

**GEORGE WILLIAMSON & CO. LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2001**



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# GEORGE WILLIAMSON & CO LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

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Company registration number:

1173126

Registered office:

5 West Mills  
Newbury  
Berkshire  
RG14 5HG

Directors:

P Magor ACA (Chairman)  
R.B Magor  
V H J Clements FCA  
S G T Elliott  
J J Garwood  
J M T Magor

Secretary:

I D C BurrIDGE FCA

Bankers:

HSBC Bank plc  
Poultry & Princes Street  
London  
EC2P 2BX

Auditors:

Grant Thornton  
Registered Auditors  
Chartered Accountants  
London  
NW1 2EP

# **GEORGE WILLIAMSON & CO LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 MARCH 2001

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**NOTICE IS HEREBY GIVEN** that the **TWENTY-SIXTH ANNUAL GENERAL MEETING** of the Members will be held at The Oriental Club, Stratford House, 11 Stratford Place, London W1 1ES on 4 October 2001 at 12.00 noon for the following purposes:-

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 31 March 2001.
2. To declare a Dividend.
3. To appoint and fix the remuneration of the Auditors.

By order of the Board

I D C Burridge

Secretary

Dated 19 September 2001

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.

# **GEORGE WILLIAMSON & CO LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 MARCH 2001

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<b>INDEX</b>	<b>PAGE</b>
Report of the directors	1 – 3
Report of the auditors	4
Accounting policies	5 & 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Parent company balance sheet	9
Consolidated cash flow statement	10
Statement of total recognised gains and losses Reconciliation of movements in shareholders' funds	11
Notes to the financial statements	12 - 25

# GEORGE WILLIAMSON & CO LIMITED

## REPORT OF THE DIRECTORS

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The Directors have pleasure in submitting their twenty-sixth Annual Report to Shareholders, together with the audited accounts for the year ended 31 March 2001.

### Principal Activities

George Williamson & Co. Limited which is registered in England & Wales, acts as Secretaries and Agents to Companies in the Tea Industry operating in Kenya and India.

The Subsidiary Group, headed by Williamson Tea Holdings plc, which is registered in England and Wales, acts as producers of tea.

Details of the principal subsidiary companies of the Group are given in note 25 to these accounts.

### Review of Business

	2001 £'000	2000 £'000
The profit before taxation amounted to	8,046	8,280
Less: Taxation	<u>2,620</u>	<u>2,384</u>
Profit after taxation	5,426	5,896
Minority interest	<u>2,433</u>	<u>2,803</u>
	2,993	3,093
Dividend	<u>200</u>	<u>200</u>
Retained profit for year taken to reserves	<u>2,793</u>	<u>2,893</u>

### Dividend

The directors recommend a dividend for the year ended 31 March 2001 of 500% (2000: 500%).

### Subsidiary Companies

The company's shareholding in Williamson Tea Holdings plc was 67.56% at 31 March 2001 and 31 March 2000.

### Directors and their Interests

The directors serving during the year were:

Mr R B Magor, Mr P Magor, Mr V H J Clements, Mrs J M T Magor, Mrs J J Garwood and Mrs S G T Elliott.

No directors other than those appointed since the previous Annual General Meeting are required to retire under the Articles of Association.

# GEORGE WILLIAMSON & CO LIMITED

## REPORT OF THE DIRECTORS

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### Directors and their Interests (continued)

The beneficial interests in the shares of the company were as follows:

	2001	2000
Mr P Magor	6,000	6,000
Mrs J J Garwood	4,000	4,000
Mrs J M T Magor	4,500	4,500
Mrs S G T Elliott	4,000	4,000

Mr R B Magor has a non-beneficial interest in 8,500 shares held in a trust of which he is a first named trustee.

### Political and Charitable Contributions

During the year the Group made contributions totalling £1,600 (2000: £2,500) to the Conservative Party and various charitable contributions totalling £8,700 (2000: £5,850).

### Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that year. In preparing the company's accounts, the Directors confirm that they have:-

- a) selected suitable accounting policies and applied them consistently.
- b) made judgements and estimates that are reasonable and prudent.
- c) followed applicable accounting standards and
- d) prepared the accounts on the going concern basis.

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

# **GEORGE WILLIAMSON & CO LIMITED**

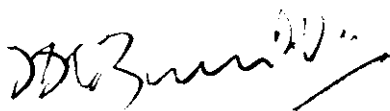
## **REPORT OF THE DIRECTORS**

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### **Auditors**

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

### **By Order of the Board**



**I D C Burridge**  
**Secretary**

**19 September 2001**

# GEORGE WILLIAMSON & CO LIMITED

## REPORT OF THE AUDITORS TO THE MEMBERS

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We have audited the Financial Statements on pages 5 to 25 which have been prepared under the accounting policies set out on pages 5 & 6.

