

**GEORGE WILLIAMSON &
CO. LTD**

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS**

**For the year ended
31 MARCH 2009**

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Company no 1173126

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

For the year ended 31 MARCH 2009

Company registration number:	1173126
Registered office:	5 West Mills Newbury Berkshire RG14 5HG
Directors:	P Magor ACA (Chairman) Mrs A C Magor Mrs J M T 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 2009

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GEORGE WILLIAMSON & CO. LTD

NOTICE IS HEREBY GIVEN that the **THIRTY SECOND ANNUAL GENERAL MEETING** of the members will be held at 5 West Mills, Newbury on 2009 at for the following purposes:

1. To review and adopt the Directors' Report and Financial Statements for the year ended 31 March 2009.
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

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 2009.

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.

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 farms recorded a profit with a more balanced world supply and demand position bringing better tea prices.

We remain primarily a farming business and therefore our operations will always be subject to prevailing weather conditions and their effect on tea production.

Tensions following violence over the December 2007 elections gradually reduced during the year. However total reconciliation is very far from complete and we cannot therefore predict any impact this may have on the business in the future.

Both the Hortanzia rose farm in Tanzania and the UK tea packing business had further disappointing years and their performance has prompted a re-appraisal of these investments. It is also disappointing to again see low UK arable produce prices which has brought forward the conversion of the UK farm to organic status.

Dividends

The directors do not recommend the payment of a final dividend (2008: £nil).

Directors

The directors during the year under review were:

P Magor
Mrs A C Magor
Mrs J M T Magor

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 United Kingdom Accounting Standards (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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 audit information and to establish that the auditors are aware of that information.

The directors are responsible for keeping proper 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.

Political and charitable contributions

Political donations of £nil (2008: £nil) were made during the year. Various charitable contributions totalling £nil (2008: £nil) were made during the year.

Auditors

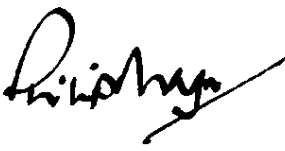
Grant Thornton UK LLP, having offered themselves for reappointment as auditors shall be deemed to be reappointed for the next financial year in accordance with Section 485 of the Companies Act 2006.

Post balance sheet event

It is with regret that after the year end the Directors decided on the 8th July 2009, after due and proper consultation with employees, to close the factory at Houghton Regis which was operating in Williamson Fine Teas Limited. All employees took voluntary redundancy and the factory closed for business on 31st August 2009.

ON BEHALF OF THE BOARD

P Magor
Director


18 December 2009

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

We have audited the group and parent company financial statements (the "financial statements") of George Williamson & Co Ltd for the year ended 31 March 2009 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 32. 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 Sections 495 and 496 of the Companies Act 1985. Our 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 the 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements 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.

GEORGE WILLIAMSON & CO. LTD
REPORT OF THE INDEPENDENT AUDITORS

**REPORT OF THE AUDITORS TO THE MEMBERS 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 2009 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 2009.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LONDON

18 December 2009

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 1985 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 31) drawn up to 31 March 2009.
- (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. 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 1985, 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.

GEORGE WILLIAMSON & CO. LTD
CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 MARCH 2009

