

W, DC & F Thomson Limited

**Directors' report and accounts
for the year ended 31 December 2006**

Registered number 8621



W, DC & F Thomson Limited

Directors' report

To the Ninety Third Annual General Meeting of the Company to be held on Friday 15 June 2007.

The directors submit herewith the accounts of the company for the year ended 31 December 2006

Activities

The company carried on business as an Investment Trust during the year to 31 December 2006 and is a close company

Financial

	£
Profit available for distribution	248,765
	=====
Proposed dividend of £16 30 per share for the year ended 31 December 2006	185,820
	=====

Directors

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

The death of Mr BH Thomson in November 2006 is reported with deep regret

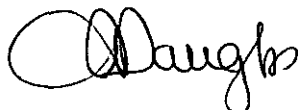
In terms of the Articles of Association Mr AF Thomson retires by rotation and being eligible offers himself for re election

So far as each director is aware there is no relevant audit information of which the auditors are unaware Each director has taken the appropriate steps as a director to make themselves aware of such information and to establish that the auditors are aware of it

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 2007

W, DC & F Thomson Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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,
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of 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 2006, which comprise profit and loss account, the balance sheet, cash flow statement and related notes. These accounts have been prepared under 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

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether, in our opinion, the information given in the Directors' Report is consistent with the accounts.

In addition, we report to you if, in our opinion, 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 other transactions 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 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.

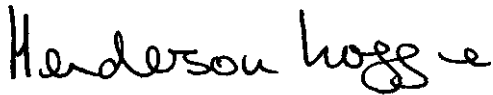
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error.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

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 2006 and of its profit for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts



Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

23 May 2007

W, DC & F Thomson Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £	2005 £
Dividends UK		242,384	226,455
Interest received		49,687	46,139
		<u>292,071</u>	<u>272,594</u>
Gain on sale of investments	2	204,095	5,952
		<u>496,166</u>	<u>278,546</u>
Administrative expenses	3	44,124	42,596
Profit before taxation		452,042	235,950
Taxation	6	44,118	
Profit for the financial year		<u>407,924</u>	<u>235,950</u>

A statement of reserves is given in note 11

There are no recognised gains and losses for the year other than the profit of £407,924 (2005 £235,950)

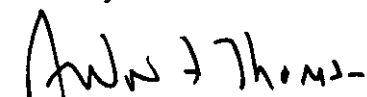
The profit after taxation relates entirely to the equity shareholders and the appropriations for the year are dealt with in note 4

W, DC & F Thomson Limited

Balance sheet at 31 December 2006

	Note	£	2006 £	£	2005 £
Fixed assets					
Investments	7		1,387,473		1,167,728
Current assets					
Debtors	8	13,329		12,993	
Cash at bank and short term deposits		1,084,485		1,033,070	
		<u>1,097,814</u>		<u>1,046,063</u>	
Creditors · Amounts falling due within one year	9	57,709		17,437	
Net current assets			<u>1,040,105</u>		<u>1,028,626</u>
Total assets less current liabilities			<u><u>2,427,578</u></u>		<u><u>2,196,354</u></u>
Capital and reserves					
Called up share capital	10		11,400		11,400
Capital reserve	11		1,508,507		1,349,348
Profit and loss account	11		907,671		835,606
Shareholders' funds	12		<u><u>2,427,578</u></u>		<u><u>2,196,354</u></u>

These accounts were approved by the board of directors on 23 May 2007 and were signed on its behalf by



AF Thomson
Director



CHW Thomson
Director

W, DC & F Thomson Limited

Cash flow statement for the year ended 31 December 2006

	Note	2006 £	2005 £
Net cash inflow from operating activities	13	243,765	218,902
Financial investment			
Purchase of investments		(258,134)	(98,155)
Sale of investments		242,484	114,019
		<u>(15,650)</u>	<u>15,864</u>
Dividends paid		<u>(176,700)</u>	<u>(164,645)</u>
Increase in cash	14	<u><u>51,415</u></u>	<u><u>70,121</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

Investment income receivable is recognised on an accruals basis which for franked investment income means on an XD basis

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

Dividends

Dividends payable are recognised when declared or, where necessary, approved in general meeting