### **Respective responsibilities of directors and auditors**

As described on page 2, the directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

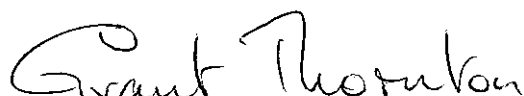
### **Basis of opinion**

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 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 mis-statement, 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 March 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**LONDON  
19 SEPTEMBER 2001**



# GEORGE WILLIAMSON & CO LIMITED

## PRINCIPAL ACCOUNTING POLICIES

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The following are the principal accounting policies adopted by the parent and its subsidiaries in arriving at the financial information in relation to the accounts.

### ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention as modified to include the revaluation of certain tangible fixed assets, and are in accordance with the Companies Act 1985, and unless specifically stated comply with applicable accounting standards issued by the Accounting Standards Board. The policies have not changed during the period under review.

### BASIS OF CONSOLIDATION

- (i) The group accounts consolidate those of the company and of its subsidiary undertakings (see note 25) drawn up to 31 March 2001.
- (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.

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 Financial Reporting Standard No. 10, 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) 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. Turnover of other activities, including commissions receivable, is the amount receivable by the Group for those activities in the year excluding sales taxes.

### INTANGIBLE FIXED ASSETS

Milk quota is considered to have a finite useful life. The directors have adopted a policy which will reduce the value of purchased quota to nil in equal monthly instalments over its useful life.

### DEPRECIATION AND AMORTISATION

On adoption of FRS15, the group has followed the transitional provisions to retain the book value of land and certain other fixed assets but to adopt a policy of revaluation in respect of land only in the future.

Fixed assets apart from land are depreciated on a straight line basis over their estimated useful lives at the following rates per annum:

Buildings & Short Leasehold improvements	2% to 25%
Plant & Machinery	5% to 15%
Transport	20% to 33%
Fixtures & fittings	10% to 40%

# **GEORGE WILLIAMSON & CO LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **STOCKS**

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

### **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 of cost or net realisable value as current assets.

### **EXCHANGE RATES**

The accounts of the subsidiary undertakings have been translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences on transactions and on translation of monetary assets and liabilities are dealt with in profit before taxation. Exchange differences arising on translation of net investment in subsidiary undertakings are dealt with in reserves.

### **DEFERRED TAXATION**

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to crystallise in the foreseeable future.

Unprovided deferred taxation is noted as a contingent liability.

### **LEASE CONTRACTS**

All leases are operating leases and costs are charged to the Profit and Loss account over the term of the lease.

### **PENSION FUNDING**

The Group operates various pension schemes devised in accordance with the local conditions and practices in the countries concerned. Contributions are generally charged against profit as payments are made and are based on specific contributions or on periodic actuarial calculations. 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 non unionisable staff on retirement as required by statute in Kenya.

# GEORGE WILLIAMSON & CO LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 MARCH 2001

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	Notes	2001	2000
		£'000	£'000
<b>Turnover</b>	1	52,943	47,397
Cost of sales		<u>30,974</u>	<u>27,566</u>
<b>Gross profit</b>		21,969	19,831
Administrative expenses		9,480	7,917
Distribution costs		<u>4,523</u>	<u>3,870</u>
		14,003	11,787
<b>Operating profit</b>	2	7,966	8,044
Interest and other income	5	<u>1,329</u>	<u>1,567</u>
		9,295	9,611
Interest payable	6	<u>1,249</u>	<u>1,331</u>
<b>Profit on ordinary activities before taxation</b>		8,046	8,280
Taxation	7	<u>2,620</u>	<u>2,384</u>
<b>Profit on ordinary activities after taxation</b>		5,426	5,896
Minority Interest - equity		<u>2,433</u>	<u>2,803</u>
<b>Profit for the financial year</b>		2,993	3,093
<b>Dividends</b>			
Final proposed - £5 per share		<u>200</u>	<u>200</u>
<b>Retained Profit for the Financial year</b>	19	<u>2,793</u>	<u>2,893</u>