	Note	2009 £'000	2008 £'000
Turnover	1	24,812	20,157
Cost of sales		<u>(16,982)</u>	<u>(15,689)</u>
Gross profit		7,830	4,468
Distribution costs		(2,065)	(1,368)
Administrative expenses		<u>(6,341)</u>	<u>(6,100)</u>
Operating loss		(576)	(3,000)
Exceptional items	2	7	375
Other income	3	97	393
Interest payable and similar charges	5	(363)	(106)
Interest receivable and similar income	6	<u>311</u>	<u>1,217</u>
Loss on ordinary activities before taxation	4	(524)	(1,121)
Tax on loss on ordinary activities	8	<u>(549)</u>	<u>(328)</u>
Loss on ordinary activities after taxation		(1,073)	(1,449)
Equity minority interests		(221)	881
Retained loss for the year	19	<u>(1,294)</u>	<u>(568)</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 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Intangible assets	9		
Goodwill		18	75
Negative goodwill		(4,464)	(4,699)
Tangible assets	10	30,280	29,328
Investments	11	612	627
		<u>26,446</u>	<u>25,331</u>
Current assets			
Stocks	12	4,259	2,688
Debtors	13	9,241	7,668
Cash at bank and in hand		9,130	9,588
		<u>22,630</u>	<u>19,944</u>
Creditors: amounts falling due within one year	14	<u>(9,171)</u>	<u>(6,223)</u>
Net current assets		<u>13,459</u>	<u>13,721</u>
Total assets less current liabilities		<u>39,905</u>	<u>39,052</u>
Creditors: amounts falling due after more than one year	15	<u>(4,153)</u>	<u>(3,904)</u>
Provisions for liabilities and charges	16	<u>(1,916)</u>	<u>(1,556)</u>
		<u>33,836</u>	<u>33,592</u>
Capital and reserves			
Called up share capital	18	21	21
Capital redemption reserve		29	29
Profit and loss account	19	18,978	20,083
Revaluation reserve	20	3,596	3,469
Shareholders' funds - equity		<u>22,624</u>	<u>23,602</u>
Interest of minorities - equity		<u>11,212</u>	<u>9,990</u>
		<u>33,836</u>	<u>33,592</u>

The financial statements were approved by the Board of Directors on *18 December* 2009.

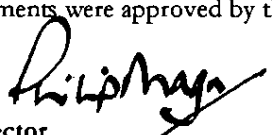

P Magor - Director

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

GEORGE WILLIAMSON & CO. LTD
COMPANY BALANCE SHEET AT 31 MARCH 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	10	93	170
Investments	11	<u>12,428</u>	<u>12,221</u>
		<u>12,521</u>	<u>12,391</u>
Current assets			
Debtors	13	5,425	3,455
Cash at bank and in hand		<u>1,079</u>	<u>479</u>
		<u>6,504</u>	<u>3,934</u>
Creditors: amounts falling due within one year	14	<u>(8,499)</u>	<u>(11,427)</u>
Net current liabilities		<u>(1,995)</u>	<u>(7,493)</u>
Total assets less current liabilities		<u>10,526</u>	<u>4,898</u>
Capital and reserves			
Called up share capital	18	21	21
Capital redemption reserve		29	29
Profit and loss account	19	<u>10,476</u>	<u>4,848</u>
Shareholders' funds - equity		<u>10,526</u>	<u>4,898</u>

The financial statements were approved by the Board of Directors on *18 December* 2009.


P Magor - Director

Company no 1173126

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 2009

	Note	2009 £'000	2008 £'000
Net cash inflow/(outflow) from operating activities	22	2,033	(2,991)
Returns on investments and servicing of finance			
Interest received		311	1,217
Dividends paid		21	80
Other income		76	313
Interest paid		(363)	(106)
Dividends paid to minority shareholders in subsidiary undertakings		(1)	(16)
Net cash inflow from returns on investments and servicing of finance		<u>44</u>	<u>1,488</u>
Taxation		(94)	(478)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(3,266)	(9,754)
Purchase of investments		-	(4)
Sale of tangible fixed assets		<u>445</u>	<u>7,845</u>
Net cash outflow from capital expenditure and financial investment		<u>(2,821)</u>	<u>(1,913)</u>
Acquisitions and disposals			
Purchase of interest in subsidiaries		(216)	(93)
Net cash outflow from acquisitions and disposals		<u>(216)</u>	<u>(93)</u>
Equity dividends paid			-
Financing			
Net movement in borrowing		<u>214</u>	<u>(1,581)</u>
Net cash outflow from financing		<u>214</u>	<u>(1,581)</u>
Decrease in cash	23	<u>(840)</u>	<u>(5,568)</u>

