has not disclosed transactions with group undertakings.

There are no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year ended 31 March 2006

30. POST BALANCE SHEET EVENT

It is proposed that a dividend of £2.50 per ordinary £1 share will be payable on 24 October 2006, totalling £100,000. In accordance with FRS21 the Group does not account for dividends until they have been paid. The financial statements for the year ended 31 March 2006 do not reflect the proposed dividend; this will be treated as an appropriation of profit in the year ended 31 March 2007.

31. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS AT 31 MARCH 2006

	% held	Country of Registration / Incorporation & Operation	Activity
Cohen & Griffiths Ltd	*100	England and Wales	Commodity broking
Estate Technical Services Ltd	*100	England and Wales	Consultancy
Little Bedwyn Estate Ltd	*100	England and Wales	Arable farming
Williamson Tea Holdings plc and its principal subsidiary undertakings	*71	England and Wales	Holding company
Ngong Tea Holdings Ltd	100	England and Wales	Holding company
Williamson Flowers Ltd	100	England and Wales	Holding company
Williamson Fine Teas Ltd	100	England and Wales	Tea trading and packing
Strathkirk Investments Ltd	100	England and Wales	Holding company
Brock Investments Ltd	100	Guernsey	Holding company
Forest Investments Ltd	100	Guernsey	Holding company
Kapchorua Tea Co Ltd	64	Kenya	Tea producers
Subati Ltd	68	Kenya	Rose growing
Tinderet Tea Estates (1989) Ltd	51	Kenya	Managing Agents & Tea producers
Hortanzia Ltd	68	Tanzania	Rose growing

*held by parent

All of the subsidiary undertakings has been consolidated in the group financial statements. All are subsidiary undertakings by virtue of the holding in ordinary share capital.

MNF/JSL/JLT

Registrar of Companies
Companies House
Crown Way
CARDIFF
CF14 3UZ

30 November 2006

Dear Sir

George Williamson & Co Ltd – Company Number 1173126

We enclose the accounts for the year ended 31 March 2006 for the above company.

Please acknowledge receipt by returning a copy of this letter. A stamped addressed envelope is enclosed.

Yours faithfully

James Cowper
accountants@jamescowper.co.uk

enc: accounts