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

# GEORGE WILLIAMSON & CO LIMITED

## CONSOLIDATED BALANCE SHEET AT 31 MARCH 2001

	Notes	2001 £'000	2000 £'000
<b>Fixed Assets</b>			
Intangible assets	8	1,061	238
Tangible assets	9	61,603	56,569
Investments	10	<u>1,655</u>	<u>1,576</u>
		64,319	58,383
<b>Current Assets</b>			
Stocks	12	5,942	3,869
Debtors	13	14,222	17,589
Investments	11	2,134	1,918
Cash at bank and in hand		<u>13,595</u>	<u>12,346</u>
		35,893	35,722
<b>Creditors: Amounts falling due within one year</b>	14	<u>17,240</u>	<u>18,009</u>
<b>Net Current Assets</b>		<u>18,653</u>	<u>17,713</u>
<b>Total assets less current liabilities</b>		82,972	76,096
<b>Creditors: Amounts falling due after more than one year</b>	15	5,882	6,960
Deferred taxation	17	<u>1,903</u>	<u>1,778</u>
		<u>75,187</u>	<u>67,358</u>
<b>Capital and reserves</b>			
Called up share capital	18	40	40
Capital redemption reserve		10	10
Profit & loss account	19	24,059	20,689
Revaluation reserve	20	<u>13,920</u>	<u>13,221</u>
<b>Shareholders' funds - equity</b>		38,029	33,960
Interest of minorities - equity		<u>37,158</u>	<u>33,398</u>
		<u>75,187</u>	<u>67,358</u>

The financial statements were approved by the Board of Directors on 19 September 2001.

P. Magor

V.H.J. Clements

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

# GEORGE WILLIAMSON & CO LIMITED

## BALANCE SHEET AT 31 MARCH 2001

	Notes	2001 £'000	2000 £'000
<b>Fixed Assets</b>			
Tangible assets	9	37	264
Investments	10	<u>8,565</u>	<u>12,146</u>
		8,602	12,410
<b>Current Assets</b>			
Debtors	13	4,582	3,630
Investments	11	221	156
Cash at bank and in hand		<u>1,918</u>	<u>854</u>
		6,721	4,640
<b>Creditors: Amounts falling due within one year</b>	14	<u>5,180</u>	<u>4,581</u>
<b>Net Current Assets</b>		<u>1,541</u>	<u>59</u>
<b>Total Assets less current liabilities</b>		10,143	12,469
<b>Creditors: Amounts falling Due after more than one year</b>		<u>1,250</u>	<u>1,607</u>
		<u>8,893</u>	<u>10,862</u>
<b>Capital and reserves</b>			
Called up share capital	18	40	40
Capital redemption reserve		10	10
Profit & Loss account	19	<u>8,843</u>	<u>10,812</u>
<b>Shareholders' funds - equity</b>		<u>8,893</u>	<u>10,862</u>

The financial statements were approved by the Board of Directors on 19 September 2001.

P. Magor

V.H.J. Clements

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

**GEORGE WILLIAMSON & CO LIMITED****CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 MARCH 2001

	Notes	2001	2000
		£'000	£'000
<b>Net cash inflow from operating activities</b>	23(a)	<u>14,269</u>	<u>8,626</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		1,093	1,485
Dividends received		57	91
Other income		103	36
Interest paid		(1,249)	(1,331)
Dividends paid to minority shareholders in subsidiary undertakings		<u>(1,039)</u>	<u>(1,123)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(1,035)</u>	<u>(842)</u>
<b>Taxation paid</b>		<u>(2,608)</u>	<u>(2,708)</u>
<b>Capital expenditure and financial investments</b>			
Purchase of tangible fixed assets		(3,897)	(4,147)
Sale of tangible fixed assets		733	166
Purchase of investments		(102)	-
Sale of investments		<u>67</u>	<u>-</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(3,199)</u>	<u>(3,981)</u>
<b>Acquisitions and disposals</b>			
Purchase of interest in subsidiary	23(d)	<u>(1,485)</u>	<u>(613)</u>
<b>Net cash outflow from acquisition and disposals</b>		<u>(1,485)</u>	<u>(613)</u>
<b>Equity dividends paid</b>		<u>(200)</u>	<u>(200)</u>
<b>Management of liquid resources</b>			
(Purchase)/sale of investments	23(b)	<u>(250)</u>	<u>556</u>
<b>Net cash (outflow)/inflow from management of liquid resources</b>		<u>(250)</u>	<u>556</u>
<b>Financing</b>			
Repayment of borrowing		<u>(2,812)</u>	<u>(1,735)</u>
<b>Net cash outflow from financing</b>	23(b)	<u>(2,812)</u>	<u>(1,735)</u>
<b>Increase/(decrease) in cash</b>	23(b)	<u>2,680</u>	<u>(897)</u>