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 2009

Statement of total recognised gains and losses

	2009 £'000	2008 £'000
Loss for the financial year	(1,294)	(568)
Currency translation differences on foreign currency net investments	316	5
Total recognised gains and losses for the year	<u>(978)</u>	<u>(563)</u>

Note of historical cost profits and losses

	2009 £'000	2008 £'000
Loss on ordinary activities before taxation	(1,294)	(1,121)
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	291	634
Historical cost loss on ordinary activities before taxation	<u>(1,003)</u>	<u>(487)</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2009

1 Segmental analysis

	Net assets		Turnover		Pre-tax (loss)/profit	
	2009	2008	2009	2008	2009	2008
By activity	£'000	£'000	£'000	£'000	£'000	£'000
Tea	20,494	22,238	17,971	19,045	1,599	(3,890)
Other activities	13,342	11,354	6,841	1,112	(2,122)	2,769
	<u>33,836</u>	<u>33,592</u>	<u>24,812</u>	<u>20,157</u>	<u>(524)</u>	<u>(1,121)</u>

Geographically - by origin

	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000
Kenya	21,341	21,000	18,798	14,912	1,672	(2,206)
Tanzania	(86)	(871)	891	655	(334)	(1,455)
United Kingdom	12,581	13,463	5,123	4,590	(1,861)	2,540
	<u>33,836</u>	<u>33,592</u>	<u>24,812</u>	<u>20,157</u>	<u>(524)</u>	<u>(1,121)</u>

Geographically - by destination

	2009	2008
	£'000	£'000
Kenya	2,492	3,418
United Kingdom	21,632	14,237
Rest of Europe	506	580
Japan		1,173
Others	182	749
	<u>24,812</u>	<u>20,157</u>

2 Exceptional item

	2009	2008
	£'000	£'000
Profit on disposal of fixed assets	7	1,119
Loss on sale of assets of subsidiary	-	(744)
	<u>7</u>	<u>375</u>

3 Other income

	2009	2008
	£'000	£'000
Other income from investments	<u>97</u>	<u>393</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2009

4 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after:

	2009 £'000	2008 £'000
Auditors' remuneration:		
United Kingdom audit services	31	38
Non-audit services - taxation	39	54
Depreciation and amortisation:		
Goodwill	(178)	(161)
Tangible fixed assets owned	1,573	1,590
Impairment of investment property	1,212	-
Rental on operating leases - property	42	79

5 Interest payable and similar charges

	2009 £'000	2008 £'000
Bank loans and overdrafts	363	106

6 Interest receivable and similar income

	2009 £'000	2008 £'000
Bank interest receivable	311	1,217

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2009

7 Directors and employees

Staff costs during the year were as follows:

	2009 £'000	2008 £'000
Wages and salaries	7,036	6,432
Social security costs	444	429
Other pension costs	176	200
Redundancy	62	-
	<u>7,718</u>	<u>7,061</u>

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

	2009 Number	2008 Number
Agricultural (overseas)	5,281	6,044
Engineering and others	111	190
	<u>5,392</u>	<u>6,234</u>

Remuneration in respect of directors was as follows:

	2009 £'000	2008 £'000
Emoluments	918	921
Pension contributions to money purchase pension schemes	50	50
	<u>968</u>	<u>971</u>

During the year one director (2008: one) participated in money purchase pension schemes.

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

	2009 £'000	2008 £'000
Emoluments	671	791
Pension contributions to money purchase pension schemes	50	50
	<u>721</u>	<u>841</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2009

8 Tax on profit on ordinary activities

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

	2009 £'000	2008 £'000
Current tax:		
Adjustments in respect of prior year	19	29
Foreign tax	204	297
	<u>223</u>	<u>326</u>
Origination and reversal of timing differences - deferred tax	326	2
Total current tax	<u>549</u>	<u>328</u>
 Factors affecting the tax charge for period		
Loss on ordinary activities before tax	<u>(524)</u>	<u>(1,121)</u>
 Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2008: 30%)	(147)	(336)
 Effect of:		
Expenses not deductible for tax purposes	375	(6)
Overseas losses not recognised	(208)	662
Other adjustments re differences in rates	1	6
Utilisation of tax losses	201	(20)
Difference between capital allowances and depreciation	(18)	(30)
Overseas tax	-	21
Adjustments to tax charge in respect of prior periods	19	29
Current tax charge for period	<u>223</u>	<u>326</u>

