GEORGE WILLIAMSON & CO. LTD

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

For the year ended 31 MARCH 2015

Company no 1173126

Company registration number:	1173126
Registered office:	Little Bedwyn Estate Little Bedwyn Marlborough Wiltshire SN8 3JR
Directors:	P Magor ACA (Chairman) Mrs A C Magor Mr E 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

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NOTICE IS HEREBY GIVEN that the THIRTY FOURTH ANNUAL GENERAL MEETING of the members will be held at Little Bedwyn Estate on 2015 for the following purposes:

1. To review and adopt the Directors' Report and Financial Statements for the year ended 31 March 2015.

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 28.7.2015

Little Bedwyn Estate
Little Bedwyn
Marlborough
Wiltshire
SN8 3JR

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 2015.

Principal activities

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

Details of principal subsidiary companies of the group are given in note 29 to these financial statements.

Dividends

The directors do not recommend the payment of a final dividend (2014: £nil). Dividends of £2.1m were paid during the year (2014: £nil).

Directors

The directors during the year under review were:

P Magor
Mrs A C Magor
Mr E C Magor

No directors are required to retire under the Articles of Association.

Statement of directors' responsibilities

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

Company law requires the directors to prepare strategic report and 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.

Statement of directors' responsibilities (continued)

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.

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

Philip Magor

P Magor
Director
28.7 2015

Business review

The Kenya tea farms enjoyed reasonable weather conditions for the first three quarters of the year but a serious and prolonged dry spell in the final quarter significantly reduced the crop on offer. The period recorded the driest spell for over 50 years, an unpreventable risk associated with rain fed agriculture; when the crops decline the costs go up and thus the operating profits dropped.

However the lower crops have seen an improvement in prices for the new financial year.

The Kenya farms have worked hard to ensure security of firewood for the factories and by 2018 the extensive gum plantations will give self-sufficiency to process the green leaf from the farms and the many thousands of smallholders who supply us. The automation for quality continues both in the field and factories as we focus on a smaller highly trained and motivated workforce.

The matter of new 99 year titles to replace the freehold and 999 year titles for the farms from the adoption of the new Constitution in August 2010 lingers on. There is much political mischief and significant threats to take away the land entirely into local community ownership by unlawful means, contrary to the laws of Kenya. Great efforts are being made to alert all relevant parties of what is going on with a view to getting Kenyan Government confirmation that the new 99 year leases do indeed start in 2010.

Williamson Fine Teas has continued to consolidate its position as the only tea retailer sourcing teas solely from its own farms, offering 'Bush to Cup Transparency' of the entire production process to the consumer.

The company has looked to expand its export market, as well as capitalize on the growth of e-commerce through the development of a new website and product range due to be launched later this year.

Little Bedwyn Estate greatly reduced the area under organic certification due to the pernicious weed burden that was hindering farming activities. Grain prices remain depressed making operating profits hard to achieve.

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.

Key performance indicators

The Directors are mindful of the long term nature of growing tea and the significant impact that weather can have on production.

In consequence weekly weather reports and fortnightly crop production figures are key indicators from the farm and weekly Mombasa Auction market reports are essential for market trends.

Approval

The strategic report was approved by the Board of Directors on 28th July 2015 and signed on its behalf by:

Philip Magor

P Magor
Director
28.7 2015

GrantThornton

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 2015 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 pages 2 and 3, 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 FRC's website at www.frc.org.uk/apb/scope/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 2015 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 and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Grant Thornton

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

28th July 2015

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 29) drawn up to 31 March 2015.

(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) All subsidiaries consolidated within these financial statements have co-terminous year ends.

(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, royalties for use of the Williamsons brand, 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 is 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 of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Freehold and long leasehold land	no depreciation charged
Buildings	2% to 25%
Plant and machinery	5% to 25%

Leasing contracts

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

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.