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

# GEORGE WILLIAMSON & CO LIMITED

## OTHER PRIMARY STATEMENTS

For the year ended 31 MARCH 2001

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### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2001 £'000	2000 £'000
Profit attributable to shareholders	2,993	3,093
Currency translation differences on foreign currency net investments	<u>1,276</u>	<u>(2,133)</u>
Total recognised gains and losses for the year	4,269	960
Prior year adjustments	<u>-</u>	<u>(973)</u>
Total gains and losses recognised since previous year	<u>4,269</u>	<u>(13)</u>

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £'000	2000 £'000
Total recognised gains and losses for the year, as above	4,269	960
Dividends	<u>(200)</u>	<u>(200)</u>
	4,069	760
Adjustment arising on increase in interests	<u>-</u>	<u>1,086</u>
Movement in shareholders' funds	4,069	1,846
Opening shareholders' funds	<u>33,960</u>	<u>32,114</u>
Closing shareholders' funds	<u>38,029</u>	<u>33,960</u>

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

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 1. SEGMENTAL ANALYSIS

	Net Assets		Turnover		Pre-Tax Profit	
	2001	2000	2001	2000	2001	2000
By Activity	£'000	£'000	£'000	£'000	£'000	£'000
Tea	68,475	55,196	50,619	46,302	7,220	7,962
Other activities	<u>6,712</u>	<u>12,162</u>	<u>2,324</u>	<u>1,095</u>	<u>826</u>	<u>318</u>
	<u>75,187</u>	<u>67,358</u>	<u>52,943</u>	<u>47,397</u>	<u>8,046</u>	<u>8,280</u>
Geographically – by origin						
India	38,312	36,686	28,476	27,553	3,516	5,992
Kenya	22,279	17,436	15,231	11,648	2,240	1,051
United Kingdom	<u>14,596</u>	<u>13,236</u>	<u>9,236</u>	<u>8,196</u>	<u>2,290</u>	<u>1,237</u>
	<u>75,187</u>	<u>67,358</u>	<u>52,943</u>	<u>47,397</u>	<u>8,046</u>	<u>8,280</u>
Turnover - Geographically - by destination						
India			14,497	16,678		
Kenya			5,701	4,665		
United Kingdom			21,761	18,478		
Rest of Europe			2,797	2,950		
Australia			727	476		
North America			1,112	988		
Others			<u>6,348</u>	<u>3,162</u>		
			<u>52,943</u>	<u>47,397</u>		



# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 2. OPERATING PROFIT

The operating profit is stated after charging:

	2001 £'000	2000 £'000
Depreciation of fixed assets	2,493	2,216
Directors' remuneration	817	843
Directors' fees	24	24
Directors' pension scheme contributions	75	70
Auditors' remuneration		
- UK audit	111	56
- Other services	97	64
Amortisation	34	13
Rental on operating leases - Property	171	171
(Profit)/loss on sale of fixed assets	(145)	10
Loss on sale of investments	11	-
	<u>          </u>	<u>          </u>

### 3. DIRECTORS' REMUNERATION

Total directors' remuneration including pension contributions and estimated benefits in kind amounted to £956,961 (2000: £985,322). Three directors (2000: three) participated in money purchase pension schemes in the year.

The remuneration, excluding contributions to money purchase schemes of £50,458 (2000: £48,000), received by the Chairman, also the highest paid director, amounted to £311,729 (2000: £289,790) for the year.

### 4. STAFF NUMBERS AND COSTS

The average number of persons employed by the group (including directors) during the year was as follows:-

	2001	2000
Agricultural (overseas)	30,405	28,447
Engineering and others	<u>469</u>	<u>442</u>
	<u>30,874</u>	<u>28,889</u>

	£'000	£'000
The aggregate payroll costs of these persons were as follows:-		
Wages and salaries	15,850	13,874
Social security costs	365	332
Other pension costs	<u>1,562</u>	<u>1,112</u>
	<u>17,777</u>	<u>15,318</u>

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 5. INTEREST AND OTHER INCOME

	2001 £'000	2000 £'000
Bank interest receivable	1,093	1,394
Fixed asset investments - Listed	22	21
Current asset investments - Listed	-	39
- Unlisted	35	31
Profit on sale of fixed assets	190	46
Loss on sale of investments	(114)	-
Other income	<u>103</u>	<u>36</u>
	<u>1,329</u>	<u>1,567</u>

### 6. INTEREST PAYABLE

Bank and other loans and overdrafts	<u>1,249</u>	<u>1,331</u>
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### 7. TAXATION

	2001 £'000	2000 £'000
United Kingdom corporation tax at 30% (2000: 30%)	1,325	432
Deduct: Double Tax Relief	<u>(690)</u>	<u>(33)</u>
	635	399
Income tax written off	-	2
Overseas taxation (including deferred taxation)	2,394	2,484
Deferred taxation	<u>(272)</u>	<u>(89)</u>
Prior years	<u>(137)</u>	<u>(412)</u>
	<u>2,620</u>	<u>2,384</u>

#### Deferred Tax

#### United Kingdom

No liability arises in respect of timing differences on U.K. capital allowances and depreciation (2000: Nil).

