



WILLIAMSON TEA KENYA PLC



AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH 2020

Website: www.williamsontea.com

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	3,069,106	3,370,871
Loss from operations before tax	(335,515)	(239,109)
Increase in fair value of biological assets	38,156	38,156
Net finance income	60,292	14,801
Share of profit/(loss) of associate company	104,129	(49,213)
Profit/(loss) before taxation	33,072	(212,415)
Tax credit	137,202	40,053
Profit/(Loss) for the year	176,140	(172,362)
Attributable to:		
Equity holders of the company	132,860	(164,412)
Non-controlling interest	4,342	(2,950)
Profit/(loss) for the year	137,202	(172,362)
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	(164,692)
Attributable to:	4,342	(2,950)
Non-controlling interest	176,140	(172,642)
Issued shares of Shs 5 each	175,122,640	175,122,640
Equity/(liability) per share - Basic and diluted	738	(939)

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

	Share Capital		Reserve		Biological Assets		Other		Retained earnings		Equity	
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Balance at 1 April 2019	87,563	1,085,535	1,358,649	38,053	4,102,975	5,461,624	(164,412)	(164,412)	78,212	(23,464)	(1,037)	44,145
Other comprehensive loss		(280)			(202,465)	(164,412)	(164,412)		(78,212)	(23,464)	(1,037)	(44,145)
Profit/(loss) for the year					38,053	176,140	176,140		176,140	176,140	176,140	176,140
Deferred tax on excess depreciation												
Final dividends declared 2019												
Balance at 31 March 2020	87,563	1,085,535	1,396,702	38,938	3,605,005	5,001,707	(350,253)	(350,253)	6,192,777	197,598	6,312,375	7,903,719
Balance at 1 April 2019	87,563	1,030,507	1,968,702	45,200	3,605,005	5,001,707	(350,253)	(350,253)	6,192,777	197,598	6,312,375	7,903,719
Other comprehensive income		38,938										
Total comprehensive income for the year												
Excess depreciation transfer												
Deferred tax on excess depreciation												
Final dividends declared 2019												
Balance at 31 March 2020	87,563	1,085,535	1,441,902	3,375,530	4,817,422	5,941,332	194,853	6,156,175	5,941,332	194,853	6,156,175	7,903,719

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

	2020 Shs'000	2019 Shs'000
ASSETS		
Property, plant and equipment	3,865,560	3,672,274
Intangible assets	1,801	1,829
Prepaid operating leases	85,073	72,371
Right of use assets	1,040,822	699,434
Investments	684,567	5,484,135
Biological assets	5,687,788	1,017,977
Current assets	11,365,503	11,688,920
Unharvested green leaf	40,479	21,523
Inventories	865,905	783,034
Trade and other receivables	4,359,445	3,666,439
Due from an associate company	18,415	18,415
Short term bank investment	292,430	286,758
Cash and bank balances	371,341	872,898
Total Assets	21,212,482	22,807,785
Equity and liabilities	2,906,370	8,271,918
Capital and reserves	87,563	87,563
Share capital	1,030,507	1,030,507
Revaluation surplus	3,865,560	3,672,274
Retained earnings	1,801	1,829
Equity attributable to owners of the company	5,941,332	6,312,375
Shareholders' funds	5,941,332	6,312,375
Non current liabilities	1,199,162	1,258,892
Deferred tax liability	876,659	967,735
Service premium provision	300,178	291,157
Lease liabilities	1,199,162	1,258,892
Current liabilities	556,879	654,510
Trade and other payables	61,860	57,380
Lease liabilities	6,160	3,761
Borrowings	2,174	3,761
Due to an associate company	565,233	695,651
Total equity and liabilities	7,906,570	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 received from operations	211,195	1,538,909
Interest received	57,725	67,441
Interest paid on borrowings	(2,174)	(5,375)
Taxation paid	(72,748)	(52,739)
Cash flows from investing activities		
Purchase of property, plant and equipment	(616,817)	(238,217)
Purchase of intangible assets	(939)	(939)
Proceeds from disposal of property, plant and equipment	(13,204)	(1,738)
Proceeds from disposal of biological assets	(13,204)	(8,130)
Proceeds from disposal of investments	30,951	30,951
Dividends received from - an associate company	(953,162)	(208,610)
Cash flows from financing activities		
Payment of lease liabilities	(7,805)	(60,138)
Dividends paid to shareholders	(344,445)	(338,556)
Dividend paid to minority interest	(2,087)	(7,087)
Proceeds from issue of shares	(956,717)	(405,581)
(Decrease)/Increase in cash and cash equivalents	(742,860)	453,025
Movement in cash and cash equivalents	1,310,543	857,518
Cash and cash equivalents at start of year	(428,602)	453,025
Cash and cash equivalents at end of year	582,681	1,310,543

