

**GEORGE WILLIAMSON &
CO. LTD**

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS**

**For the year ended
31 MARCH 2011**

Company no 1173126

GEORGE WILLIAMSON & CO. LTD
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

For the year ended 31 MARCH 2011

Company registration number	1173126
Registered office	5 West Mills Newbury Berkshire RG14 5HG
Directors	P Magor ACA (Chairman) Mrs A C Magor
Secretary	P Magor ACA
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ
Auditors	Grant Thornton UK LLP Registered Auditor Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

GEORGE WILLIAMSON & CO. LTD
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

For the year ended 31 MARCH 2011

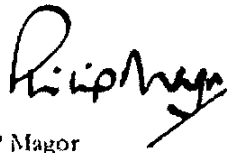
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GEORGE WILLIAMSON & CO. LTD

NOTICE IS HEREBY GIVEN that the **THIRTY THIRD ANNUAL GENERAL MEETING** of the members will be held at 5 West Mills, Newbury on *5th January* 2012 for the following purposes:

1. To review and adopt the Directors' Report and Financial Statements for the year ended 31 March 2011.
2. 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

22 December 2011

5 West Mills
Newbury
Berkshire
RG14 5HG

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

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2011

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, and a rose farm in Tanzania

Details of principal subsidiary companies of the group are given in note 30 to these financial statements

Business review

In the year under review the Kenya tea farms again benefitted from favourable weather conditions and firm global demand for our certified teas, in particular Rainforest Alliance

The profits for the year are pleasing but history shows the need for caution as to whether such levels can be sustained

The political climate in Kenya remains fragile with very little progress in implementing the new Constitution including land tenure reform. Exactly what the new titles will be is still unknown and such uncertainty is not conducive to investment into Kenya. Investment in land requires good title and no discrimination and this will be taken into account by the Kenyan business.

The long term solution for the Hortanzia rose farm has been established and steps to dispose of the farm are under way.

Significant investment is being made in the retail tea business with the signature elephant caddies establishing a market in the UK and abroad that bodes well for the future.

The organic farm is now fully accredited and performing well.

Dividends

The directors do not recommend the payment of a final dividend (2010 £nil)

Directors

The directors during the year under review were

P Magor
Mrs A C Magor
Mrs J M Magor

Mrs J M Magor resigned as director on 14 September 2010

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

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company and group for that period. In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Political and charitable donations

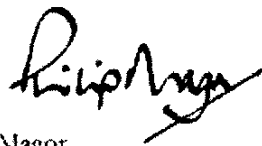
Political donations of £nil (2010 £1,000) were made during the year. Various charitable donations totalling £5,500 (2010 £5,565) were made during the year.

GEORGE WILLIAMSON & CO. LTD
REPORT OF THE DIRECTORS

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 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD



P Magor
Director

21 October²⁰¹² 2011

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GEORGE WILLIAMSON & CO. LTD**

We have audited the financial statements of George Williamson & Co Ltd. for the year ended 31 March 2011 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statements, the consolidated and parent company statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GEORGE WILLIAMSON & CO. LTD**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Charles Hutton-Potts
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
London

22 December 2011

Basis of preparation

The financial statements have been 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 2006 and comply with applicable accounting standards. The policies have not changed during the period under review.

Basis of consolidation

- (i) The group financial statements consolidate those of the company and its subsidiary undertakings (see note 30) drawn up to 31 March 2011.
- (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 408 of the Companies Act 2006 no separate Profit and Loss Account is presented for the company.

Turnover

Turnover of tea represents the proceeds of crop manufactured and sold. Sales are recognised upon the despatch of products and are stated net of returns, discounts and sales taxes.

Turnover of other activities represents amounts receivable by the group for teas packaged and sold, sales of roses cultivated from the Kenyan Rose farms, estate income which arises in the United Kingdom and rental income. Rental income is recognised on an accruals basis.

