



WILLIAMSON TEA KENYA PLC

Website: www.williamsontea.com

AUDITED RESULTS FOR THE YEAR ENDED 31st MARCH 2020

CONSOLIDATED SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2020

	2020 Shs'000	2019 Shs'000
Revenue	3,089,106	3,370,671
Loss from operations before tax	(33,515)	(284,109)
Net finance income	62,250	18,255
Share of profit/(loss) of associate company	14,601	(46,213)
Profit/(loss) before taxation	104,129	(221,415)
Tax credit	33,072	40,053
Profit/(loss) for the year	137,202	(171,362)
Attributable to:		
Equity holders of the company	132,890	(156,412)
Non-controlling interest	4,342	7,950
Profit/(loss) for the year	137,202	(171,362)
Other comprehensive income/(loss)	38,938	(280)
Attributable to:		
Equity holders of the company	38,938	(280)
Non-controlling interest		
Total comprehensive income/(loss) for the year	176,140	(172,642)
Total comprehensive income/(loss) for the year	171,798	(156,692)
Attributable to:		
Equity holders of the company	4,342	7,950
Non-controlling interest	176,140	(172,642)
Issued shares of Shs 5 each	17,502,640	17,502,640
Emerging (loss) per share - Basic and diluted	7.89	(8.39)

CONSOLIDATED SUMMARISED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

	Retained earnings		Equity attributable to owners of the company	Non-controlling interest	Total
	Share	Reserves			
Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Balance at 1 April 2019	87,563	1,085,535	1,173,098	186,412	1,359,510
Profit for the year		137,202	137,202	7,950	145,152
Other comprehensive income		38,938	38,938		38,938
Transfer to reserves		(202,485)	(202,485)		(202,485)
Dividend paid		(202,485)	(202,485)		(202,485)
Final dividends declared 2019		(23,464)	(23,464)		(23,464)
Balance at 31 March 2019	87,563	1,085,535	1,173,098	194,362	1,359,510
Balance at 1 April 2020	87,563	1,030,507	1,118,070	197,598	1,315,675
Profit for the year		137,202	137,202	4,342	141,544
Other comprehensive income		38,938	38,938		38,938
Transfer to reserves		(45,230)	(45,230)		(45,230)
Dividend paid		(202,485)	(202,485)		(202,485)
Final dividends declared 2020		(23,464)	(23,464)		(23,464)
Balance at 31 March 2020	87,563	1,038,337	1,126,802	201,940	1,337,142

CONSOLIDATED SUMMARISED STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2020

	2020 Shs'000	2019 Shs'000
ASSETS		
Non-current assets		
Intangible assets	3,985,560	3,672,274
Prepaid operating leases	1,801	1,629
Right of use assets	95,033	72,371
Investments	1,040,827	1,017,977
Biological assets - timber and fuel trees	884,567	839,634
Current assets	5,881,288	5,454,155
Uninvoiced green leaf	40,479	21,523
Inventory	865,805	793,034
Trade and other receivables	432,970	366,439
Due from an associate company	282,415	38,486
Other receivables	371,341	672,898
Short term bank investment	191,342	4,575,645
Cash and bank balances	2,212,782	2,607,783
Total Assets	7,800,570	8,271,918
EQUITY AND LIABILITIES		
Share capital	87,563	87,563
Retained earnings	1,038,337	1,030,507
Revaluation surplus	4,817,622	5,001,707
Equity attributable to owners of the company	5,943,522	6,919,777
Non-current liabilities		
Deferred tax on excess appreciation	970,659	967,735
Deferred tax on provision	22,425	291,157
Lease liabilities	1,189,182	1,256,882
Current liabilities		
Trade and other payables	556,679	654,510
Loans	6,160	97,380
Borrowings	2,174	3,281
Due to an associate company	565,233	665,651
Total equity and liabilities	7,800,570	8,271,918

CONSOLIDATED SUMMARISED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2020

	2020 Shs'000	2019 Shs'000
Cash flows from operating activities		
Cash generated from operations	211,195	1,338,908
Interest received	5,757	67,441
Income tax refunds	17,751	1,308
Purchases of intangible assets and equipment	(13,204)	(6,113)
Proceeds from disposal of property, plant and equipment	30,951	8,113
Expenditure on biological assets	(393,171)	(208,610)
Dividends received from - an associate company	(393,182)	(208,610)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	(616,877)	(238,217)
Purchases of intangible assets and equipment	(953)	(1,530)
Proceeds from disposal of property, plant and equipment	6,967	7,308
Expenditure on biological assets	(13,204)	(6,113)
Dividends received from - an associate company	(393,171)	(208,610)
Cash flows from financing activities		
Payment of lease liabilities	(7,805)	(60,138)
Asset finance loans repaid	(344,445)	(338,356)
Dividends paid to shareholders	(4,082)	(17,004)
Dividend paid to minority interests	(386,271)	(453,581)
(Decrease)/increase in cash and cash equivalents	(747,860)	453,025
Movement in cash and cash equivalents		
Cash and cash equivalents at start of year	1,310,543	657,518
(Decrease)/increase in cash and cash equivalents	(747,860)	453,025
Cash and cash equivalents at end of year	562,683	1,110,543