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 2015

	Note	2015 £'000	2014 £'000
Turnover	1	**29,148**	38,411
Cost of sales		**(22,459)**	(26,569)
Gross profit		**6,689**	11,842
Distribution costs		**(2,347)**	(1,515)
Administrative expenses		**(3,183)**	(6,345)
Operating profit		**1,159**	3,982
Other income	2	**309**	221
Interest payable and similar charges	4	**(234)**	(116)
Interest receivable and similar income	5	**646**	503
Profit on ordinary activities before taxation	3	**1,880**	4,590
Tax on profit on ordinary activities	7	**(726)**	(1,950)
Profit on ordinary activities after taxation		**1,154**	2,640
Equity minority interests		**(385)**	(2,057)
Retained profit for the year	17	**769**	583

All transactions arise from continuing operations.

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

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	8	**30,918**	28,056
Investments	9	**185**	135
		31,103	28,191
Current assets			
Stocks	10	**5,333**	5,621
Debtors	11	**13,407**	6,486
Cash at bank and in hand		**12,059**	15,729
		30,799	27,836
Creditors: amounts falling due within one year	12	**(10,342)**	(6,985)
Net current assets		**20,457**	20,851
Total assets less current liabilities		**51,560**	49,042
Creditors: amounts falling due after more than one year	13	**(3,944)**	(3,254)
Provisions for liabilities and charges	14	**(4,474)**	(2,997)
Total assets		**43,142**	42,791
Capital and reserves			
Called up share capital	16	**21**	21
Capital redemption reserve		**29**	29
Profit and loss account	17	**23,079**	22,627
Revaluation reserve	18	**2,022**	1,985
Shareholders' funds - equity	19	**25,151**	24,662
Interest of minorities - equity		**17,991**	18,129
Total equity		**43,142**	42,791

The financial statements were approved by the Board of Directors on 28th July 2015.

P Magor - Director

Company registered no: 1173126

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

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	8	**5,152**	5,549
Investments	9	**3,837**	3,786
		8,989	9,335
Current assets			
Debtors	11	**3,533**	6,011
Cash at bank and in hand		**4,141**	6,337
		7,674	12,348
Creditors: amounts falling due within one year	12	**(7,727)**	(10,356)
Net current (liabilities)/assets		**(53)**	1,992
Total assets less current liabilities		**8,936**	11,327
Creditors: amounts falling due after more than one year	13	**(23)**	-
Provision for liabilities and charges	14	**(50)**	-
Total assets		**8,863**	11,327
Capital and reserves			
Called up share capital	16	**21**	21
Capital redemption reserve		**29**	29
Revaluation reserve	18	**16**	416
Profit and loss account	17	**8,797**	10,861
Shareholders' funds - equity		**8,863**	11,327

The financial statements were approved by the Board of Directors on 28th July 2015.

Philip Magor

P Magor - Director

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

For the year ended 31 MARCH 2015

	Note	2015 £'000	2014 £'000
Net cash inflow/(outflow) from operating activities	20	**694**	3,146
Interest received		**646**	503
Other income		**(284)**	221
Interest paid		**(234)**	(116)
Cash flows from returns on investment and servicing of finance		**128**	608
Taxation		**1,087**	(3,413)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(3,426)**	(2,760)
Purchase of investments		**(50)**	-
Proceeds from sale of tangible fixed assets		**198**	128
Cash flows from investing activities		**(3,278)**	(2,632)
Financing			
Dividends paid to shareholders		**(2,100)**	-
Dividends paid to minority shareholders		**(384)**	(395)
Loan repayments		**-**	(49)
Finance lease receipts/(repayments)		**83**	(3)
Cash flows from financing activities		**(2,301)**	(447)
Decrease in cash	**21**	**(3,670)**	(2,738)

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

Statement of total recognised gains and losses

	2015 £'000	2014 £'000
Profit for the financial year	**769**	550
Currency translation differences on foreign currency net investments	**1,823**	(2,228)
Revaluation of investment property	**(400)**	416
Total recognised gains and losses for the year	**2,192**	(1,262)

Note of historical cost profits and losses

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	**769**	550
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	**170**	241
Historical cost profit on ordinary activities before taxation	**939**	791