Investment properties

Investment properties are revalued annually and are included in the balance sheet at their open market values. The surplus or deficit on revaluation of such properties are transferred to the investment revaluation reserve. Where a deficit, or its reversal, arising from the revaluation of an investment property is expected to be permanent, it is charged to the profit and loss account. Other revaluations are recognised in the statement of total recognised gains and losses. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from the Companies Act 2006, which requires depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation.

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

Investments

Fixed assets 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.

Government grants

Income from government grants is recognised in the profit and loss account in the year of receipt.

GEORGE WILLIAMSON & CO. LTD
CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 MARCH 2011

	Note	2011 £'000	2010 £'000
Turnover	1	42,427	34,176
Cost of sales		<u>(31,062)</u>	<u>(20,336)</u>
Gross profit		11,365	13,840
Distribution costs		(2,862)	(2,629)
Administrative expenses		<u>(2,899)</u>	<u>(4,602)</u>
Operating profit		5,604	6,609
Other income	2	223	76
Interest payable and similar charges	4	(375)	(278)
Interest receivable and similar income	5	<u>98</u>	<u>95</u>
Profit on ordinary activities before taxation	3	5,550	6,502
Tax on profit on ordinary activities	7	<u>(2,412)</u>	<u>(2,570)</u>
Profit on ordinary activities after taxation		3,138	3,932
Equity minority interests		(1,480)	(1,805)
Retained profit for the year	18	<u><u>1,658</u></u>	<u><u>2,127</u></u>


All transactions arise from continuing operations

The accompanying accounting policies and notes form an integral part of these financial statements

GEORGE WILLIAMSON & CO. LTD
CONSOLIDATED BALANCE SHEET AT 31 MARCH 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Intangible assets	8	-	-
Goodwill		(3,926)	(4,195)
Negative goodwill	9	29,426	27,332
Tangible assets	10	423	457
Investments		<u>25,923</u>	<u>23,594</u>
Current assets			
Stocks	11	3,668	5,876
Debtors	12	6,927	9,191
Cash at bank and in hand		<u>12,852</u>	<u>12,177</u>
		<u>23,447</u>	<u>27,244</u>
Creditors: amounts falling due within one year	13	<u>(11,104)</u>	<u>(12,174)</u>
Net current assets		<u>12,343</u>	<u>15,070</u>
Total assets less current liabilities		<u>38,266</u>	<u>38,664</u>
Creditors: amounts falling due after more than one year	14	(3,586)	(3,755)
Provisions for liabilities and charges	15	<u>(2,302)</u>	<u>(2,333)</u>
		<u>32,378</u>	<u>32,576</u>
Capital and reserves			
Called up share capital	17	21	21
Capital redemption reserve		29	29
Profit and loss account	18	16,321	16,633
Revaluation reserve	19	2,665	4,031
Shareholders' funds - equity		<u>19,036</u>	<u>20,714</u>
Interest of minorities - equity		<u>13,342</u>	<u>11,862</u>
		<u>32,378</u>	<u>32,576</u>

The financial statements were approved by the Board of Directors on 22 December 2011.



P Magor - Director

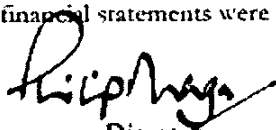
Company registered no. 1173126

The accompanying accounting policies and notes form an integral part of these financial statements.

GEORGE WILLIAMSON & CO. LTD
COMPANY BALANCE SHEET AT 31 MARCH 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	9	5,071	118
Investments	10	<u>2,327</u>	<u>2,330</u>
		7,398	2,448
Current assets			
Debtors	12	5,504	7,297
Cash at bank and in hand		<u>5,050</u>	<u>7,337</u>
		10,554	14,634
Creditors: amounts falling due within one year	13	<u>(11,069)</u>	<u>(10,793)</u>
Net current (liabilities)/assets		<u>(515)</u>	<u>3,841</u>
Total assets less current liabilities		<u>6,883</u>	<u>6,289</u>
Capital and reserves			
Called up share capital	17	21	21
Capital redemption reserve		29	29
Profit and loss account	18	<u>6,833</u>	<u>6,239</u>
Shareholders' funds - equity		<u>6,883</u>	<u>6,289</u>

The financial statements were approved by the Board of Directors on 22 December 2011.