9 Intangible fixed assets

	Goodwill on consolidation £'000	Negative goodwill £'000	Total £'000
Cost			
At 1 April 2008 and at 31 March 2009	<u>1,139</u>	<u>(5,376)</u>	<u>(4,237)</u>
Amortisation			
At 1 April 2008	364	(677)	(313)
Provided in the year	57	(235)	(178)
At 31 March 2009	<u>421</u>	<u>(912)</u>	<u>(491)</u>
Impairment provision at 1 April 2008 and 31 March 2009	(700)	-	(700)
Net book amount at 31 March 2009	<u>18</u>	<u>(4,464)</u>	<u>(4,446)</u>
Net book amount at 31 March 2008	<u>75</u>	<u>(4,699)</u>	<u>(4,624)</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2009

Intangible fixed assets (continued)

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 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. Following the sale of the assets of Subati Limited last year, the directors have retained the impairment provision in respect of the remaining investment on Hortanzia Limited.

£798,000 of the negative goodwill arises on consolidation of the investments in Subati Limited and Hortanzia Limited. 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.

10 Tangible fixed assets**Group**

	Investment properties £'000	Land £'000	Buildings £'000	Plant and machinery £'000	Total £'000
Cost or valuation					
At 1 April 2008	-	12,187	15,849	13,302	41,338
Additions	-	603	1,548	1,115	3,266
Transfers	3,812	-	(3,812)	-	-
Exchange differences	-	573	542	447	1,562
Disposals	-	(162)	(508)	(712)	(1,382)
At 31 March 2009	<u>3,812</u>	<u>13,201</u>	<u>13,619</u>	<u>14,152</u>	<u>44,784</u>
Depreciation					
At 1 April 2008	-	784	4,031	7,195	12,010
Provided in the year	-	172	468	933	1,573
Impairment	1,212	-	-	-	1,212
Exchange differences	-	131	70	154	355
Disposals	-	-	(66)	(580)	(646)
At 31 March 2009	<u>1,212</u>	<u>1,087</u>	<u>4,503</u>	<u>7,702</u>	<u>14,504</u>
Net book amount at 31 March 2009	<u>2,600</u>	<u>12,114</u>	<u>9,116</u>	<u>6,450</u>	<u>30,280</u>
Net book amount at 31 March 2008	<u>-</u>	<u>11,403</u>	<u>11,818</u>	<u>6,107</u>	<u>29,328</u>

During the year the Group transferred a building to investment properties. The directors valuation of £2.6m gave rise to an impairment on the historical cost of £1.2m which has been recognised in the profit and loss account. Depreciation charged to date on this property was reversed in the period.

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Tangible fixed assets (continued)

Land not depreciated amounts to £8,513,000 (2008: £18,155,000). 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 profit in Kenya of £1,113,000 (2008: £1,680,000) and a profit in Tanzania of £91,000 (2008: loss £7,000).

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 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	7,770	8,115
Accumulated depreciation	(922)	(435)
Book value at 31 March 2009	6,848	7,680
Book value at 31 March 2008	5,828	7,576

The land in Kenya consists of:

	2009 Hectares		2008 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
	5,431	5,392	5,431	5,392

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

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Notes to the financial statements

For the year ended 31 MARCH 2009

Tangible fixed assets (continued)**Parent**

	Vehicles, plant and equipment £'000
Cost	
At 1 April 2008	326
Additions	18
Disposals	(127)
At 31 March 2009	<u>217</u>
Depreciation	
At 1 April 2008	156
Charge for year	50
On disposals	(82)
At 31 March 2009	<u>124</u>
Net book value	
At 31 March 2009	<u>93</u>
Net book value	
At 31 March 2008	<u>170</u>