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

1 Segmental analysis

	Net assets		Turnover		Pre-tax profit/(loss)	
	2015	2014	**2015**	2014	**2015**	2014
By activity	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Tea	**31,108**	29,440	**28,763**	38,098	**2,209**	4,999
Other activities	**12,057**	13,324	**385**	313	**(329)**	(357)
	43,165	42,764	**29,148**	38,411	**1,855**	4,642
Geographically - by origin						
Kenya	**23,822**	14,779	**27,585**	36,945	**2,037**	4,446
United Kingdom	**19,343**	27,985	**1,563**	1,466	**(157)**	196
	43,165	42,764	**29,148**	38,411	**1,855**	4,642

Geographically - by destination	**2015**	2014
	£'000	£'000
Kenya	**736**	953
United Kingdom	**28,412**	37,458
	29,148	38,411

2 Other income

	2015	2014
	£'000	£'000
Rental income	**180**	148
Dividends received	**22**	73
Other income from investments	**107**	-
	309	221

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after:

	2015 £'000	2014 £'000
Auditors' remuneration:		
United Kingdom audit services	**25**	27
Non-audit services - taxation	**20**	12
- preparation of financial statements	**5**	5
Government subsidies received	**-**	105
Depreciation and amortisation:		
Tangible fixed assets - owned	**2,164**	2,126
- on hire purchase	**13**	-
Rental on operating leases - property	**12**	20
(Profit) on disposal of fixed assets	**(56)**	(50)

4 *Interest payable and similar charges*

	2015 £'000	2014 £'000
Bank loans and overdrafts	**234**	116

5 Interest receivable and similar income

	2015 £'000	2014 £'000
Bank interest receivable	**646**	503

6 Directors and employees

Staff costs during the year were as follows:

	2015 £'000	2014 £'000
Wages and salaries	**6,937**	8,272
Social security costs	**160**	181
Other pension costs	**97**	364
Redundancy costs	**317**	342
	7,511	9,159

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

	2015 Number	2014 Number
Agricultural, Engineering	**3,423**	3,777
Administration	**44**	32
Total	**3,467**	3,809

Remuneration in respect of directors was as follows:

	2015 £'000	2014 £'000
Emoluments	**796**	1,665
Pension contributions to money purchase pension schemes	**160**	201
	956	1,866

During the year one director (2014: one) participated in money purchase pension schemes.

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

	2015 £'000	2014 £'000
Emoluments	**460**	1,290
Pension contributions to money purchase pension schemes	**-**	-
	460	1,290

7 Tax on profit on ordinary activities

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

	2015 £'000	2014 £'000
Current tax:		
UK Corporation tax on profits in period	-	-
Adjustments in respect of prior year	-	31
Current year UK tax	-	31
Overseas tax	749	2,016
Total current tax	749	2,047
Origination and reversal of timing differences - deferred tax	(15)	211
Movement due to change in tax rate	(2)	(4)
Adjustments in respect of prior year	(6)	(304)
Tax on profit on ordinary activities	726	1,950
Factors affecting the tax charge for period		
Profit on ordinary activities before tax	1,880	4,590
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 21 % (2014: 23%)	405	1,056
Effect of:		
Expenses not deductible for tax purposes	304	290
Profits credited at a lower rate of tax	130	389
Tax losses arising in the year	63	30
Difference between capital allowances and depreciation	1,454	319
Adjustments to tax charge in respect of prior periods	(53)	31
Withholding tax suffered	25	30
Non-taxable dividends	(103)	(138)
Other timing differences	(1,476)	40
Current tax charge for period	749	2,047