P Magor - Director

The accompanying accounting policies and notes form an integral part of these financial statements

GEORGE WILLIAMSON & CO. LTD
CASH FLOW STATEMENT

For the year ended 31 MARCH 2011

	Note	2011 £'000	2010 £'000
Net cash inflow from operating activities	21	5,921	7,673
Interest received		98	95
Dividends received		20	-
Other income		203	76
Interest paid		(375)	(278)
Cash flows from operating activities		(54)	(107)
Taxation		(3,294)	(898)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(6,093)	(2,227)
Disposal of investments		-	47
Proceeds from sale of tangible fixed assets		897	3,175
Cash flows from investing activities		(5,196)	995
Financing			
Dividends paid to shareholders		-	(4,123)
Dividends paid to minority shareholders		(570)	-
New bank loan		3,000	-
Loan repayments		(285)	(515)
Net movement in borrowing		(208)	-
Cash flows from financing activities		1,937	(515)
(Decrease)/increase in cash	22	(686)	3,025

The accompanying accounting policies and notes form an integral part of these financial statements

GEORGE WILLIAMSON & CO. LTD

Other primary statements

For the year ended 31 MARCH 2011

Statement of total recognised gains and losses

	2011 £'000	2010 £'000
Profit for the financial year	1,658	2,127
Currency translation differences on foreign currency net investments	<u>(3,336)</u>	<u>435</u>
Total recognised gains and losses for the year	<u>(1,678)</u>	<u>2,562</u>

Note of historical cost profits and losses

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	5,550	6,502
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	<u>227</u>	<u>189</u>
Historical cost profit on ordinary activities before taxation	<u>5,777</u>	<u>6,691</u>

The accompanying accounting policies and notes form an integral part of these financial statements

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

1 Segmental analysis

	Net assets		Turnover		Pre-tax profit/(loss)	
	2011	2010	2011	2010	2011	2010
By activity	£'000	£'000	£'000	£'000	£'000	£'000
Tea	21,638	24,299	41,403	31,300	5,983	7,774
Other activities	10,740	8,278	1,024	2,876	(433)	(1,272)
	<u>32,378</u>	<u>32,576</u>	<u>42,427</u>	<u>34,176</u>	<u>5,550</u>	<u>6,502</u>

Geographically - by origin

Kenya	11,700	15,998	40,662	31,905	5,216	7,817
Tanzania	(259)	(510)	576	745	(197)	(307)
United Kingdom	20,937	17,088	1,189	1,526	531	(1,008)
	<u>32,378</u>	<u>32,576</u>	<u>42,427</u>	<u>34,176</u>	<u>5,550</u>	<u>6,502</u>

Geographically - by destination

	2011	2010
	£'000	£'000
Kenya	1,702	1,866
United Kingdom	40,725	31,566
Rest of Europe	-	744
	<u>42,427</u>	<u>34,176</u>

2 Other income

	2011	2010
	£'000	£'000
Other income from investments	<u>223</u>	<u>76</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after

	2011 £'000	2010 £'000
Auditors' remuneration		
United Kingdom audit services	31	31
Non-audit services - taxation	33	57
Other operating income	619	352
Government subsidies received	180	102
Depreciation and amortisation		
Goodwill	269	251
Tangible fixed assets owned	(1,439)	(1,388)
Rental on operating leases - property	31	58
Loss profit on disposal of fixed assets	(22)	(255)
Reorganisation costs	-	(505)

The reorganisation in 2010 relates to the closure of the UK packing plant and includes £271,000 of redundancy costs and £209,000 in respect of exiting the factory lease