11 Fixed asset investments

	Investments Unlisted £'000
Cost	
At 1 April 2008	674
Additions	14
At 31 March 2009	<u>688</u>
Amounts written off	
At 1 April 2008	47
Provided in the year	29
At 31 March 2009	<u>76</u>
Net book amount at 31 March 2009	<u>612</u>
Net book amount at 31 March 2008	<u>627</u>

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Notes to the financial statements

For the year ended 31 MARCH 2009

Fixed asset investments (continued)**Parent**

	Investments Unlisted £'000
Cost	
At 1 April 2008	17,239
Additions	215
At 31 March 2009	<u>17,454</u>
Amounts written off	
At 1 April 2008	5,018
Provided in the year	8
At 31 March 2009	<u>5,026</u>
Net book amount at 31 March 2009	<u>12,428</u>
Net book amount at 31 March 2008	<u>12,221</u>

12 Stocks

	Group	2008
	2009	£'000
	£'000	£'000
Unsold tea crop	2,310	1,223
Stocks, stores and work in progress	1,949	1,465
	<u>4,259</u>	<u>2,688</u>

13 Debtors

	Group	Group	Parent	Parent
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Trade debtors	5,835	5,104	2,055	1,158
Amounts owed by subsidiary undertakings	-	-	2,299	1,479
Other debtors	3,153	2,100	743	587
Corporation tax	125	253	302	189
Prepayments	128	211	26	42
	<u>9,241</u>	<u>7,668</u>	<u>5,425</u>	<u>3,455</u>

Included with other debtors are amounts due from directors of £124,000 (2008: £2,000). Included within other debtors are amounts due after one year of £484,000 (2008: £484,000).

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Notes to the financial statements

For the year ended 31 MARCH 2009

14 Creditors: amounts falling due within one year

	Group		Parent	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 15)	838	456	-	-
Trade creditors	3,965	3,264	2,488	2,158
Amounts due to subsidiary undertakings	-	-	5,669	9,050
Social security	209	148	194	122
Other creditors	3,705	2,013	23	58
Accruals	454	342	125	39
	<u>9,171</u>	<u>6,223</u>	<u>8,499</u>	<u>11,427</u>

15 Creditors: amounts falling due after more than one year

	Group		Parent	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Bank loans (as shown below)	2,701	2,487	-	-
Other creditors	1,452	1,417	-	-
	<u>4,153</u>	<u>3,904</u>	<u>-</u>	<u>-</u>

Total borrowings as shown in note 14 and 15 are repayable as follows:

	Group		Parent	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Within one year	838	456	-	-
Between one and two years	2,180	2,487	-	-
Between two and five years	521	-	-	-
	<u>3,539</u>	<u>2,943</u>	<u>-</u>	<u>-</u>

Loan 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.

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2009

16 Provisions for liabilities and charges

	Group Deferred taxation (note 17) £'000
At 1 April 2008	1,556
Exchange differences	34
Charge for year	326
At 31 March 2009	<u>1,916</u>

17 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 2009 or 31 March 2008.

	Group Amount provided	
	2009	2008
	£'000	£'000
Accelerated capital allowances	2,816	2,357
Other timing differences	(900)	(801)
	<u>1,916</u>	<u>1,556</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.

18 Share capital

	2009	2008
	£'000	£'000
Authorised		
250,000 ordinary shares of £1 each	<u>250</u>	<u>250</u>
Allotted, called up and fully paid		
40,000 ordinary shares of £1 each	<u>21</u>	<u>21</u>

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2009

19 Profit and loss account

	Group £'000	Parent £'000
At 1 April 2008	20,083	4,848
Exchange differences	189	-
Retained (loss)/profit for the year	(1,294)	5,628
At 31 March 2009	<u>18,978</u>	<u>10,476</u>

The profit for the financial year dealt with in the financial statements of the parent company was £5,628,000 (2008: loss £1,189,000). 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 (2008: £936,000).