8 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 2014	5,350	14,185	11,338	15,104	45,977
Additions	-	297	1,008	2,121	3,426
Exchange differences	-	445	1,446	1,060	2,951
Revaluations	(400)	-	-	-	(400)
Disposals	-	(19)	(30)	(641)	(690)
At 31 March 2015	**4,950**	**14,908**	**13,762**	**17,644**	**51,624**
Depreciation					
At 1 April 2014	-	1,272	7,722	8,927	17,921
Provided in the year	-	-	944	1,233	2,177
Exchange differences	-	-	351	445	796
Disposals	-	-	(16)	(532)	(548)
At 31 March 2015	**-**	**1,272**	**9,001**	**10,073**	**20,346**
Net book amount at 31 March 2015	**4,950**	**13,636**	**4,761**	**7,571**	**30,918**
Net book amount at 31 March 2014	5,350	12,913	3,616	6,177	28,056

The investment property was purchased in May 2010 and was revalued by the directors during the year. The directors have reviewed the local property market in which the investment property is located and consider the value of the building to have decreased from £5,350,000 to £4,950,000.

Land not depreciated amounts to £10,068,000 (2014: £9,722,000). No depreciation was charged in the year.

Exchange differences arising on translation of overseas assets at rates ruling at the date of the balance sheet amount to a gain in Kenya of £2,630,000 (2014: loss of £2,647,000).

The freehold land for all group companies of the overseas subsidiaries was professionally revalued on 31 March 2014 on a replacement cost basis. The external valuers involved were Lloyd Masika Ltd, Nairobi, registered valuers and estate agents. The land is held at cost in the consolidated accounts.

Assets held under finance leases within plant and machinery amount to £136,000 (2014: £nil). Depreciation of £13,000 (2014: £nil) was charged during the year.

The cost of buildings that the Group receive rental income under operating leases is £1,256,000 (2014: £1,256,000) with accumulated depreciation of £238,000 (2014: £202,000).

8 Tangible fixed assets (continued)

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	**3,595**	**4,736**
Accumulated depreciation	**(1,272)**	**(4,111)**
Book value at 31 March 2015	**2,323**	**625**
Book value at 31 March 2014	1,780	1,131

The land in Kenya consists of:

	2015 Hectares		2014 Hectares	
	Grant area	**Tea area**	Grant area	Tea area
99 year leases (2014: freehold)	**1,100**	**1,091**	1,100	1,091
99 year leases (2014: long lease over 50 years)	**4,331**	**4,301**	4,331	4,301
	5,431	**5,392**	5,431	5,392

The freehold and 999 year leasehold tenures were restated to 99 year old leases as from the 27 August 2010 in line with the new land reforms that came into effect. No compensation was received.

Parent

	Investment property £,000	**Vehicles, plant and equipment £'000**	**Total £,000**
Cost			
At 1 April 2014	5,350	531	5,881
Additions	-	186	186
Disposals	-	(344)	(344)
Revaluations	(400)	-	(400)
At 31 March 2015	**4,950**	**373**	**5,323**
Depreciation			
At 1 April 2014	-	332	332
Charge for year	-	141	141
Disposals	-	(302)	(302)
At 31 March 2015	**-**	**171**	**171**
Net book value			
At 31 March 2015	**4,950**	**202**	**5,152**
Net book value			
At 31 March 2014	5,350	199	5,549

The investment property was purchased in May 2010 and was revalued by the directors during the year. The directors have reviewed the local property market in which the investment property is located and consider the value of the building to have decreased from £5,350,000 to £4,950,000.

9 Fixed asset investments

Group

	Investments Unlisted £'000
Cost	
At 1 April 2014	255
Additions	50
At 31 March 2015	**285**
At 1 April 2014	120
Provided in the year	-
At 31 March 2015	**120**
Net book amount at 31 March 2015	**185**
Net book amount at 31 March 2014	135

Investments includes a debenture held by the parent company of £58,000 (2014: £41,500).

Parent

	Investments unlisted £'000
Cost	
At 1 April 2014	19,031
Additions	51
At 31 March 2015	**19,082**
Amounts written off	
At 1 April 2014	15,245
Provided in the year	-
At 31 March 2015	**15,245**
Net book amount at 31 March 2015	**3,837**
Net book amount at 31 March 2014	3,786

Investments includes a debenture held by the parent company of £58,000 (2014: £41,500).