4 Interest payable and similar charges

	2011 £'000	2010 £'000
Bank loans and overdrafts	375	278

5 Interest receivable and similar income

	2011 £'000	2010 £'000
Bank interest receivable	98	95

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

6 Directors and employees

Staff costs during the year were as follows

	2011 £'000	2010 £'000
Wages and salaries	7,631	6,811
Social security costs	235	157
Other pension costs	164	128
	<u>8,030</u>	<u>7,096</u>

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

	2011 Number	2010 Number
Agricultural, Engineering and others	<u>4,162</u>	<u>5,506</u>

Remuneration in respect of directors was as follows

	2011 £'000	2010 £'000
Emoluments	733	663
Pension contributions to money purchase pension schemes	-	55
	<u>733</u>	<u>718</u>

During the year one director (2010 one) participated in money purchase pension schemes

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

	2011 £'000	2010 £'000
Emoluments	575	530
Pension contributions to money purchase pension schemes	-	55
	<u>575</u>	<u>585</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

7 Tax on profit on ordinary activities

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

	2011 £'000	2010 £'000
Current tax:		
UK Corporation tax on profits in period	204	-
Adjustments in respect of prior year	57	-
Current year UK tax	<u>261</u>	<u>-</u>
Overseas tax	2,140	2,151
	<u>2,401</u>	<u>2,151</u>
Origination and reversal of timing differences - deferred tax	11	419
Total current tax	<u>2,412</u>	<u>2,570</u>
Factors affecting the tax charge for period		
Profit on ordinary activities before tax	<u>5,550</u>	<u>6,502</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2010 28%)	1,554	1,821
Effect of		
Expenses not deductible/(taxable) for tax purposes	274	(96)
Overseas losses not recognised	(2)	22
Profits credited at a lower rate of tax	151	150
Loss on dividend in specie	-	84
(Utilisation)/increase of tax losses	(10)	193
Difference between capital allowances and depreciation	(124)	(39)
Overseas tax	37	16
Amortisation not deductible for tax purposes	(75)	-
Write off of intercompany loans	539	-
Adjustments to tax charge in respect of prior periods	57	-
Current tax charge for period	<u>2,401</u>	<u>2,151</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

8 Intangible fixed assets

	Goodwill on consolidation £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 April 2010 and at 31 March 2011	<u>1,139</u>	<u>(5,376)</u>	<u>(4,237)</u>
Amortisation			
At 1 April 2010	(439)	1,181	742
Provided in the year	-	269	269
At 31 March 2011	<u>(439)</u>	<u>1,450</u>	<u>1,011</u>
Impairment provision at 1 April 2010 and 31 March 2011	(700)	-	(700)
Net book amount at 31 March 2011	<u>-</u>	<u>(3,926)</u>	<u>(3,926)</u>
Net book amount at 31 March 2010	<u>-</u>	<u>(4,195)</u>	<u>(4,195)</u>

Goodwill included above relates to the acquisition of Hortanzia Ltd and is amortised over its estimated useful life of 20 years on the basis of the agricultural nature of the business

The directors are 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, 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. Following the sale of the assets of Subati Ltd during the year ending 31 March 2008, the directors have retained the impairment provision in respect of the remaining investment on Hortanzia Ltd.

£798,000 of the negative goodwill arises on consolidation of the investments in Subati Ltd and Hortanzia Ltd. The remainder arose on the acquisitions of a further holding in Williamson Tea Holdings Ltd being the fair value of the assets acquired less consideration paid.

