

W, DC & F Thomson Limited

**Directors' report and accounts
for the year ended 31 December 2001**

Registered number 8621

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W, DC & F Thomson Limited

Directors' report

To the Eighty Ninth Annual General Meeting of the Company to be held on 20 June 2002 at 12.15 pm.

The directors submit herewith the accounts of the company for the year ended 31 December 2001.

Activities

The company carried on business as an Investment Trust during the year to 31 December 2001 and is a close company.

Financial

	£
Profit available for distribution	186,577
Proposed dividend of £13.10 per share for the year ended 31 December 2001	149,340
Profit for year retained	37,237
Balance brought forward from 31 December 2000	467,219
Amount carried forward at 31 December 2001	504,456

Directors

It is with great regret that the directors report that Mr DB Thomson died on 17 January 2002.

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 LM and AF 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

Ronald M Holland

R Holland
Secretary
Dundee

25 March 2002

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

Independent auditors' report to the shareholders of W, DC & F Thomson Limited

We have audited the accounts of W, DC & F Thomson Limited for the year ended 31 December 2001 on pages 4 to 10. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

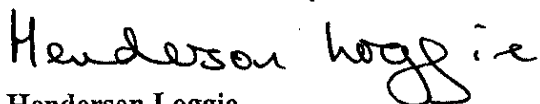
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

25 March 2002

W, DC & F Thomson Limited

Profit and loss account for the year ended 31 December 2001

	Note	2001 £	2000 £
Dividends - UK		208,281	199,395
Interest received		12,663	18,534
		<u>220,944</u>	<u>217,929</u>
Gain on sale of investments	2	50,196	65,056
		<u>271,140</u>	<u>282,985</u>
Administrative expenses	3	37,304	36,024
Profit before taxation		<u>233,836</u>	<u>246,961</u>
Taxation	5	(17)	2,256
Profit after taxation		<u>233,853</u>	<u>244,705</u>
Transfer to capital reserve		47,276	57,553
Profit available for distribution		<u>186,577</u>	<u>187,152</u>
Dividends			
Ordinary shares			
Proposed dividend of £13.10 (2000 - £12.50) per share		149,340	142,500
Profit for year retained		<u>37,237</u>	<u>44,652</u>
Earnings per share	6	16.37	16.42

A statement of reserves is given in note 10.

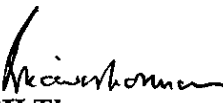
There are no recognised gains and losses for the year other than the profit of £233,853 (2000 - £244,705). Profit for year retained of £37,237 (2000 - £44,652) and transfer to capital reserves of £47,276 (2000 - £57,553) represent the only movement on shareholder funds.

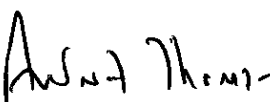
W, DC & F Thomson Limited

Balance sheet at 31 December 2001

	Note	£	2001 £	£	2000 £
Fixed assets					
Investments	7		1,441,527		1,573,930
Current assets					
Cash at bank and short term deposits		455,404		233,713	
Creditors : Amounts falling due within one year	8	156,271		151,496	
Net current assets			299,133		82,217
Total assets less current liabilities			1,740,660		1,656,147
Capital and reserves					
Called up share capital	9		11,400		11,400
Capital reserve	10		1,224,804		1,177,528
Profit and loss account	10		504,456		467,219
Shareholders' funds			1,740,660		1,656,147

These accounts were approved by the board of directors on 25 March 2002 and were signed on its behalf by:


BH Thomson
Director


AF Thomson
Director

W, DC & F Thomson Limited

Cash flow statement for the year ended 31 December 2001

	Note	£	2001 £	2000 £
Net cash inflow from operating activities	11		184,190	183,440
Taxation			(2,597)	(17,552)
Financial investment				
Purchase of investments		(39,924)		(165,413)
Sale of investments		222,522		116,112
			182,598	(49,301)
Dividends paid			(142,500)	(136,800)
Increase/(decrease) in cash	12		221,691	(20,213)

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. 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 2001 has led to a chargeable gain of £9,790 with an associated tax charge of £2,937. The tax charge is offset by management expenses.

3 Administrative expenses

These include audit fees of £1,350 (2000 - £1,300) and non-audit fees of £948 (2000 - £525).

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 2001 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 2001	31 December 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)		
L M Thomson)		
A G Thomson)		
L M Thomson)	620	620

5 Taxation

	2001 £	2000 £
Current year		
Corporation tax	-	2,615
Prior year		
Corporation tax	(17)	(359)
	<u>(17)</u>	<u>2,256</u>

6 Earnings per share

The earnings per share are based on profit available to shareholders of £186,577 (2000 - £187,152) 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 2000	1,573,930
Add - Purchases	39,923
	<u>1,613,853</u>
Less - Sales	172,326
	<u>1,441,527</u>
At 31 December 2001	<u>1,441,527</u>

The market value of the investments

At 31 December 2001	<u>7,325,529</u>
At 31 December 2000	<u>8,490,387</u>

If the company investments were sold at their market value there would be a liability of approximately £1,400,000 (2000 - £1,750,000) to corporation tax on the gains which arise.

8 Creditors

	2001 £	2000 £
Amounts falling due within one year:		
Proposed final dividend	149,340	142,500
Corporation tax	-	2,615
Other creditors	6,931	6,381
	<u>156,271</u>	<u>151,496</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 2000	1,177,528
Transfer from profit and loss account	47,276
At 31 December 2001	<u>1,224,804</u>
Profit and loss account	
At 31 December 2000	467,219
Profit for year retained	37,237
At 31 December 2001	<u>504,456</u>

The distributable reserves of the company are £504,456 (2000 - £467,219).

11 Reconciliation of profit to net cash inflow from operating activities

	2001 £	2000 £
Profit before taxation	233,836	246,961
Gain on sale of investments	(50,196)	(65,056)
Increase in other creditors	550	1,535
Net cash inflow from operating activities	<u>184,190</u>	<u>183,440</u>

12 Reconciliation of net cash flow to movement in net funds

	2001	2000
Balance at 1 January 2001	233,713	253,926
Net cash inflow/(outflow)	221,691	(20,213)
Balance at 31 December 2001	<u>455,404</u>	<u>233,713</u>

13 Related party transactions

William Thomson & Sons which manages the investment portfolio for the company charge a fee of £34,928 (2000 - £33,912) in the year. At the balance sheet date, £5,581 was due to William Thomson & Sons (2000 - £4,886). Throughout the year the partners of William Thomson & Sons were directors of the company.