

W, DC & F Thomson Limited

**Directors' report and accounts
for the year ended 31 December 2000**

Registered number 8621

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W, DC & F Thomson Limited

Directors' report

**To the Eighty Eighth Annual General Meeting of the Company to be held
on 21 June 2001 at 12.15 pm.**

The directors submit herewith the accounts of the company for the year ended 31 December 2000.

Activities

The company carried on business as an Investment Trust during the year to 31 December 2000 and is a close company.

Financial

	£
Profit available for distribution	187,152
Proposed dividend of £12.50 per share for the year ended 31 December 2000	142,500
Profit for year retained	44,652
Balance brought forward from 31 December 1999	422,567
Amount carried forward at 31 December 2000	467,219

Directors

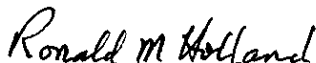
The directors of the company at the date of this report and throughout the year are shown in note 4 to the accounts.

In terms of the Articles of Association Messrs DB and CHW Thomson retire by rotation and being eligible offer themselves for re-election.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Henderson Loggie as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



R Holland
Secretary
Dundee

14 March 2001

W, DC & F Thomson Limited

Statement of 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 of the profit or loss for that period. In preparing those accounts, the directors are required to -

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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 accounts on pages 4 to 10.

Respective responsibilities of the directors and auditors

As described on page 2, the company's directors are responsible for the preparation of accounts. 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Henderson Loggie

Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

14 March 2001

W, DC & F Thomson Limited

Profit and loss account for the year ended 31 December 2000

	Note	2000 £	As restated 1999 £
Dividends - UK		199,395	196,687
Interest received		18,534	16,902
		<u>217,929</u>	<u>213,589</u>
Gain on sale of investments	2	65,056	82,845
		<u>282,985</u>	<u>296,434</u>
Administrative expenses	3	36,024	35,045
Profit before taxation		<u>246,961</u>	<u>261,389</u>
Taxation	5	2,256	17,911
Profit after taxation		<u>244,705</u>	<u>243,478</u>
Transfer to capital reserve		57,553	59,448
Profit available for distribution		<u>187,152</u>	<u>184,030</u>
Dividends			
Ordinary shares			
Proposed dividend of £12.50 (1999 - £12) per share		142,500	136,800
Profit for year retained		<u>44,652</u>	<u>47,230</u>
Earnings per share	6	16.42	16.14

A statement of reserves is given in note 10.

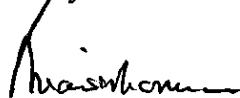
There are no other recognised gains and losses for the year other than the profit of £244,705 (1999 - £243,478). Profit for year retained of £44,652 (1999 - £47,230) and transfer to capital reserves of £57,553 (1999 - £59,448) represent the only movement on shareholder funds.

W, DC & F Thomson Limited

Balance sheet at 31 December 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Investments	7		1,573,930		1,459,573
Current assets					
Cash at bank and short term deposits		233,713		253,926	
Creditors : Amounts falling due within one year	8	151,496		159,557	
Net current assets			82,217		94,369
Total assets less current liabilities			1,656,147		1,553,942
Capital and reserves					
Called up share capital	9		11,400		11,400
Capital reserve	10		1,177,528		1,119,975
Profit and loss account	10		467,219		422,567
Shareholders' funds			1,656,147		1,553,942

These accounts were approved by the board of directors on 14 March 2001 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 2000

	Note	£	2000 £	1999 £
Net cash inflow from operating activities	11		183,440	179,558
Taxation			(17,552)	(5,823)
Financial investment				
Purchase of investments		(165,413)		(157,711)
Sale of investments		116,112		155,127
			(49,301)	(2,584)
Equity dividends paid			(136,800)	(128,250)
(Decrease)/increase in cash	12		(20,213)	42,901

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. This is a change from the policy followed in previous years, required to comply with the new Financial Reporting Standard 16 "current tax". Previously franked investment income was shown gross of related ACT with a corresponding tax charge. The comparative figures for income and taxation have been restated in line with the new policy. There is no effect on profit on ordinary activities after taxation or retained profit. 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 Gain on sale of investments

The sale of investments in the year to 31 December 2000, has led to a chargeable gain of £26,205, with an associated tax charge of £7,861. This tax charge is partly offset by management expenses to give the corporation tax charge per note 5 to the accounts.