20 Group revaluation reserve

	£'000
At 1 April 2008	3,469
Exchange differences	127
At 31 March 2009	<u>3,596</u>

The reserves of the Williamson Tea Holdings Ltd 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.

21 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Loss for the financial year	(1,294)	(568)
Other recognised gains and losses	316	5
Movement in shareholders' funds	(978)	(563)
Shareholders' funds at 1 April 2008	<u>23,602</u>	<u>24,165</u>
Shareholders' funds at 31 March 2009	<u>22,624</u>	<u>23,602</u>

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Notes to the financial statements

For the year ended 31 MARCH 2009

22 Net cash outflow from operating activities

	2009 £'000	2008 £'000
Operating loss	(576)	(3,000)
Depreciation	1,573	1,590
Amortisation	(178)	(161)
Impairment of investment properties	1,212	-
(Increase)/decrease in stock	(1,571)	1,112
Increase in debtors	(1,701)	(1,762)
Increase/(decrease) in creditors	3,236	(770)
Net changes in currency values	38	-
Net cash inflow/(outflow) from operating activities	<u>2,033</u>	<u>(2,991)</u>

23 Reconciliation of net cash flow to movement in net debt

	2009 £'000	2008 £'000
Decrease in cash in the year	(840)	(3,987)
Increase in net debt in the year	(214)	(1,581)
Change in net debt resulting from cash flows	<u>(1,054)</u>	<u>(5,568)</u>
Inception of finance leases	-	-
Movement in net funds in the year	<u>(1,054)</u>	<u>(5,568)</u>
Net funds at 1 April 2008	6,645	12,213
Net funds at 31 March 2009	<u>5,591</u>	<u>6,645</u>

24 Analysis of changes in net debt

	At 1 Apr 2008 £'000	Cash flow £'000	At 31 Mar 2009 £'000
Cash in hand	9,588	(458)	9,130
Overdraft	(456)	(382)	(838)
Debt	<u>(2,487)</u>	<u>(214)</u>	<u>(2,701)</u>
	<u>6,645</u>	<u>(1,054)</u>	<u>5,591</u>

25 Guarantees

Guarantees totalling £373,000 (2008: £373,000) in respect of overseas bank advances have been given by members of the Williamson Tea Holdings Ltd group.

GEORGE WILLIAMSON & CO. LTD

Notes to the financial statements

For the year ended 31 MARCH 2009

26 Capital commitments

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

	Group		Parent	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Capital commitments	657	212	-	-

27 Contingent assets/liabilities

There were no contingent liabilities at 31 March 2009 or 31 March 2008.

28 Retirement benefits**Defined Contribution Scheme**

Group contributions to the defined contribution schemes during the year were £176,000 (2008: £180,000).

29 Leasing commitments

Operating lease payments amounting to £606,000 (2008: £434,000) are due within one year. The leases to which these amounts relate expire as follows:

	2009	2008
	Property	Property
	leases	Leases
	£'000	£
In one year or less	266	173
Between one and five years	262	182
In five years or more	79	79
	<u>606</u>	<u>434</u>

30 Transactions with directors/and other related parties

Related party	Nature of transaction	Transaction Dr/(Cr)	Outstanding at 31 March 2009 £'000	Outstanding at 31 March 2008 £'000
E Magor	Loan	-	270	270
L Magor	Loan	-	214	214

Included within other debtors is £127,000 of amounts 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 2009

31 Principal subsidiary and associated undertakings at 31 March 2009

	% 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
Kapchorua Tea Co Ltd	64	Kenya	Tea producers
Subati Ltd	68	Kenya	Rose growing
			Managing Agents & Tea
Tinderet Tea Estates (1989) Ltd	51	Kenya	producers
Hortanzia Ltd	68	Tanzania	Rose growing

*held by parent

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

32 Post balance sheet event

It is with regret that after the year end the Directors decided on the 8th July 2009, after due and proper consultation with employees, to close the factory at Houghton Regis which was operating in Williamson Fine Teas Limited. All employees took voluntary redundancy and the factory closed for business on 31st August 2009.