10 Stocks

	Group	
	2015	2014
	£'000	£'000
Unsold tea crop	**2,978**	3,519
Stocks, stores and work in progress	**2,355**	2,102
	5,333	5,621

11 Debtors

	Group		Parent	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Trade debtors	**9,196**	3,560	**-**	3,405
Amounts owed by subsidiary undertakings	**-**	-	**3,214**	2,243
Other debtors	**2,568**	2,411	**21**	363
Accrued income	**273**	-	**273**	-
Corporation tax	**1,370**	515	**25**	-
	13,407	6,486	**3,533**	6,011

Included within other debtors are amounts due after one year of £380,000 (2014: £245,000).

12 Creditors: amounts falling due within one year

	Group		Parent	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Bank loans and overdrafts (note 14)	**3,258**	3,000	**3,258**	3,000
Trade creditors	**917**	889	**2**	33
Amounts due to subsidiary undertakings	**-**	-	**7**	6,018
Social security and other taxation	**150**	603	**150**	603
Other creditors	**5,656**	2,130	**4,263**	571
Accruals and prepaid income	**342**	331	**41**	103
Amounts due under hire purchase	**19**	4	**6**	-
Corporation tax	**-**	28	**-**	28
	10,342	6,985	**7,727**	10,356

Included within other creditors are dividends due to minority shareholders of £nil (2014: £284,000).

13 Creditors: amounts falling due after more than one year

	Group		Parent	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Amounts due under hire purchase	**68**	9	**23**	-
Other creditors	**3,876**	3,245	**-**	-
	3,944	3,254	**23**	-

Total borrowings as shown in note 12 and 13 are repayable as follows:

	Group		Parent	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Within one year	**3,258**	3,000	**3,258**	3,000
Between one and two years	**-**	-	**-**	-
Between two and five years	**-**	-	**-**	-
	3,258	3,000	**3,258**	3,000

The bank loan within the parent company of £3.3m 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 overdrafts by a hypothecation of crop, stocks and other moveable assets and mortgage charges over property.

14 Provisions for liabilities and charges

	Group Deferred taxation (note 16) £'000	Company Deferred taxation (note 16) £'000
At 1 April 2014	2,998	-
Exchange differences	295	-
Charge for year	(45)	50
Recognised in reserves	1,176	-
At 31 March 2015	**4,452**	**50**

15 Deferred taxation

Deferred taxation provided for in the financial statements is set out below.

	Group Amount provided		Company Amount provided	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Accelerated capital allowances	**5,578**	3,399	**51**	-
Other timing differences	**(1,104)**	(401)	**(1)**	-
	4,474	2,998	**50**	-

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.

Deferred taxation not provided for in the financial statements is set out below.

	Group Amount unprovided	
	2015	2014
	£'000	£'000
Depreciation in excess of capital allowances	**191**	152
Revaluation timing differences	**1,605**	1,768
Tax losses carried forward	**(576)**	(554)
	1,220	1,366

16 Share capital

	2015	2014
	£'000	£'000
Authorised		
250,000 ordinary shares of £1 each	**250**	250
Allotted, called up and fully paid		
21,000 ordinary shares of £1 each	**21**	21

17 Profit and loss account

	Group £'000	Parent £'000
At 1 April 2014	22,627	10,861
Exchange differences	1,784	-
Retained profit for the year	791	58
Dividends declared and paid	(2,100)	(2,100)
At 31 March 2015	**23,103**	**8,821**

The profit for the financial year dealt with in the financial statements of the parent company was £60,000 (2014: profit £217,000). 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 £1,205,000 (2014: £1,205,000).

18 Revaluation reserves

	Group £'000	Parent £'000
At 1 April 2014	1,985	416
Exchange differences	437	-
Revaluation	(400)	(400)
At 31 March 2015	**2,022**	**16**

The reserves of the George Williamson & Co Limited group include approximately £8 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.