#### Overseas

Timing differences arising on accelerated tax allowances amounting to £2,161,000 (2000: £1,165,000) have not been provided for and no provision is considered necessary.

No provision has been made in respect of potential taxation liabilities that would arise on realisation of assets held at restated amounts as there is no intention to realise these assets. It is not practical to quantify this potential liability.

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

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### 8. INTANGIBLE ASSETS

	Goodwill on consolidation £'000	Milk Quota £'000	Total £'000
Cost			
At 1 April 2000	-	242	242
Addition	<u>857</u>	<u>-</u>	<u>857</u>
At 31 March 2001	<u>857</u>	<u>242</u>	<u>1,099</u>
Amortisation			
At 1 April 2000	-	4	4
Provided in the year	<u>30</u>	<u>4</u>	<u>34</u>
At 31 March 2001	<u>30</u>	<u>8</u>	<u>38</u>
Net book amount			
At 31 March 2001	<u>827</u>	<u>234</u>	<u>1,061</u>
At 31 March 2000	<u>-</u>	<u>238</u>	<u>238</u>

Goodwill included above relates to the acquisition of Subati Ltd. and is being amortised over its estimated useful life of 20 years on the basis of the agricultural nature of the business which has a cycle typically in excess of 50 years.

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 9. TANGIBLE FIXED ASSETS

#### GROUP

	Land and Buildings £'000	Vehicles, plant and fixtures £'000	Total £'000
<b>Cost or Valuation</b>			
At 1 April 2000	53,071	15,689	68,760
Exchange differences	2,599	708	3,307
On subsidiary acquisition	1,528	271	1,799
Additions	1,929	1,928	3,857
Disposals	(227)	(750)	(977)
At 31 March 2001	<u>58,900</u>	<u>17,846</u>	<u>76,746</u>
<b>Accumulated depreciation</b>			
At 1 April 2000	4,149	8,042	12,191
Exchange differences	197	331	528
On subsidiary acquisition	429	121	550
Disposals	(26)	(593)	(619)
Charged for year	<u>993</u>	<u>1,500</u>	<u>2,493</u>
At 31 March 2001	<u>5,742</u>	<u>9,401</u>	<u>15,143</u>
<b>Book Value:</b>			
At 31 March 2001	<u>53,158</u>	<u>8,445</u>	<u>61,603</u>
At 31 March 2000	<u>48,922</u>	<u>7,647</u>	<u>56,569</u>

Land not depreciated amounts to £30,179,000 (2000: £28,455,000).

- (a) Exchange differences arising on translation of overseas assets at rates ruling at the date of the Balance Sheet amount to a profit in Kenya of £1,460,000 (2000: loss £2,478,000) and a profit in India of £1,319,000 (2000: loss £512,000).
- (b) The fixed assets (excluding fixtures, fittings & transport for all group companies and plant & machinery in India) of the overseas subsidiaries were professionally revalued on 31 March 1999 on an existing use basis. The valuers involved were:-

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

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### TANGIBLE FIXED ASSETS (CONTINUED)

Land and Buildings – Cost/Valuation as adjusted for currency fluctuations:-

	2001 £'000	2000 £'000
Valuation 1999	47,385	44,910
Cost	<u>11,515</u>	<u>8,161</u>
	<u>58,900</u>	<u>53,071</u>

Land and buildings include freehold property and property held on leaseholds in India and Kenya which can be considered as substantially similar to freehold.

