

W, DC & F Thomson Limited

Directors' report and accounts

31 December 1996

Registered number 8621



2

W, DC & F Thomson Limited

Directors' report

To the Eighty Fourth Annual General Meeting of the Company to be held on 19 June 1997 at 12 noon.

The directors submit herewith the accounts of the company for the year ended 31 December 1996.

Activities

The company carried on business as an Investment Trust during the year to 31 December 1996 and is a close company.

Financial

	£
Revenue for the year after taxation	165,026
Proposed dividend of £9.00 per share for the year ended 31 December 1996	102,600
Revenue for year retained	62,426
Balance at credit brought forward from 31 December 1995	210,904
Amount carried forward at 31 December 1996	273,330

Directors

The directors of the company at the date of this report and throughout the year are shown in note 3 to the accounts.

In terms of the Articles of Association Mr AG Thomson retires by rotation and being eligible offer themselves for re-election.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



R Holland
Secretary

Dundee
28 May 1997

Directors' responsibilities for the preparation of financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to -

- o select suitable accounting policies and then apply them consistently;
- o make judgements and estimates that are reasonable and prudent; and
- o 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

W, DC & F Thomson Limited



Report of the auditors to the members of W, DC & F Thomson Limited

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of the directors and auditors

As described above the company's directors are responsible for the preparation of financial statements. 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 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 company's 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 misstatement, 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 the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

Royal Exchange
Dundee
DD1 1DZ
28 May 1997

W, DC & F Thomson Limited

Revenue account

for the year ended 31 December 1996

	Note	1996 £	1995 £
Income from listed investments			
Dividends - UK		231,491	181,174
Other income - Interest received		9,985	8,653
		<u>241,476</u>	<u>189,827</u>
Administration expenses	2	32,261	32,230
Revenue before taxation		<u>209,215</u>	<u>157,597</u>
Taxation	4	44,189	24,145
Revenue after taxation		<u>165,026</u>	<u>133,452</u>
Dividends			
Ordinary shares			
Proposed dividend of £9.00 (1995 - £8.00) per share		102,600	91,200
Revenue reserve transfer		<u>62,426</u>	<u>42,252</u>
Earnings per share	5	14.48	11.71

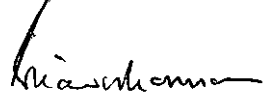
A statement of reserves is given in note 9.

W, DC & F Thomson Limited

Balance sheet at 31 December 1996

	Note	1996 £	1995 £
Fixed assets			
Investments	6	1,161,754	1,132,475
Current assets			
Sundry debtors		5,493	-
Cash at bank and short term deposits		170,614	125,056
		<u>176,107</u>	<u>125,056</u>
Creditors : Amounts falling due within one year	7	<u>103,810</u>	<u>93,723</u>
Net current assets		<u>72,297</u>	<u>31,333</u>
Total assets less current liabilities		<u><u>1,234,051</u></u>	<u><u>1,163,808</u></u>
Capital and reserves			
Called up share capital	8	11,400	11,400
Capital reserve	9	949,321	941,504
Revenue reserve	9	273,330	210,904
		<u><u>1,234,051</u></u>	<u><u>1,163,808</u></u>

These financial statements were approved by the board of directors on 28 May 1997 and were signed on its behalf by:


BH Thomson
Director


DB Thomson
Director

W, DC & F Thomson Limited

Cash flow statement

for the year ended 31 December 1996

	<i>Note</i>	1996	1995
		£	£
Net cash inflow from operating activities	<i>10</i>	157,648	123,572
Taxation			
UK Corporation tax refunded		-	9
Investing activities			
Purchase of investments		(38,441)	(103,742)
Sale of investments		17,551	76,009
Net cash outflow from investing activities		(20,890)	(27,733)
Equity dividends paid		(91,200)	(83,790)
Increase in cash	<i>11</i>	45,558	12,058

W, DC & F Thomson Limited

Statement of total recognised gains and losses for the year ended 31 December 1996

	1996 £	1995 £
Capital profits on investments		
Realised gains	7,817	38,682
Other capital adjustments	-	9
Capital surplus	7,817	38,691
Revenue available for distribution	165,026	133,452
Total recognised gains and losses	172,843	172,143
Dividends	(102,600)	(91,200)
Total movement in ordinary shareholders' funds	70,243	80,943
Opening shareholders' funds	1,163,808	1,082,865
Closing shareholders' funds	1,234,051	1,163,808

W, DC & F Thomson Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with appropriate accounting standards.

