

WILLIAMSON TEA KENYA PLC
AUDITED RESULTS FOR THE YEAR ENDED 31st MARCH 2021
 Website: www.williamsontea.com

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021		
	2021	2020 ^(restated)
	Sh'000	Sh'000
Continuing Operations		
Revenue	3,734,037	3,036,935
Loss from operations before tax	(163,199)	(20,650)
Increase in fair value of biological assets	74,794	62,552
Net finance income	18,372	60,291
Share of profit of associate company	2,796	14,801
(Loss)/profit before taxation	(87,299)	114,994
(Loss)/profit for the year from continuing operations	(86,141)	30,386
Loss from discontinued operations	(13,755)	(10,173)
(Loss)/profit for the year	(146,138)	137,292
Attributable to:		
Equity holders of the company	(145,570)	132,840
Non-controlling interest	(568)	446
(Loss)/profit for the year	(146,138)	137,292
Other comprehensive income	327,199	38,938
Attributable to:		
Equity holders of the company	314,228	38,938
Non-controlling interest	(9,029)	-
Total other comprehensive income for the year	327,199	38,938
Total comprehensive income for the year	181,061	176,140
Attributable to:		
Equity holders of the company	168,658	171,738
Non-controlling interest	(12,462)	4,402
	181,061	176,140
Issued shares of KSh 5 each	17,513,640	17,513,640
(Loss)/earnings per share - Basic and diluted	(8.31)	7.29

*FY2020 restated on the classification of Williamson Power Limited as a discontinued operation.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share Capital Sh'000	Revaluation Reserve Sh'000	Retained Earnings Sh'000	Equity Attributable to owners of the company Sh'000	Non-controlling Interest Sh'000	Total Sh'000
Balance at 1 April 2019	87,563	1,030,607	5,081,707	6,119,777	197,558	6,317,335
Other comprehensive income	-	38,938	132,860	38,938	4,342	137,292
Total comprehensive income for the year	-	38,938	132,860	38,938	4,342	137,292
Excess depreciation transfer	-	(44,145)	44,145	-	-	-
Deferred tax on excess depreciation	-	11,027	(11,027)	-	-	-
Final dividends declared - 2019	-	-	(350,253)	(350,253)	(7,087)	(357,340)
Balance at 31 March 2020	87,563	1,036,337	4,817,422	5,941,322	194,833	6,136,175
Balance at 1 April 2020	87,563	1,036,337	4,817,422	5,941,322	194,833	6,136,175
Loss for the year	-	-	(146,570)	(146,570)	8,688	(137,882)
Other comprehensive income	-	314,228	314,228	12,971	327,199	327,199
Total comprehensive income for the year	-	314,228	(146,570)	168,658	12,403	181,061
Excess depreciation transfer	-	(42,218)	42,218	-	-	-
Deferred tax on excess depreciation	-	12,525	(12,525)	-	-	-
Final dividends declared - 2020	-	-	(350,253)	(350,253)	(7,087)	(357,340)
Balance at 31 March 2021	87,563	1,320,872	4,351,292	5,759,727	200,109	5,959,836

COMMENTARY ON THE RESULTS

The results to year end and March 31st 2021 are a reflection of an over-supply of Kenya tea, insufficient demand for the over-supply, concerns from the buyers over the Covid-19 pandemic, global economy difficulties and currency fluctuations. In addition, buyers have expressed anxiety over the impact of the yet to be ratified Tea Act, 2020. These challenges have in various ways determined a complete change in how the majority of our tea is sold, from direct sales to establishing a reputation in an auction market we previously did not have a presence in. This does take time and we hope to persuade new customers into buying from us. Away from the market, the drop in revenue from investment property has also contributed to this year's loss.

RISK The Directors resolved to recommend a first and final dividend of KShs 10 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 21st July 2021. Thereafter, the register will remain closed from 22nd July to 23rd July 2021, both days inclusive.

PROSPECTS

Unless reduced supply or increased demand arrives to rebalance the scales away from buyers advantage the coming months will be extremely difficult with record low prices being paid for our category of tea.