(c) If Land & Buildings and Plant & Machinery had not been revalued they would have been included on the historical cost basis, as adjusted for exchange differences, as follows:

	Land and buildings £'000	Plant and machinery £'000
Cost	22,230	10,612
Accumulated depreciation	<u>(4,803)</u>	<u>(5,102)</u>
Book value at 31 March 2001	<u>17,427</u>	<u>5,510</u>
Book value at 31 March 2000	<u>14,659</u>	<u>5,553</u>

(d) The land in India and Kenya consists of

	2001 Hectares		2000 Hectares	
	Grant Area	Tea Area	Grant Area	Tea Area
Freehold	1,091	946	1,091	915
Long lease (over 50 years)	3,969	2,186	3,969	2,166
Short lease (under 50 years)	<u>15,725</u>	<u>9,300</u>	<u>15,710</u>	<u>9,257</u>
	<u>20,785</u>	<u>12,432</u>	<u>20,770</u>	<u>12,338</u>

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

**GEORGE WILLIAMSON & CO LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MARCH 2001

**TANGIBLE FIXED ASSETS (CONTINUED)****(e) Parent**

	<b>Leasehold property £'000</b>	<b>Vehicles, plant and equipment £'000</b>	<b>Total £'000</b>
Cost			
at 1 April 2000	185	482	667
Additions	-	30	30
Disposals	<u>(185)</u>	<u>(163)</u>	<u>(348)</u>
At 31 March 2001	<u>-</u>	<u>349</u>	<u>349</u>
Depreciation			
at 1 April 2000	14	389	403
Disposals	(16)	(119)	(135)
Charge for year	<u>2</u>	<u>42</u>	<u>44</u>
At 31 March 2001	<u>-</u>	<u>312</u>	<u>312</u>
Net book value			
At 31 March 2001	<u>-</u>	<u>37</u>	<u>37</u>
At 31 March 2000	<u>171</u>	<u>93</u>	<u>264</u>

**10. FIXED ASSET INVESTMENTS****GROUP**

	<b>Other investments listed overseas £'000</b>	<b>Other investments unlisted £'000</b>	<b>Total £'000</b>
Cost			
At 1 April, 2000	705	871	1,576
Exchange differences	14	41	55
Additions	-	102	102
Disposals	<u>-</u>	<u>(78)</u>	<u>(78)</u>
31 March 2001	719	936	1,655
Market value at			
31 March, 2001	<u>1,268</u>	<u>936</u>	<u>2,204</u>
31 March 2000	<u>1,870</u>	<u>871</u>	<u>2,741</u>

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### FIXED ASSET INVESTMENTS (CONTINUED)

Unlisted investments are at Directors' valuation.

#### PARENT

	Investment in Subsidiaries £'000
Cost	
At 1 April 2000	12,146
Additions	<u>19</u>
At 31 March 2001	<u>12,165</u>
Amounts written off	
At 1 April 2000	-
Provided in the year	<u>3,600</u>
At 31 March 2001	<u>3,600</u>
Net book amount at 31 March 2001	<u>8,565</u>
Net book amount at 31 March 2000	<u>12,146</u>

### 11. CURRENT ASSET INVESTMENTS

	Group Cost		Group Market Value		Parent Cost		Parent Market Value	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Investments listed in UK	1	1	2	3	-	19	-	16
Investments unlisted	<u>2,133</u>	<u>1,917</u>	<u>2,149</u>	<u>1,917</u>	<u>221</u>	<u>137</u>	<u>221</u>	<u>137</u>
	<u>2,134</u>	<u>1,918</u>	<u>2,151</u>	<u>1,920</u>	<u>221</u>	<u>156</u>	<u>221</u>	<u>153</u>

The market value for Unlisted Investments is at Directors' valuation.

### 12. STOCKS

	Group		Parent	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Unsold tea crop	2,526	736	-	-
Stocks, stores and work in progress	<u>3,416</u>	<u>3,133</u>	<u>-</u>	<u>-</u>
	<u>5,942</u>	<u>3,869</u>	<u>Nil</u>	<u>Nil</u>

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 13. DEBTORS

	Group		Parent	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Trade debtors	6,713	6,887	579	881
Amounts owed by subsidiary undertakings	-	-	2,966	2,111
Other debtors	4,478	7,608	962	563
Deposits with Agricultural Board	2,458	2,613	-	-
Prepayments	<u>573</u>	<u>481</u>	<u>75</u>	<u>75</u>
	<u>14,222</u>	<u>17,589</u>	<u>4,582</u>	<u>3,630</u>
Including amounts due after more than one year of	<u>2,455</u>	<u>1,477</u>	<u>-</u>	<u>-</u>

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Bank loans & overdrafts (secured)	2,357	4,465	357	357
Other loans (part secured)	600	1,273	-	-
Trade creditors	9,036	7,596	3,963	3,473
Amounts due to subsidiary undertakings	-	-	162	162
Social security	17	349	-	147
Taxation	937	747	132	150
Other creditors	1,073	464	218	-
Accruals	1,524	1,557	148	92
Proposed dividend - minority	1,496	1,358	-	-
Proposed dividend	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
	<u>17,240</u>	<u>18,009</u>	<u>5,180</u>	<u>4,581</u>



# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Parent	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Bank loans (secured)	1,814	2,679	1,250	1,607
Term loans (part secured)	850	1,364	-	-
Taxation - overseas	2,259	2,165	-	-
Other creditors	959	19	-	-
Payment on account	-	733	-	-
	<u>5,882</u>	<u>6,960</u>	<u>1,250</u>	<u>1,607</u>

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

	Group		Parent	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Within one year	3,850	6,830	357	357
Between one and two years	917	1,793	357	357
Between two and five years	216	1,016	536	893
Over five years	<u>281</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,264</u>	<u>9,639</u>	<u>1,250</u>	<u>1,607</u>

Loans carry interest at rates varying from 8% to 24% and are repayable in the country of origin in instalments.

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

### 16. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation (Note 17) £'000
At 1 April 2000	1,778
Exchange differences during the year	135
Reversed during the year	(272)
Arising on acquisition	<u>262</u>
At 31 March 2001	<u>1,903</u>

### 17. DEFERRED TAXATION

Deferred taxation provided in the financial statements is set out below:

The Group	2001 £'000	2000 £'000
Accelerated capital allowances	2,216	2,003
Unrealised exchange gains	<u>-</u>	<u>5</u>
	2,216	2,008
Less:		
Tax losses carried forward	-	(10)
Other timing differences	<u>(313)</u>	<u>(220)</u>
	<u>1,903</u>	<u>1,778</u>

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.

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 18. CALLED UP SHARE CAPITAL

	2001 £'000	2000 £'000
Authorised:		
250,000 ordinary Shares of £1 each	<u>250</u>	<u>250</u>
Allotted, issued and fully paid:		
40,000 ordinary Shares of £1 each	<u>40</u>	<u>40</u>

### 19. PROFIT AND LOSS ACCOUNTS

	Group £'000	Parent £'000
Balance at 1 April 2000	20,689	10,812
Retained profit/(loss) for the year	2,793	(1,969)
Exchange differences	<u>577</u>	<u>-</u>
Balance at 31 March 2001	<u>24,059</u>	<u>8,843</u>

The loss for the financial year dealt with in the financial statements of the parent company (which includes the provision of £3,600,000 against the investment in North Standen Estate Limited and Little Bedwyn Estate Limited) was £1,769,000 (2000: profit £1,374,000). The cumulative amount of goodwill written off to reserves resulting from acquisitions amounts to £2,508,000 (2000:£2,508,000). In accordance with Financial Reporting Standard No.10, negative goodwill, being fully realised, has been credited to the profit and loss reserve from 1 April 1998.

### 20. GROUP REVALUATION RESERVE

	£'000
Balance at 1 April 2000	13,221
Exchange differences	<u>699</u>
Balance at 31 March 2001	<u>13,920</u>

#### Overseas Reserves

The reserves of the Williamson Tea Holdings plc group include approximately £20 million of undistributable reserves in overseas undertakings. Any distribution from free reserves is subject to local taxes and Exchange Control Regulations. The reserves are apportioned in these accounts between the reserves as set out above and minority interests.

### 21. GUARANTEES

Guarantees totalling £21,000 (2000: £5,000) in respect of overseas bank advances have been given by members of the Williamson Tea Holdings plc group.

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 22. CONTINGENT LIABILITIES

The contingent liability to deferred taxation is set out in note 17.

### 23. CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities:-

	2001 £'000	2000 £'000
Operating profit	7,966	8,044
Depreciation on fixed assets	2,493	2,229
(Increase)/Decrease in stocks	(1,852)	394
Decrease/(Increase) in debtors	4,152	(865)
Increase/(decrease) in creditors	1,610	(1,284)
Net changes in currency values	-	108
Profit on sale of fixed assets	(134)	-
Amortisation	34	-
	<u>14,269</u>	<u>8,626</u>

(b) Reconciliation of net cash flow to movement in net debt:-

	£'000	£'000
Increase/(decrease) in cash net of overdrafts during the year	2,680	(897)
Cash flow from repayment of borrowing	2,812	1,735
Cash inflow/(outflow) from increase in liquid resources	<u>250</u>	<u>(556)</u>
Change in net funds debt resulting from cash flows	5,742	282
Effect of foreign exchange movement	(3)	101
Other non cash items	<u>(114)</u>	<u>-</u>
Movement in net funds in the year	5,625	383
Net funds debt at 1 April 2000	<u>4,483</u>	<u>4,100</u>
Net funds at 31 March 2001	<u>10,108</u>	<u>4,483</u>