The above extract is based on the Financial Statements of Williamson Tea Kenya P.L.C Group for the year ended 31 March 2020 as audited by Deloitte & Touche who have issued an unqualified report. The Financial Statements have been prepared in accordance with the International Financial Reporting Standards. The Group's annual reports and press release of the annual results can be accessed at the Company's website: www.williamsontea.com

COMPANY REPORT ON THE RESULTS

The Company reported a profit for the year of Shs 137 Million compared to a loss of Shs 172 Million in 2019. The very large crop volumes experienced at the end of the financial year and the reduced demand pushed the price of tea down as too much supply overtook demand with average prices falling by 12%.

DIVIDEND

The Directors resolved to recommend a final dividend of Shs 20 per share to be paid out of the retained earnings. The recommended final dividend, subject to approval, will accrue to the members on the register at the close of business on 18th August 2020. Thereafter, the register will remain closed from 19th August to 20th August 2020, both days inclusive.

PROSPECTS

The extremely favourable weather conditions since October 2019 and huge increases on the supply side in Kenya when placed against a reduction in global demand for tea, results in extremely weak markets. Prices are in freefall and we do not anticipate any change to this situation as the year progresses. We shall continue to focus on crop and quality and managing our costs as we await improvement in the market.

ANNUAL GENERAL MEETING

In view of the COVID-19 pandemic, and to be in compliance with the prescribed government and ministry of health safety regulations, the group applied for and was granted leave by the Capital Markets Authority to conduct a virtual Annual General Meeting.

SUMMARY OF KEY AUDIT MATTER

The auditors' report on the financial statements includes the following key audit matter: Valuation and measurement of biological assets.

BASIS OF PREPARATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements have been prepared in accordance with the requirements of the Capital Markets (Securities) [Public Offers, Listings and Disclosures] Regulation, 2002. Requirements as applicable to summarised financial statements.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 78th Annual General Meeting of the Shareholders will be held by electronic communication on Thursday 20th August 2020 at 11:00 a.m. for the following purpose:

Ordinary Business:

- To consider and adopt the report of the Directors together with the audited financial statements for the year ended 31 March 2020.
- To consider and approve a first and final dividend of Shs 20 per share for the year ended 31 March 2020 payable to the shareholders on the Register of Members at the close of business on 18th August 2020.
- To re-elect Directors:
 - In accordance with Article 108 of the Company's Articles of Association, Mr. James Patrick Brooks retires by rotation and offers himself for re-election.
 - In accordance with Article 108 of the Company's Articles of Association, Mr. Edward Charles Meger retires by rotation and offers himself for re-election.
- In accordance with the provisions of Section 769 of the Companies Act 2015, the following directors being members of the Governance and Audit Committee, be appointed individually to continue to serve as members of the said committee:
 - Mr. Matthew Koehi
 - Mr. James Patrick Brooks
 - Mr. Edward Charles Meger
- To approve the remuneration of the Directors
- To re-appoint Messrs Deloitte & Touche as auditors of the Company in accordance with the provisions of Section 721 (2) of the Kenyan Companies Act 2015 and to authorise the Directors to fix the auditors' remuneration for the ensuing financial year in accordance with the provisions of Section 724 of the Kenyan Companies Act 2015.

NOTES:

- In view of the ongoing Coronavirus 2019 (COVID-19) pandemic and the related public health regulations and directives passed by the Government of Kenya including *Inter alia* public gatherings, it is impermissible, as contemplated under section 280 of the Companies Act 2015, for Williamson Tea Kenya PLC to hold a physical Annual General Meeting (AGM) in the manner prescribed in its Articles of Association.
- On 29 April 2020, the High Court of Kenya in Miscellaneous Application No. E880 of 2020 made under the provisions of Section 280 of the Companies Act 2015 (the Companies Act) issued an order granting special dispensation to any company listed on the Nairobi Securities Exchange (Public Company) to convene and conduct a virtual general meeting subject to receipt of a No Objection from the Capital Markets Authority (CMA).
- Williamson Tea Kenya PLC will convene and conduct a virtual annual general meeting following receipt of a No Objection from the Capital Markets Authority.
- Any shareholder wishing to follow the virtual meeting should register for the AGM by dialling *463-903# for all networks and following the various prompts regarding the registration process. In order to complete the registration process, shareholders will need to provide their ID/Passport Numbers which will be used to purchase their shares and/or their CSCS Account Number at hand. For assistance shareholders should dial the following helpline number: 0709 170 000 from 9:00 a.m. to 5:00 p.m. from Monday to Friday.
- A Shareholder domiciled outside of Kenya can send an email to williamsonagm@image.co.ke providing their details (i.e. Name, Passport/ID no., CDS no. and Mobile telephone number requesting to be registered. Image registers shall register the shareholder and send them an email notification once registered.
- Registration for the AGM opens on Wednesday 29th July 2020 at 9:00 am and will close on Monday 17th August 2020 at 11:00 am.
- In accordance with Section 283 (2) (c) of the Companies Act, the following documents may be viewed on the Company's website <http://www.williamsontea.com/> (i) a copy of this notice and the Proxy Form; (ii) the Company's audited financial statements for the year ended 31st March 2020; (iii) a copy of the High Court Order in Miscellaneous Application No. E880 of 2019; and (iv) a copy of the No Objection issued by the CMA.
- Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
 - sending their written questions by email to williamsonagm@image.co.ke;
 - to the extent possible, physically delivering their written questions with a return physical address or email address to Image Registrars offices at 5th Floor, Absa Towers (formerly Barclays Plaza), Loha Street;
 - sending their written questions with return physical address or email address by registered post to Image Registrars address at P.O. Box 9297 - 00100 Nairobi.
- All questions and clarifications must reach the Company on or before Tuesday 18th August 2020 at 11:00 a.m.
- Following receipt of the questions and clarifications, the directors of the Company shall provide written responses to the questions received to the return physical address or email address provided by the Shareholder no later than 12 hours before 11:00 a.m. Wednesday 19th August 2020. A full list of all questions received and the answers thereto will be published on the Company's website not later than 12 hours before the start of the Annual General Meeting.
- In accordance with Section 238(1) of the Companies Act, Shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company but if not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone. A proxy form is available on the Company's website via this link: <http://www.williamsontea.com/>. Physical copies of the proxy form are also available at the following address: Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loha Street.
- A proxy must be signed by the appointor or his attorney duly authorized in writing. If the appointor is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such corporation or Government office.
- A completed form of proxy should be emailed to williamsonagm@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loha Street, P.O. Box 9297 - 00100 GPO, Nairobi, so as to be received not later than 18th August 2020 at 11:00 am. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than 18th August 2020 at 11:00 am. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than 19th August 2020 to allow time to address any issues.
- The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the general meeting. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hour time and providing a link to the live stream.
- Duly registered Shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda. Duly registered Shareholders and proxies may vote (when prompted by the chairman) via the USSD prompts.
- A poll shall be conducted for all the resolutions put forward in the notice.
- Results of the poll shall be published on the Company's website within 24 hours following conclusion of the Annual General Meeting.

7) Special Business

That, by way of special resolution, Articles 55, 65 and 106 of the Articles of Association of the Company be and are hereby amended to provide for holding of Annual General Meetings, Extraordinary General Meetings and Board Meetings virtually and for voting to be conducted by electronic means.

G K MASAKI COMPANY SECRETARY

INDEPENDENT AUDITORS' REPORT ON THE SUMMARISED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF WILLIAMSON TEA KENYA PLC

Opinion

The accompanying summarised consolidated financial statements of Williamson Tea Kenya Plc and its subsidiaries (the Group) which comprise the summarised consolidated statement of financial position as at 31 March 2020, the summarised consolidated statement of profit or loss and other comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year then ended, are derived from the audited financial statements of the Group for the year ended 31 March 2020.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited financial statements of the Group, in accordance with the requirements of the Capital Markets (Securities) [Public Offers, Listings and Disclosures] Regulation, 2002 ("the Regulations") as applicable to summary financial statements.

Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements of the Group and the auditors' report thereon.

The audited financial statements and our report thereon

We express an unmodified audit opinion on the audited financial statements in our report dated 16th July 2020. That report also includes the communication of a key audit matter related to the valuation and measurement of biological assets. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, applicable to summarised financial statements.

Directors' responsibility for the summarised consolidated financial statements

The Directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the Capital Markets (Securities) [Public Offers, Listings and Disclosures] Regulation, 2002 as applicable to summarised financial statements.

Auditors' responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised). Engagements to Report on Summary Financial Statements.

Certified Public Accountants (Kenya)

Deloitte Place
Wahari Way, Muthurua
P.O. Box 40092 - 00100, Nairobi, Kenya

CPA F. Okwiri, Practising certificate No. 1699
Signed partner responsible for the independent audit 16th July 2020