19 Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Profit for the financial year	**791**	555
Dividends paid	**(2,100)**	-
Revaluation of investment property	**(400)**	416
Other recognised gains and losses	**2,251**	(2,711)
Movement in shareholders' funds	**542**	(1,740)
Shareholders' funds at 1 April 2014	**24,634**	26,374
Shareholders' funds at 31 March 2015	**25,176**	24,634

20 Net cash outflow from operating activities

	2015 £'000	2014 £'000
Operating profit	**1,134**	4,034
Depreciation	**2,177**	2,126
Amortisation	**-**	30
Decrease in stock	**288**	1,246
(Increase) in debtors	**(6,067)**	(321)
Increase/(decrease) in creditors	**3,513**	(4,438)
Profit on disposal	**(56)**	(50)
Net changes in currency values	**(772)**	519
Net cash inflow from operating activities	**217**	3,146

21 Reconciliation of net cash flow to movement in net debt

	2015 £'000	2014 £'000
Decrease in cash in the year	**(3,670)**	(2,738)
Movement in net debt in the year	**(341)**	46
Movement in net funds in the year	**(4,011)**	(2,692)
Net funds at 1 April 2014	**12,725**	15,417
Net funds at 31 March 2015	**(8,714)**	12,725

22 Analysis of changes in net debt

	At 1 Apr 2014 £'000	Cash flow £'000	Other changes £'000	At 31 Mar 2015 £'000
Cash in hand	15,729	(3,670)	-	**12,059**
Debt due within one year	(3,000)	-	(258)	**(3,258)**
Amounts due under finance lease	(4)	(83)	-	**(87)**
	12,725	(3,753)	(258)	**8,714**

23 Guarantees

Guarantees totalling £nil (2014: £nil) in respect of overseas bank advances have been given by members of the George Williamson & Co Limited group.

24 Capital commitments

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

	Group		Parent	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Capital commitments	**164**	487	**-**	487

25 Contingent assets/liabilities

There were no contingent assets or liabilities at 31 March 2015 or 31 March 2014.

26 Retirement benefits

Defined Contribution Scheme
Group contributions to the defined contribution schemes during the year were £360,000 (2014: £77,000).

27 Leasing commitments

Operating lease payments amounting to £143,000 (2014: £106,000) are due within one year. The leases to which these amounts relate expire as follows:

	2015 Property leases £'000	2014 Property Leases £
In one year or less	**34**	29
Between one and five years	**109**	77
	143	106

28 Transactions with directors and other related parties

Included within other creditors (note 12) is a loan of £569,000 (2014: £453,000) which was taken out by George Williamson & Co from the George Williamson Top Up Scheme Pension Fund. Interest has been charged during the year on this loan of £47,466 (2014: £28,248).

George Williamson & Co Limited purchased £3,337,000 (2014: £25,012,000) and £1,250,000 (2014: £8,354,000) of tea from its Kenyan subsidiaries Williamson Tea Kenya Limited and Kapchoura Tea Limited respectively. As at the year-end amounts due to Williamson Tea Kenya Limited were £558,000 (2014: £4,408,000) and amounts due to Kapchoura Tea Limited were £nil (2014: £1,602,000).

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.

29 Subsidiary and associated undertakings at 31 March 2015

	% held	Country of registration/ incorporation and operation	Activity
Little Bedwyn Estate Ltd	100	England and Wales	Arable farming
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	*51	Kenya	Tea producers
Kapchorua Tea Co Ltd	*64	Kenya	Tea producers
Tinderet Tea Estates (1989) Ltd	*51	Kenya	Managing Agents & Tea producers
Kaimosi Tea Estates Limited	*51	Kenya	Tea producers
Williamson Power Limited	*51	Kenya	Sale, installation and servicing of generators
Tea Properties Limited	*51	Kenya	Property investment
Lelsa Tea Estates Limited	*51	Kenya	Dormant

*held by subsidiaries

All of the subsidiary undertakings have been consolidated in the group financial statements. The subsidiary year ends are aligned with the parent company.

30 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.