

W, DC & F Thomson Limited

**Directors' report and accounts
for the year ended 31 December 2005**

Registered number 8621



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W, DC & F Thomson Limited

Directors' report

To the Ninety Second Annual General Meeting of the Company to be held on 15 June 2006.

The directors submit herewith the accounts of the company for the year ended 31 December 2005.

Activities

The company carried on business as an Investment Trust during the year to 31 December 2005 and is a close company.

Financial

	£
Profit available for distribution	235,950 =====
Proposed dividend of £15.50 per share for the year ended 31 December 2005	176,700 =====

Directors

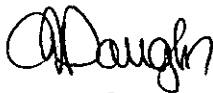
The directors of the company at the date of this report and throughout the year are shown in note 5 to the accounts.

In terms of the Articles of Association Messrs CHW Thomson and LM 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



I Douglas
Secretary
Dundee

22 May 2006

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 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes on pages 8 to 12. 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 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

22 May 2006

W, DC & F Thomson Limited

Profit and loss account for the year ended 31 December 2005

	Note	2005 £	As restated 2004 £
Dividends - UK		226,455	205,120
Interest received		46,139	34,385
		<u>272,594</u>	<u>239,505</u>
Gain on sale of investments	2	5,952	62,564
		<u>278,546</u>	<u>302,069</u>
Administrative expenses	3	42,596	40,352
Profit before taxation		235,950	261,717
Taxation	6	-	-
Profit after taxation		<u>235,950</u>	<u>261,717</u>

A statement of reserves is given in note 12.

There are no recognised gains and losses for the year other than the profit of £235,950 (2004 - £261,717).

The profit after taxation relates entirely to the equity shareholders and the appropriations for the year are dealt with in note 4.

W, DC & F Thomson Limited

Balance sheet at 31 December 2005

	Note	£	2005 £	£	As restated 2004 £
Fixed assets					
Investments	7		1,167,728		1,177,640
Current assets					
Cash at bank and short term deposits		1,033,070		962,949	
Debtors	8	12,993		-	
		<u>1,046,063</u>		<u>962,949</u>	
Creditors : Amounts falling due within one year	9	17,437		10,325	
Net current assets			<u>1,028,626</u>		<u>952,624</u>
Total assets less current liabilities			<u><u>2,196,354</u></u>		<u><u>2,130,264</u></u>
Capital and reserves					
Called up share capital	10		11,400		11,400
Capital reserve	11		1,349,348		1,344,060
Profit and loss account	11		835,606		774,804
Shareholders' funds	12		<u><u>2,196,354</u></u>		<u><u>2,130,264</u></u>

These accounts were approved by the board of directors on 22 May 2006 and were signed on its behalf by:

AF Thomson

AF Thomson
Director

CHW Thomson

CHW Thomson
Director

W, DC & F Thomson Limited

Cash flow statement for the year ended 31 December 2005

	Note	2005 £	2004 £
Net cash inflow from operating activities	13	218,902	200,021
Financial investment			
Purchase of investments		(98,155)	(36,556)
Sale of investments		114,019	244,214
		<u>15,864</u>	<u>207,658</u>
Dividends paid		<u>(164,645)</u>	<u>(163,020)</u>
Increase in cash	14	<u><u>70,121</u></u>	<u><u>244,659</u></u>

W, DC & F Thomson Limited

Notes to the accounts

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 receivable on or before the year end is treated as revenue for 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 2005 has led to a capital gain of £2,213 with an associated tax charge of £664

3 Administrative expenses

These include audit fees of £1,500 (2004 - £1,500) and non-audit fees of £670 (2004 - £900).

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

4 Appropriations

	2005 £	2004 £
Profit after taxation	235,950	261,717
Transfer to capital reserve	5,288	57,141
Profits available for distribution	230,662	204,576
Earnings per share	20.23	17.95

The directors propose a final dividend of £15.50 per share totalling £176,700 for the year ended 31 December 2005. Dividends declared in the year are shown in note 12.

W, DC & F Thomson Limited

Notes to the accounts (continued)

5 Directors

The directors of the company throughout the year ended 31 December 2005 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 2005 No	31 December 2004 No
Interest in £1 Ordinary shares including shares held as trustees without beneficial interest		
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

6 Taxation

	£	£
Corporation tax	-	-
	=====	=====
Profit per accounts	235,950	261,717
	=====	=====
Tax @ 30%	70,785	78,515
Being effects of:		
Franked investment income	(67,937)	(61,536)
Gain on sale not taxable	(1,122)	(13,346)
Losses utilised in year	(1,726)	(3,633)
	=====	=====
	-	-
	=====	=====

The company has available tax losses of £8,298 (2004 - £6,198) to carry forward against future profits.

W, DC & F Thomson Limited

Notes to the accounts (continued)

7 Investments

	Listed in UK £
<i>At cost</i>	
At 31 December 2004	1,177,640
Add - Purchases	98,155
	<u>1,275,795</u>
Less - Sales	108,067
	<u>1,167,728</u>
At 31 December 2005	1,167,728
The market value of the investments	
At 31 December 2005	7,716,707
At 31 December 2004	6,259,358

If the company investments were sold at their market value there would be a liability of approximately £1,600,000 (2004 - £1,170,000) to corporation tax on the gains which arise.

8 Debtors

	2005 £	As restated 2004 £
Dividend income	12,993	-

9 Creditors

	£	£
Amounts falling due within one year:		
Other creditors	17,437	10,325

10 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)

11 Reserves

	£
Capital Reserve	
At 31 December 2004	1,344,060
Transfer from profit and loss account	5,288
At 31 December 2005	1,349,348
Profit and loss account	
At 31 December 2004 as previously stated	604,944
Prior year adjustment (note 16)	169,860
At 31 December 2004 as restated	774,804
Profit for the year	235,950
Transfer to capital reserve in year	(5,288)
Dividends declared	(169,860)
At 31 December 2005	835,606

The distributable reserves of the company are £835,606 (2004 - £774,804).

12 Reconciliation of movement in shareholders' funds	2005 £	2004 £
Profit for the financial year	235,950	261,717
Dividends	(169,860)	(163,020)
Net additions to shareholder funds	66,090	98,697
Opening shareholder funds (as previously stated £1,960,404 add prior year adjustment £169,860)	2,130,264	2,031,567
Closing shareholder funds	2,196,354	2,130,264

13 Reconciliation of profit to net cash inflow from operating activities

	2005 £	2004 £
Profit before taxation	235,950	261,717
Gain on sale of investments	(5,952)	(62,564)
Increase in other creditors	1,897	868
Increase in debtors	(12,993)	-
Net cash inflow from operating activities	218,902	200,021

W, DC & F Thomson Limited

Notes to the accounts (continued)

14	Reconciliation of net cash flow to movement in net funds	2005	2004
		£	£
	Balance at 1 January 2005	962,949	718,290
	Net cash inflow	70,121	244,659
	Balance at 31 December 2005	1,033,070	962,949

15 Related party transactions

William Thomson & Sons which manages the investment portfolio for the company charged a fee of £40,075 (2004 - £37,866) in the year. At the balance sheet date, £10,700 was due to William Thomson & Sons (2004 - £8,791). Throughout the year the partners of William Thomson & Sons were controlled by the directors of the company.

16 Prior year adjustment

Following the implementation of FRS21 'Events after the balance sheet date' there has been a change to the accounting treatment of proposed dividends. Where dividends are declared after the year end the company does not recognise those dividends as liabilities in the balance sheet. Dividends are recognised in the year they are declared.