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

9 Tangible fixed assets**Group**

	Investment property £'000	Freehold and long leasehold Land £'000	Buildings £'000	Plant and machinery £'000	Total £'000
Cost or valuation					
At 1 April 2010	-	16,700	10,769	12,587	40,056
Additions	4,934	219	319	1,084	6,556
Exchange differences	-	(816)	(855)	(1,068)	(2,739)
Disposals	-	(727)	(26)	(303)	(1,056)
At 31 March 2011	<u>4,934</u>	<u>15,376</u>	<u>10,207</u>	<u>12,300</u>	<u>42,817</u>
Depreciation					
At 1 April 2010	-	1,201	4,930	6,593	12,724
Provided in the year	-	235	435	769	1,439
Exchange differences	-	(164)	(200)	(249)	(613)
Disposals	-	-	(13)	(146)	(159)
At 31 March 2011	<u>-</u>	<u>1,272</u>	<u>5,152</u>	<u>6,967</u>	<u>13,391</u>
Net book amount at 31 March 2011	<u>4,934</u>	<u>14,104</u>	<u>5,055</u>	<u>5,333</u>	<u>29,426</u>
Net book amount at 31 March 2010	<u>-</u>	<u>15,499</u>	<u>5,839</u>	<u>5,994</u>	<u>27,332</u>

The investment property was purchased in May 2010 and is stated above at the market value it was acquired. The directors do not consider the value to have changed as at 31 March 2011.

Land not depreciated amounts to £8,513,000 (2010 £8,513,000). Land depreciated represents expenditure on growing plants on the rose farms.

Exchange differences arising on translation of overseas assets at rates ruling at the date of the balance sheet amount to a loss in Kenya of £1,972,000 (2010 loss of £359,000) and a loss in Tanzania of £92,000 (2010 profit £20,000).

The freehold land for all group companies of the overseas subsidiaries was professionally revalued on 31 March 2007 on an existing use basis. The external valuers involved were 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.

If land and 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	3,855	4,431
Accumulated depreciation	-	(1,228)
Book value at 31 March 2011	<u>3,855</u>	<u>3,203</u>
Book value at 31 March 2010	<u>4,130</u>	<u>3,596</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

Tangible fixed assets (continued)

The land in Kenya consists of

	2011		2010	
	Hectares		Hectares	
	Grant area	Tea area	Grant area	Tea area
Freehold	1,100	1,091	1,100	1,091
Long lease (over 50 years)	4,331	4,301	4,331	4,301
	<u>5,431</u>	<u>5,392</u>	<u>5,431</u>	<u>5,392</u>

The short lease areas shown above include the properties held on rolling leaseholds in Kenya which can be considered substantially similar to freehold

Parent

	Investment property £,000	Vehicles, plant and equipment £'000	Total £,000
Cost			
At 1 April 2010	-	230	230
Additions	4,934	73	5,007
Disposals	-	(7)	(7)
At 31 March 2011	<u>4,934</u>	<u>296</u>	<u>5,230</u>
Depreciation			
At 1 April 2010	-	112	112
Charge for year	-	54	54
On disposals	-	(7)	(7)
At 31 March 2011	<u>-</u>	<u>159</u>	<u>159</u>
Net book value			
At 31 March 2011	<u>4,934</u>	<u>137</u>	<u>5,071</u>
Net book value			
At 31 March 2010	<u>-</u>	<u>118</u>	<u>118</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

10 Fixed asset investments**Group**

	Investments Unlisted £'000
Cost	
At 1 April 2010	533
Foreign exchange movements	(26)
Disposals	(8)
At 31 March 2011	<u>499</u>
Amounts written off	
At 1 April 2010	76
Provided in the year	-
At 31 March 2011	<u>76</u>
Net book amount at 31 March 2011	<u>423</u>
Net book amount at 31 March 2010	<u>457</u>

Investments includes a debenture held by the parent company of £55,500 (2010 £62,445) The movement on the debenture has been recognised in the profit and loss account

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

Fixed asset investments (continued)**Parent**

	Investments Unlisted £'000
Cost	
At 1 April 2010	17,524
Additions	4
At 31 March 2011	<u>17,528</u>
Amounts written off	
At 1 April 2010	15,194
Provided in the year	7
At 31 March 2011	<u>15,201</u>
Net book amount at 31 March 2011	<u>2,327</u>
Net book amount at 31 March 2010	<u>2,330</u>

