

W, DC & F Thomson Limited

Directors' report and accounts
for the year ended 31 December 2004

Registered number 8621



W, DC & F Thomson Limited

Directors' report

To the Ninety First Annual General Meeting of the Company to be held on Thursday 16 June 2005.

The directors submit herewith the accounts of the company for the year ended 31 December 2004.

Activities

The company carried on business as an Investment Trust during the year to 31 December 2004 and is a close company.

Financial

	£
Profit available for distribution	204,576
Proposed dividend of £14.90 per share for the year ended 31 December 2004	169,860
Profit for year retained	34,716
Balance brought forward from 31 December 2003	570,228
Amount carried forward at 31 December 2004	604,944

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 AF and BH Thomson retire by rotation and being eligible offer themselves for re-election.

AG Thomson resigned as a director on 16 July 2004.

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



I Douglas
Secretary
Dundee

23 May 2005

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 2004 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes on pages 8 to 11. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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.

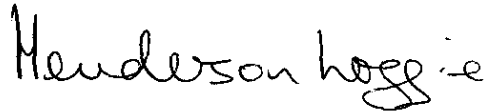
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

W, DC & F Thomson Limited

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

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "Henderson Loggie". The script is cursive and somewhat informal.

Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

23 May 2005

W, DC & F Thomson Limited

Profit and loss account for the year ended 31 December 2004

	Notes	2004 £	2003 £
Dividends - UK		205,120	206,975
Interest received		34,385	21,566
		<u>239,505</u>	<u>228,541</u>
Gain on sale of investments	2	62,564	71,784
		<u>302,069</u>	<u>300,325</u>
Administrative expenses	3	40,352	40,010
Profit before taxation		<u>261,717</u>	<u>260,315</u>
Taxation	5	-	-
Profit after taxation		<u>261,717</u>	<u>260,315</u>
Transfer to capital reserve		57,141	61,679
Profit available for distribution		<u>204,576</u>	<u>198,636</u>
Dividends			
Ordinary shares			
Proposed dividend of £14.90 (2003 - £14.30) per share		169,860	163,020
Profit for year retained		<u>34,716</u>	<u>35,616</u>
Earnings per share	6	17.95	17.42

A statement of reserves is given in note 10.

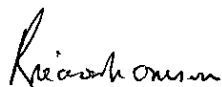
There are no recognised gains and losses for the year other than the profit of £261,717 (2003 - £260,315). Profit for year retained of £34,716 (2003 - £35,616) and transfer to capital reserves of £57,141 (2003 - £61,679) represent the only movement on shareholder funds.

W, DC & F Thomson Limited

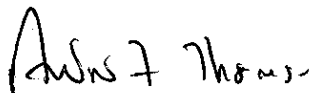
Balance sheet at 31 December 2004

	Notes	£	2004 £	£	2003 £
Fixed assets					
Investments	7		1,177,640		1,322,734
Current assets					
Cash at bank and short term deposits		962,949		718,290	
Creditors : Amounts falling due within one year	8	180,185		172,477	
Net current assets			782,764		545,813
Total assets less current liabilities			1,960,404		1,868,547
Capital and reserves					
Called up share capital	9		11,400		11,400
Capital reserve	10		1,344,060		1,286,919
Profit and loss account	10		604,944		570,228
Shareholders' funds			1,960,404		1,868,547

These accounts were approved by the board of directors on 23 May 2005 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 2004

	Notes	2004 £	2003 £
Net cash inflow from operating activities	11	200,021	189,201
Taxation		-	-
Financial investment			
Purchase of investments		(36,556)	(143,581)
Sale of investments		244,214	282,893
		<u>207,658</u>	<u>139,312</u>
Dividends paid		(163,020)	(156,180)
Increase in cash	12	<u>244,659</u>	<u>172,333</u>

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 2004 has led to a capital gain of £18,078 with an associated tax charge of £5,423.

3 Administrative expenses

These include audit fees of £1,500 (2003 - £1,450) and non-audit fees of £900 (2003 - £881).

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 2004 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:-

Interest in £1 Ordinary shares including shares held as trustees without beneficial interest	31 December 2004 No	31 December 2003 No
B H Thomson	60	60
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)		
CHW Thomson)	120	120
B H Thomson)		
A F Thomson)	620	620
L M Thomson)		
L M Thomson	620	620

5 Taxation

	£	£
Corporation tax	-	-
	=====	=====
Profit per accounts	261,717	260,315
	=====	=====
Tax @ 30%	78,515	78,095
Being effects of:		
Franked investment income	(61,536)	(62,093)
Capital gain not taxable	(13,346)	(11,430)
Losses forward	-	52
Losses utilised in year	(3,633)	(4,624)
	=====	=====
	-	-
	=====	=====

The company has available tax losses of £6,198 (2003 - £9,831) to carry forward against future profits.

W, DC & F Thomson Limited

Notes to the accounts (continued)

6 Earnings per share

The earnings per share are based on profit available to shareholders of £204,576 (2003 - £198,636) divided by the 11,400 shares in issue at the year end.

7 Investments

	Listed in UK £
<i>At cost</i>	
At 31 December 2003	1,322,734
Add - Purchases	36,556
	1,359,290
Less - Sales	181,650
	1,177,640
The market value of the investments	
At 31 December 2004	6,259,358
At 31 December 2003	6,098,188

If the company investments were sold at their market value there would be a liability of approximately £1,170,000 (2003 - £1,100,000) to corporation tax on the gains which arise.

8 Creditors

	2004 £	2003 £
Amounts falling due within one year:		
Proposed final dividend	169,860	163,020
Other creditors	10,325	9,457
	180,185	172,477

9 Share capital

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

W, DC & F Thomson Limited

Notes to the accounts (continued)

10 Reserves

	£
Capital Reserve	
At 31 December 2003	1,286,919
Transfer from profit and loss account	57,141
	<u>1,344,060</u>
At 31 December 2004	<u><u>1,344,060</u></u>
Profit and loss account	
At 31 December 2003	570,228
Profit for year retained	34,716
	<u>604,944</u>
At 31 December 2004	<u><u>604,944</u></u>

The distributable reserves of the company are £604,944 (2003 - £570,228).

11 Reconciliation of profit to net cash inflow from operating activities

	2004 £	2003 £
Profit before taxation	261,717	260,315
Gain on sale of investments	(62,564)	(71,784)
Increase in other creditors	868	670
	<u>200,021</u>	<u>189,201</u>
Net cash inflow from operating activities	<u><u>200,021</u></u>	<u><u>189,201</u></u>

12 Reconciliation of net cash flow to movement in net funds

Balance at 1 January 2004	718,290	545,957
Net cash inflow	244,659	172,333
	<u>962,949</u>	<u>718,290</u>
Balance at 31 December 2004	<u><u>962,949</u></u>	<u><u>718,290</u></u>

13 Related party transactions

William Thomson & Sons which manages the investment portfolio for the company charged a fee of £37,866 (2003 - £37,355) in the year. At the balance sheet date, £8,791 was due to William Thomson & Sons (2003 - £7,980). Throughout the year the partners of William Thomson & Sons were controlled by the directors of the company.