3 Administrative expenses

These include audit fees of £1,300 (1999 - £1,275) and non-audit fees of £525 (1999 - £795).

The directors received no remuneration or fees for their services during either this, or the previous, financial year.

W, DC & F Thomson Limited

Notes to the accounts (continued)

4 Directors

The directors of the company throughout the year ended 31 December 2000 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 2000	1 January 2000
Interest in £1 Ordinary shares including shares held as trustees without beneficial interest		
B H Thomson	60	60
D B Thomson	3,920	3,920
A G Thomson	20	20
L M Thomson	20	20
A F Thomson	60	60
CHW Thomson	40	40
In addition as joint trustees without beneficial interest		
B H Thomson)		
D B Thomson)	120	120
CHW Thomson)		
 B H Thomson)		
D B Thomson)	620	620
A F Thomson)		
 A G Thomson)		
L M Thomson)	620	620

5 Taxation

	2000 £	As restated 1999 £
Current year		
Corporation tax	2,615	17,911
Prior year		
Corporation tax	(359)	-
	<u>2,256</u>	<u>17,911</u>

6 Earnings per share

The earnings per share are based on profit available to shareholders of £187,152 (1999 - £184,030) divided by the 11,400 shares in issue at the year end.

W, DC & F Thomson Limited

Notes to the accounts (continued)

7 Investments

	Listed in UK £
<i>At cost</i>	
At 31 December 1999	1,459,573
Add - Purchases	165,413
	<u>1,624,986</u>
Less - Sales	(51,056)
At 31 December 2000	<u>1,573,930</u>
 The market value of the investments	
At 31 December 2000	<u>8,490,387</u>
 At 31 December 1999	 <u>8,852,636</u>

The estimated liability to taxation on chargeable gains which would have arisen had the investments been realised on 31 December 2000 at the value stated amounts approximately to £1,756,000 (1999 - £1,910,000).

8 Creditors

	2000 £	1999 £
Amounts falling due within one year:		
Proposed final dividend	142,500	136,800
Corporation tax	2,615	17,911
Other creditors	6,381	4,846
	<u>151,496</u>	<u>159,557</u>

9 Share capital

Authorised		
12,600 shares of £1 each	<u>12,600</u>	<u>12,600</u>
 Allotted, called up and fully paid		
11,400 shares of £1 each	<u>11,400</u>	<u>11,400</u>

W, DC & F Thomson Limited

Notes to the accounts (continued)

10 Reserves

	£
Capital Reserve	
At 31 December 1999	1,119,975
Transfer from profit and loss account	57,553
	<u>1,177,528</u>
At 31 December 2000	<u>1,177,528</u>
 Profit and loss account	
At 31 December 1999	422,567
Profit for year retained	44,652
	<u>467,219</u>
At 31 December 2000	<u>467,219</u>

The distributable reserves of the company are £467,219(1999 - £422,567).

11 Reconciliation of profit to net cash inflow from operating activities

	2000	1999
	£	£
Profit before taxation	246,961	261,389
Gain on sale of investments	(65,056)	(82,845)
Increase in other creditors	1,535	1,014
	<u>183,440</u>	<u>179,558</u>
Net cash inflow from operating activities	<u>183,440</u>	<u>179,558</u>

12 Reconciliation of net cash flow to movement in net funds

Balance at 1 January 2000	253,926	211,025
Net cash (outflow)/inflow	(20,213)	42,901
	<u>233,713</u>	<u>253,926</u>
Balance at 31 December 2000	<u>233,713</u>	<u>253,926</u>

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 by William Thomson & Sons was £33,912 (1999 - £31,964). At the balance sheet date, £4,886 was due to William Thomson & Sons (1999 - £3,570).