Investments includes a debenture held by the parent company of £55,500 (2010 £62,445) The movement on the debenture has been recognised in the profit and loss account

11 Stocks

	Group	
	2011 £'000	2010 £'000
Unsold tea crop	2,032	4,365
Stocks, stores and work in progress	<u>1,636</u>	<u>1,511</u>
	<u>3,668</u>	<u>5,876</u>

12 Debtors

	Group		Parent	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade debtors	4,409	6,788	4,047	5,238
Amounts owed by subsidiary undertakings	-	-	906	943
Other debtors	2,005	2,391	301	801
Corporation tax	513	-	250	299
Prepayments	-	12	-	12
	<u>6,927</u>	<u>9,191</u>	<u>5,504</u>	<u>7,297</u>

Included with other debtors are amounts due from directors of £275,000 (2010 £21,000) Included within other debtors are amounts due after one year of £195,000 (2010 £182,000)

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

13 Creditors: amounts falling due within one year

	Group		Parent	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 14)	3,610	860	3,000	-
Trade creditors	1,174	2,120	51	298
Amounts due to subsidiary undertakings	-	-	7,453	10,296
Social security and other taxation	141	89	141	89
Other creditors	5,460	6,154	8	32
Accruals	349	1,730	155	78
Corporation tax	370	1,221	261	-
	<u>11,104</u>	<u>12,174</u>	<u>11,069</u>	<u>10,793</u>

14 Creditors: amounts falling due after more than one year

	Group		Parent	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Bank loans (as shown below)	1,932	2,186	-	-
Other creditors	1,654	1,569	-	-
	<u>3,586</u>	<u>3,755</u>	<u>-</u>	<u>-</u>

Total borrowings as shown in note 13 and 14 are repayable as follows

	Group		Parent	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Within one year	3,610	860	3,000	-
Between one and two years	1,932	2,186	-	-
Between two and five years	-	-	-	-
	<u>5,542</u>	<u>3,046</u>	<u>3,000</u>	<u>-</u>

Loans carry interest at rates varying from floating to 8% and are repayable in the country of origin in instalments. The bank loan within the parent company of £3m is repayable on demand and incurs interest of 5.5% per annum. The parent company bank loan is secured on the investment property.

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

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For the year ended 31 MARCH 2011

15 Provisions for liabilities and charges

	Group Deferred taxation (note 16) £'000
At 1 April 2010	2,333
Exchange differences	(42)
Charge for year	11
At 31 March 2011	<u>2,302</u>

16 Deferred taxation

Deferred taxation provided for in the financial statements is set out below. There were no unprovided amounts of deferred taxation at 31 March 2011 or 31 March 2010.

	Group Amount provided	
	2011 £'000	2010 £'000
Accelerated capital allowances	2,836	2,872
Other timing differences	<u>(534)</u>	<u>(539)</u>
	<u>2,302</u>	<u>2,333</u>

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.

17 Share capital

	2011 £'000	2010 £'000
Authorised		
250,000 ordinary shares of £1 each	<u>250</u>	<u>250</u>
Allotted, called up and fully paid		
21,000 ordinary shares of £1 each	<u>21</u>	<u>21</u>

GEORGE WILLIAMSON & CO. LTD

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For the year ended 31 MARCH 2011

18 Profit and loss account

	Group £'000	Parent £'000
At 1 April 2010	16,633	6,239
Exchange differences	(1,970)	-
Retained profit for the year	1,658	594
At 31 March 2011	<u>16,321</u>	<u>6,833</u>

The profit for the financial year dealt with in the financial statements of the parent company was £594,000 (2010 loss of £115,000). 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 (2010 £936,000).

19 Group revaluation reserve

	£'000
At 1 April 2010	4,031
Exchange differences	(1,366)
At 31 March 2011	<u>2,665</u>

The reserves of the George Williamson & Co Limited 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.