The above extract is based on the Financial Statements of Williamson Tea Kenya PLC 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

COMMENTARY 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 in the early 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 08th 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 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 auditor's 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 7th 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:

- To receive and adopt the report of the Directors together with the audited financial statements for the year ended 31st 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 19th 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 Mwangi 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 Committee:
 - Madhankweth
 - Miriam Patrick Brooks
 - Mwendwa Charles Mwangi
- 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 authorize the Directors to fix the auditors' remuneration for the ensuing financial year in accordance with the provisions of Section 724 (1) 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 precluding *inter alia* public gatherings, it is impracticable, 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 23 April 2020, the High Court of Kenya in Miscellaneous Application No. 5590 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 *483964# for all networks and following the various prompts regarding the registration process. In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC 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 Image Registrars via williamson@image.co.ke providing their details (Name, Passport/ID no., CDS no. and Mobile telephone number requesting to be registered. Image registrars 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 a.m. and will close on Monday 17th August 2020 at 11:00 a.m.
 - 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. 5590 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 williamson@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), Lolia Street; or
 - sending their written questions with a return physical address or email address by registered post to Image Registrars' address at P.O. Box 9287 - 00100 Nairobi.
- Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications. All questions and clarification must reach the Company on or before Tuesday 17th 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 no later than 12 hours before the start of the Annual General Meeting.
- In accordance with Section 298(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 it must be the Chairman of the AGM, the appointed proxy will need access to a mobile telephone. Following address: Image Registrars Limited Offices, 5th Floor Absa Towers (formerly Barclays Plaza), Lolia Street.
- 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 Company's registered office.
- 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 williamson@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Lolia Street, P.O. Box 9287 - 00100 GPO, Nairobi. The proxy form should be received not later than 19th August 2020 at 11:00 a.m. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than 19th August 2020 at 11:00 a.m. 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. Daily registered shareholders may access the live stream via the link <http://www.williamsontea.com/> or via the USSD prompts. Only 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.
11. Results of the poll shall be published on the Company's website within 24 hours following conclusion of the Annual General Meeting.
12. Results of the poll shall be published on the Company's website within 24 hours following conclusion of the Annual General Meeting.

Special Business

That, by way of special resolution, Articles 55, 65 and 116 of the Articles of Association of the Company be and are hereby amended to provide for Board Meetings virtually and for voting to be conducted by electronic means.

To transact such other business as may be brought before the meeting.

C K MASARI
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, and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements of the Group and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified (clean) opinion on the audited financial statements in our report dated 16th July 2020. Our report also includes the communication of a key audit matter related to the valuation of biological assets. Our judgment, were of most significance in our audit of the financial statements of the current period.

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 Standards on Auditing (ISA) 810 (Revised). Engagements to Report on Summary Financial Statements.

Certified Public Accountants (Kenya)
Deloitte Place
Waiyaki Way, Mutunguru
P.O. Box 40092 - 00100, Nairobi, Kenya

CMA E. Okwiri, Practising certificate No. 1699
Signing partner responsible for the Independent audit
16th July 2020