(c) Analysis of changes in net funds:-

	At 1 April 2000 £'000	Cash flow £'000	Non cash items £'000	Exchange Movement £'000	At 31 March 2001 £'000
Cash in hand at bank	12,346	961	-	288	13,595
Bank overdrafts	<u>(2,803)</u>	<u>1,719</u>	-	<u>(140)</u>	<u>(1,224)</u>
	9,543	2,680	-	148	12,371
Debt	<u>(6,978)</u>	<u>2,812</u>	-	<u>(231)</u>	<u>(4,397)</u>
Current asset investments	<u>1,918</u>	<u>250</u>	<u>(114)</u>	<u>80</u>	<u>2,134</u>
	<u>4,483</u>	<u>5,742</u>	<u>(114)</u>	<u>(3)</u>	<u>10,108</u>

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 23. CONSOLIDATED CASH FLOW STATEMENT - continued

#### (d) Acquisition

On 4 July 2000 the group acquired 15,600 ordinary shares of KShs. 100 in Subati Ltd. being 52% of its nominal share capital for a consideration of £1,507,000 satisfied in cash.

Goodwill arising on the acquisition of Subati Ltd. has been capitalised. The purchase of Subati Ltd. has been accounted for by the acquisition method of accounting.

The assets and liabilities of Subati Ltd. acquired were as follows:

	£'000
<b>Fixed Assets</b>	
Tangible fixed assets	1,329
<b>Current Assets</b>	217
<b>Current Liabilities</b>	(296)
	1,250
Minority interest share of assets acquired	(600)
Purchased goodwill capitalised	<u>857</u>
Satisfied by cash	<u>1,507</u>

In the opinion of the directors there is no difference between the book value and the fair value of the net assets and liabilities acquired.

Under the terms of the acquisition agreement of Subati Ltd. the group has an option to acquire for cash the remaining 48% of the issued share capital in three equal instalments over the next three years. The price for each tranche shall be the sum of US\$ 664,000 to be adjusted by reference to future profits.

Analysis of net cash outflow in respect of the subsidiary undertaking:

	£'000
Cash in hand and at bank acquired	22
Consideration	<u>1,507</u>
	<u>1,485</u>

### 24. CAPITAL COMMITMENTS

	Group		Parent	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Contracted	<u>43</u>	<u>79</u>	<u>-</u>	<u>-</u>

#### GROUP

Annual Commitments in respect of operating leases which expire:

	Property leases 2001 £'000	Property leases 2000 £'000	Other leases 2001 £'000	Other leases 2000 £'000
Within 1 year	-	-	-	-
Between 2 and 5 years	-	10	53	-
Over five years	<u>171</u>	<u>171</u>	<u>-</u>	<u>-</u>

# GEORGE WILLIAMSON & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2001

### 25. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS AT 31 MARCH 2001

	%Held	Country of incorporation and operation	Activity
Cohen & Griffiths Ltd	100*	England & Wales	Commodity broking
Estate Technical Services Ltd	100*	England & Wales	Consultancy
H&M Farm Partners	50	England & Wales	Farming
Little Bedwyn Estate Ltd	100*	England & Wales	Livestock and arable farming
North Standen Estate Ltd	100*	England & Wales	Arable Farming
Williamson Tea Holding plc and its principal subsidiary undertakings	68*	England & Wales	Holding Company
Borelli Tea Holdings Ltd	100	England & Wales	Holding Company
Williamson & Magor Ltd	100	England & Wales	Tea Trading and Packing
Williamson Tea Investments Ltd	100	England & Wales	Holding company
Brock Investments Ltd	100	Guernsey	Holding company
Forest Investments Ltd	100	Guernsey	Holding company
George Williamson (Assam) Ltd	70	India	Tea producers
Kapchorua Tea Co Ltd	64	Kenya	Tea producers
Subati Ltd	52	Kenya	Rose growing
Tinderet Tea Estates (1989) Ltd	82	Kenya	Tea producers
Williamson Tea Kenya Ltd (formerly George Williamson Kenya Ltd)	51	Kenya	Managing Agents & Tea producers

\* Held by Parent

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

The financial year end of Subati Limited does not end with that of the company. On acquisition the company had a year end of 30 June and this has not been changed.

At 31 March 2001 the group held 26.89% of the ordinary share capital of Williamson Magor & Co. Limited, a company incorporated in India. The group does not consider that it is sufficiently actively involved in the direction of this company through participation in relevant policy decisions on strategic issues to warrant it being accounted for as an associate and it is therefore accounted for as a trade investment.