20 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit for the financial year	1,658	2,127
Dividends paid	-	(4,122)
Other recognised gains and losses	(3,336)	85
Movement in shareholders' funds	<u>(1,678)</u>	<u>(1,910)</u>
Shareholders' funds at 1 April 2010	20,714	22,624
Shareholders' funds at 31 March 2011	<u>19,036</u>	<u>20,714</u>

GEORGE WILLIAMSON & CO. LTD

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For the year ended 31 MARCH 2011

21 Net cash outflow from operating activities

	2011 £'000	2010 £'000
Operating profit	5,604	6,609
Depreciation	1,439	1,388
Amortisation	(269)	(251)
Decrease in provisions	(357)	-
Decrease/(increase) in stock	2,208	(1,617)
Decrease in debtors	2,777	50
(Decrease)/increase in creditors	(4,364)	1,495
Net changes in currency values	(1,117)	(1)
Net cash inflow from operating activities	<u>5,921</u>	<u>7,673</u>

22 Reconciliation of net cash flow to movement in net debt

	2011 £'000	2010 £'000
(Decrease)/increase in cash in the year	(686)	3,025
Increase in net debt in the year	<u>285</u>	<u>515</u>
Change in net debt resulting from cash flows	(401)	3,540
Inception of finance leases	-	-
Movement in net funds in the year	<u>(401)</u>	<u>3,540</u>
Net funds at 1 April 2010	<u>9,131</u>	<u>5,591</u>
Net funds at 31 March 2011	<u>8,730</u>	<u>9,131</u>

23 Analysis of changes in net debt

	At 1 Apr 2010 £'000	Cash flow £'000	At 31 Mar 2011 £'000
Cash in hand	12,177	675	12,852
Overdraft	(11)	11	-
Debt due within one year	(849)	(2,761)	(3,610)
Debt due over one year	<u>(2,186)</u>	<u>254</u>	<u>(1,932)</u>
	<u>9,131</u>	<u>(1,821)</u>	<u>7,310</u>

24 Guarantees

Guarantees totalling £nil (2010 £21,000) in respect of overseas bank advances have been given by members of the George Williamson & Co Limited group

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

25 Capital commitments

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

	Group		Parent	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Capital commitments	424	215	-	-

26 Contingent assets/liabilities

There were no contingent liabilities at 31 March 2011 or 31 March 2010

27 Retirement benefits**Defined Contribution Scheme**

Group contributions to the defined contribution schemes during the year were £164,000 (2010 £128,000)

28 Leasing commitments

Operating lease payments amounting to £ 284,000 (2010 £522,000) are due within one year The leases to which these amounts relate expire as follows

	2011	2010
	Property	Property
	leases	Leases
	£'000	£
In one year or less	284	262
Between one and five years	65	260
In five years or more	-	-
	349	522

29 Transactions with directors and other related parties

Included within other debtors is £275,000 (2010 £17,000) due from P Magor

The company has taken advantage of the exemption in Financial Reporting Standard 8 "Related party disclosures" and has not disclosed transactions with group undertakings

There are no other related party transactions

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2011

30 Principal subsidiary and associated undertakings at 31 March 2011

	% held	Country of registration/ incorporation and operation	Activity
Little Bedwyn Estate Ltd	*100	England and Wales	Arable farming
Williamson Tea Holdings Ltd and its principal subsidiary undertakings	*96	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
Williamson Tea Kenya Ltd (Group)	51	Kenya	Tea producers
Kapchorua Tea Co Ltd	64	Kenya	Tea producers
Subati Ltd	68	Kenya	Rose growing
			Managing Agents & Tea producers
Tinderet Tea Estates (1989) Ltd	51	Kenya	
Hortanzia Ltd	68	Tanzania	Rose growing

*held by parent

All of the subsidiary undertakings have been consolidated in the group financial statements

31 Ultimate controlling party

The directors consider that the controlling parties of the group are the directors of the company by virtue of their majority shareholding