Investment income

Franked investment income is stated on the basis of cash receipts in the year with the addition of related tax credits. Unfranked investment income is stated on the basis of gross receipts in the year before deduction of income tax.

Management expenses

Management expenses are stated on the basis of amounts applicable to the financial year.

Foreign currencies

Foreign assets are valued using the middle rates of exchange ruling at the year end. Foreign income is converted at the rate of exchange applicable on receipt.

2 Administration expenses

These include audit fees of £1,200 (1995 - £1,175) and non-audit fees of £699 (1995 - £699).

The directors received no remuneration or fees for their services during the year to 31 December 1996 (1995 - £nil).

3 Directors

The directors of the company throughout the year ended 31 December 1996 are shown below.

The respective interests of the directors, including shares held as trustees without beneficial interest, in the shares of the company are set out below:-

	31 December 1996	1 January 1996
Interest in £1 Ordinary shares including shares held as trustees without beneficial interest		
B H Thomson	100	100
D B Thomson	3,920	3,920
A G Thomson	20	20
L M Thomson	20	20
A F Thomson	60	60
In addition as joint trustees without beneficial interest		
B H Thomson)		
D B Thomson)	120	120
B H Thomson)		
D B Thomson)	620	540
A F Thomson)		
A G Thomson)		
L M Thomson)	620	620

W, DC & F Thomson Limited

Notes (continued)

4 Taxation

	1996 £	1995 £
Imputation tax on franked income	44,761	34,883
UK corporation tax credit at 33% (1995 - 33%) (per note 9)	(572)	(10,738)
	<u>44,189</u>	<u>24,145</u>
	=====	=====

No provision has been made for advance corporation tax on the proposed final dividend, as in the opinion of the directors, such taxation will be fully relieved.

5 Earnings per share

The earnings per share are based on revenue available to shareholders of £165,026 (1995 - £133,452) divided by the 11,400 shares in issue at the year end.

6 Investments

	Listed in UK £
<i>At cost</i>	
At 31 December 1995	1,132,475
Add - Purchases	38,441
	<u>1,170,916</u>
Less - Sales	(9,162)
At 31 December 1996	<u>1,161,754</u>
	=====
<i>The market value of the investments</i>	
At 31 December 1996	<u>5,588,840</u>
	=====
At 31 December 1995	5,144,459
	=====

The estimated liability to taxation on chargeable gains which would have arisen had the investments been realised on 31 December 1996 at the value stated amounts approximately to £1,139,535 (1995 - £1,006,252).

W, DC & F Thomson Limited

Notes (continued)

7	Creditors	1996	1995
	Amounts falling due within one year:	£	£
	Proposed final dividend	102,600	91,200
	Other creditors	1,210	2,523
		103,810	93,723
8	Share capital		
	<i>Authorised</i>		
	12,600 shares of £1 each	12,600	12,600
	<i>Allotted, called up and fully paid</i>		
	11,400 (1995 - 11,400) shares of £1 each	11,400	11,400
9	Reserves		£
	Capital Reserve		
	At 31 December 1995		941,504
	Gain on sale of investments (net of taxation per note 4)		7,817
	At 31 December 1996		949,321
	Revenue Reserve		
	At 31 December 1995		210,904
	Surplus for year		62,426
	At 31 December 1996		273,330

W, DC & F Thomson Limited

Notes (continued)

10 Reconciliation of revenue to net cash inflow from operating activities

	1996	1995
	£	£
Revenue before taxation	209,215	157,597
(Increase)/decrease in other debtors	(5,493)	858
Decrease in other creditors	(1,313)	-
Tax on franked investment income included within income from UK companies	(44,761)	(34,883)
Net cash inflow from operating activities	157,648	123,572

11 Analysis of changes in cash and cash equivalents during the year

Balance at 1 January 1996	125,056	112,998
Net cash inflow	45,558	12,058
Balance at 31 December 1996	170,614	125,056

12 Shareholders' funds reconciliation

	1996	1995
	£	£
Profit for financial year	165,026	133,452
Dividends	(102,600)	(91,200)
Realised gains	7,817	38,682
UK corporation tax refund	-	9
Net increase in shareholders' funds	70,243	80,943
Opening shareholders' funds	1,163,808	1,082,865
Closing shareholders' funds	1,234,051	1,163,808

13 Related party transactions

Two of the directors of W, DC & F Thomson Limited are partners of William Thomson & Sons which manages the investment portfolio for the company. The fee charged in the year was £30,550 (1995 - £30,328).