2 Gain on sale of investments

The sale of investments in the year to 31 December 2006 has led to a capital gain of £149,786 with an associated tax charge of £44,936

3 Administrative expenses

These include audit fees of £1,600 (2005 £1,500) and non audit fees of £670 (2005 £670)

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

4 Appropriations

	2006	2005
	£	£
Profit after taxation	407,924	235,950
Transfer to capital reserve	159,159	5,288
Profits available for distribution	248,765	230,662
Earnings per share	21.82	20.23

The directors propose a final dividend of £16.30 per share totalling £185,820 for the year ended 31 December 2006 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 2006 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 2006 No	31 December 2005 No
Interest in £1 Ordinary shares including shares held as trustees without beneficial interest		
L M Thomson	20	20
A F Thomson	60	60
CHW Thomson	40	40

In addition as joint trustees without beneficial interest

CHW Thomson	180	120
A F Thomson)	620	620
L M Thomson)		
L M Thomson	620	620

6 Taxation

	£	£
Corporation tax	44,118	
Profit per accounts	452,042	235,950
Tax @ 30%	135,613	70,785
Being effects of:		
Franked investment income	(72,715)	(67,937)
Gain on sale not taxable	(16,294)	(1,122)
Losses utilised in year	(2,486)	(1,726)
	44,118	

The company has available tax losses of £Nil (2005 £8,298) 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 2005	1,167,728
Add Purchases	258,134
	<u>1,425,862</u>
Less Sales	(38,389)
At 31 December 2006	<u>1,387,473</u>
The market value of the investments	
At 31 December 2006	<u>8,230,092</u>
At 31 December 2005	<u>7,716,707</u>

If the company investments were sold at their market value there would be a liability of approximately £1,700,000 (2005 £1,600,000) to corporation tax on the gains which arise

8 Debtors

	2006 £	2005 £
Dividend income	<u>13,329</u>	<u>12,993</u>

9 Creditors

Amounts falling due within one year

Other creditors	13,591	17,437
Corporation tax	44,118	
	<u>57,709</u>	<u>17,437</u>

10 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)

11	Reserves		£
	Capital Reserve		
	At 31 December 2005		1,349,348
	Transfer from profit and loss account		159,159
			<u>1,508,507</u>
	At 31 December 2006		<u>1,508,507</u>
	Profit and loss account		
	At 31 December 2005		835,606
	Profit for the year		407,924
	Transfer to capital reserve in year		(159,159)
	Dividends paid		(176,700)
			<u>907,671</u>
	At 31 December 2006		<u>907,671</u>
	The distributable reserves of the company are £907,671 (2005 £835,606)		
12	Reconciliation of movement in shareholders' funds	2006	2005
		£	£
	Profit for the financial year	407,924	235,950
	Dividends	(176,700)	(169,860)
		<u>231,224</u>	<u>66,090</u>
	Net additions to shareholder funds	231,224	66,090
	Opening shareholder funds	2,196,354	2,130,264
		<u>2,427,578</u>	<u>2,196,354</u>
	Closing shareholder funds	<u>2,427,578</u>	<u>2,196,354</u>
13	Reconciliation of profit to net cash inflow from operating activities	2006	2005
		£	£
	Profit before taxation	452,042	235,950
	Gain on sale of investments	(204,095)	(5,952)
	(Decrease)/increase in other creditors	(3,846)	1,897
	Increase in debtors	(336)	(12,993)
		<u>243,765</u>	<u>218,902</u>
	Net cash inflow from operating activities	<u>243,765</u>	<u>218,902</u>

W, DC & F Thomson Limited

Notes to the accounts (continued)

14	Reconciliation of net cash flow to movement in net funds	2006 £	2005 £
	Balance at 1 January 2006	1,033,070	962,949
	Net cash inflow	51,415	70,121
	Balance at 31 December 2006	1,084,485	1,033,070

15 Related party transactions

William Thomson & Sons which manages the investment portfolio for the company charged a fee of £41,381 (2005 £40,074) in the year. At the balance sheet date, £12,006 was due to William Thomson & Sons (2005 £10,700) Throughout the year the partners of William Thomson & Sons were controlled by the directors of the company