SUMMARY OF KEY AUDIT MATTER

The auditors' report on the consolidated and company 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 THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 79th Annual General Meeting of the Shareholders will be held by electronic communication on Friday 23rd July 2021 at 11:00 a.m. for the following purposes:

- Ordinary Business:**
- To receive and adopt the report of the Directors together with the audited financial statements for the year ended 31 March 2021.
 - To consider and approve a first and final dividend of Sh 10 per share for the year ended 31 March 2021 payable to the shareholders on the Register of Members.
 - To re-elect Directors.
- i) In accordance with Article 108 of the Company's Articles of Association, Mr. Ezeikel Njiru Kimani Wanjama retires by rotation and offers himself for re-election.
 ii) In accordance with Article 108 of the Company's Articles of Association, Mr. Matthew Koach 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 Board Audit Committee, be appointed individually to continue to serve as members of the said committee:
 - Mr. Matthew Koach
 - Mr. James Patrick Brodie
 - Mr. Edward Charles Maggi
 - To approve the remuneration of the Directors.
 - To re-appoint Messrs Deloitte & Touche LLP 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 (1) of the Kenyan Companies Act, 2015.
 - To transact such other business as may be brought before the meeting.

G 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 2021, 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 2021.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited financial statements of the Williamson Tea Kenya PLC ("Group"), in accordance with the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 as applicable to summarised 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 expressed an unmodified audit opinion on the audited financial statements in our report dated 29 June 2021. 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.

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.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Frank Akim, Practising certificate No. 1537

For and on behalf of Deloitte & Touche LLP
 Certified Public Accountants (Kenya)
 Deloitte Place
 Waiyaki Way, Muthangari
 P.O. Box 40092 - 00100, Nairobi, Kenya
 25 June 2021

The above extract is based on the Financial Statements of Williamson Tea Kenya PLC Group for the year ended 31 March 2021 as audited by Deloitte & Touche LLP who have issued an unmodified report. The consolidated and company 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

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021			
	2021	2020	
	Sh'000	Sh'000	Sh'000
ASSETS			
Non-current assets			
Property, plant and equipment	4,188,302	3,865,560	
Intangible assets	789	1,801	
Right of use assets	86,530	95,033	
Investments	989,905	1,040,827	
Biological assets - timber and fuel trees	666,291	654,627	
	5,950,207	5,667,787	
Current assets			
Un-harvested green tea	26,625	40,479	
Inventories	522,217	885,805	
Trade and other receivables	470,169	432,970	
Due from an associate company	34,005	18,415	
Corporate tax recoverable	248,177	252,448	
Short term bank investment	312,758	371,341	
Cash and bank balances	143,937	191,342	
	2,059,444	2,179,792	
Asset Classified as held for sale	49,023	-	
Total Assets	8,048,478	7,800,670	
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	87,563	87,563	
Revaluation surplus	1,203,872	1,036,337	
Retained earnings	4,351,292	4,817,422	
Equity attributable to owners of the company	5,759,727	5,941,322	
Non-controlling interest	200,109	194,833	
Shareholders' funds	5,959,836	6,136,175	
Non-current liabilities			
Deferred tax liability	1,081,548	878,659	
Service gratuity provision	297,218	300,178	
Borrowings	176,424	176,424	
Lease liabilities	16,011	22,325	
	1,571,201	1,377,586	
Current liabilities			
Due to an associate company	644	2,174	
Borrowings	31,648	504,073	
Trade and other payables	60,489	52,806	
Dividends payable	6,247	6,160	
Lease liabilities	513,167	565,233	
Liabilities directly associated with assets classified as held for sale	4,214	-	
Total equity and liabilities	8,048,478	7,800,670	
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021		2021	2020
		Sh'000	Sh'000
Cash flows from operating activities			
Cash generated from operations		6,136,175	207,399
Interest received		18,573	56,801
Interest paid on borrowings		(103,968)	(2,174)
Taxation paid		(11,520)	(24,726)
Net cash generated from operating activities		6,139,260	237,300
Cash flows from investing activities			
Purchase of property, plant and equipment		(274,390)	(816,817)
Purchase of intangible assets		(48)	(569)
Proceeds from disposal of property, plant and equipment		93	6,887
Expenditure on biological assets		(7,049)	(7,502)
Dividends received from an associate company		30,951	30,951
Net cash used in investing activities		(250,490)	(587,460)
Cash flows from financing activities			
Payment of lease liabilities		(8,215)	(7,805)
Payment of borrowings		(201,735)	(57,360)
Borrowings received		242,270	(344,445)
Dividends paid to shareholders		(7,087)	(7,087)
Dividend paid to minority interest		(156,153)	(298,717)
Net cash used in financing activities		(219,880)	(988,714)
Increase/(decrease) in cash and cash equivalents		206,515	(747,869)
Movement in cash and cash equivalents			
Cash and cash equivalents at start of year		562,683	1,310,543
Increase/(decrease) in cash and cash equivalents		206,515	(747,869)
Cash and cash equivalents included in held for sale		(12,543)	-
Cash and cash equivalents at end of year		756,255	562,683