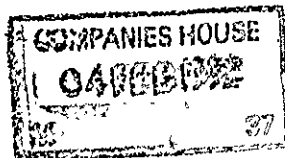


WOOLWICH

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DIRECTORS' REPORT & FINANCIAL
STATEMENTS
FOR THE YEAR END
31 DECEMBER 1991

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WOOLWICH UNIT TRUST MANAGERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1991

WOOLWICH UNIT TRUST MANAGERS LIMITED

MEMBERS OF IMRO / LAUTRO

DIRECTORS, OFFICERS AND REGISTERED OFFICE

DIRECTORS

C J Crowe BSc (Econ), FCT (Chairman)
J H Bushell FCA
B C Hines ACII
M E Tuke FCCA
J M Stewart BA, ACII, FCBSI (Managing)

SECRETARY

R Warrington LLB, FCII

REGISTERED OFFICE

Corporate Headquarters, Watling Street, Bexleyheath, Kent DA6 7RR
Registered in England No. 2364834

AUDITORS

Clark Whitehill
25 New Street Square, London EC4A 3LN

BANKERS

National Westminster Bank PLC
1-7 Powis Street, Woolwich, London SE18 6LE

WOOLWICH UNIT TRUST MANAGERS LIMITED

DIRECTORS' REPORT

The Directors are pleased to present their Annual Report and audited Financial Statements for the year ended 31 December 1991.

PRINCIPAL ACTIVITIES

The Company commenced trading on 28 January 1991, since when its principal activity has been unit trust management.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Company launched the Woolwich Stockmarket Fund and an associated Personal Equity Plan in January 1991. As at 31 December 1991 there were 14,157 accounts held by investors and funds under management totalled £28 million.

The level of business activity in the period since trading commenced has been satisfactory and the Directors believe that this trend will continue.

RESULTS AND DIVIDEND

The results for the year are set out in the Profit and Loss Account on page 5. The Directors do not recommend the payment of a dividend and the loss for the year has been transferred to reserves.

DIRECTORS

The Directors of the Company who served during the year were as follows:-

C J Crowe (Chairman)	(appointed 1 February 1991)
J H Bushell	
B C Hines	(resigned 1 February 1991)
M J Gibbs	
M E Tuke	
J M Stewart (Managing)	

No Director had any interest in the shares of the Company at any time during the year.

FIXED ASSETS

Details of the fixed assets acquired during the year are shown in note 7 to the financial statements.

CLOSE COMPANY PROVISIONS

The Company is not a close company under the provisions of the Income and Corporation Taxes Act 1988. There has been no change in this respect since 31 December 1990.

WOOLWICH UNIT TRUST MANAGERS LIMITED

DIRECTORS' REPORT (continued)

POLITICAL AND CHARITABLE CONTRIBUTIONS

No political or charitable contributions were made during the year.

AUDITORS

At the Annual General Meeting of the Company held on 4 April 1991, Clark Whitehill were reappointed as auditors. In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to reappoint its auditors annually.

By order of the Board



R Warrington LLB, FCII
Company Secretary
Bexleyheath

20 January 1992

REPORT OF THE AUDITORS

TO THE MEMBERS OF WOOLWICH UNIT TRUST MANAGERS LIMITED

We have audited the financial statements on pages 5 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 December 1991, and of the loss and source and application of funds of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Clark Whitehill

Clark Whitehill
Chartered Accountants
Registered Auditors
London

20 January 1992

WOOLWICH UNIT TRUST MANAGERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1991

		1991	1990
	Notes	£	£
TURNOVER	2	756,016	-
Administrative expenses		(1,449,891)	(549,824)
OPERATING LOSS	3	(693,875)	(549,824)
Interest receivable		123,670	5,859
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(570,205)	(543,965)
Taxation on loss on ordinary activities	6	174,121	61,214
RETAINED LOSS FOR THE YEAR	12	(396,084)	(482,751)

The notes on pages 8 to 13 form part of these financial statements.

WOOLWICH UNIT TRUST MANAGERS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1991

		1991		1990	
	Notes	£	£	£	£
<hr/>					
FIXED ASSETS					
Tangible assets	7		8,659		-
CURRENT ASSETS					
Stocks	1(f)	156,473		-	
Debtors	8	865,032		1,364,759	
Cash at bank and in hand		81,034		100,210	
		<hr/>		<hr/>	
		1,102,539		1,464,969	
PREPAYMENTS AND ACCRUED INCOME					
Deferred taxation	10	-		62,679	
CREDITORS : amounts falling due within one year	9	(289,685)		(310,399)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			812,854		1,217,249
TOTAL ASSETS LESS CURRENT LIABILITIES			821,513		1,217,249
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	10		(348)		-
			<hr/>		<hr/>
			821,165		1,217,249
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	11		1,700,000		1,700,000
Profit and loss account	12		(878,835)		(482,751)
			<hr/>		<hr/>
			821,165		1,217,249
			<hr/>		<hr/>

APPROVED BY THE BOARD ON 20 JANUARY 1992

C J CROWE Chairman

The notes on pages 8 to 13 form part of these financial statements.

WOOLWICH UNIT TRUST MANAGERS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1991

	1991	1990
	£	£
	-----	-----
SOURCE OF FUNDS		
Funds from operations		
Adjustment for items not involving the movement of funds:-		
Depreciation	2,444	-
Funds from other sources		
Issue of shares	-	1,699,998
	-----	-----
	2,444	1,699,998
APPLICATION OF FUNDS		
Loss on ordinary activities before taxation	(570,205)	(543,965)
Tax paid	(1,465)	-
Purchase of fixed assets	(11,103)	-
	-----	-----
	(582,773)	(543,965)
	-----	-----
	(580,329)	1,156,033
	=====	=====
INCREASE / (DECREASE) IN WORKING CAPITAL		
Stocks	156,473	-
Debtors	(742,128)	1,364,757
Creditors due within one year	24,502	(308,934)
	-----	-----
	(561,153)	1,055,823
Movement in net liquid funds:		
Cash at bank and in hand	(19,176)	100,210
	-----	-----
	(580,329)	1,156,033
	=====	=====

The notes on pages 8 to 13 form part of these financial statements.

WOOLWICH UNIT TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1991

1. PRINCIPAL ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Fixed Assets and Depreciation

With the exception of some lower value items of equipment, the cost of additions to fixed assets is capitalised.

The cost of fixed assets is depreciated on a straight line basis over their estimated useful lives which are taken to be:-

Office equipment	- 7 years
Computer equipment and software	- 4 years

(c) Corporation Tax

Corporation tax is charged in the accounts on profits as adjusted for taxation purposes at the appropriate rate of tax.

(d) Deferred Taxation

Provision is made, using the liability method, for taxation which is deferred as a result of items included in these accounts being dealt with in a different period for taxation purposes to the extent that it is likely that such taxation will become payable or receivable in the foreseeable future.

(e) Pension Costs

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

(f) Stocks

Stocks comprise units held by the Company at 31 December 1991 valued at the lower of cost or cancellation price on that date.

WOOLWICH UNIT TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1991 (continued)

2. TURNOVER

Turnover represents gross income from issuing and dealing in units and annual management fees charged against the fund, less the cost of creations, repurchases, stock movements, discounts and commissions.

	1991	1990
	£	£
Total sales	28,048,791	-
Cost of sales	(27,468,328)	-
Net profit from trading in units	580,463	-
Annual management fees	175,553	-
Turnover	756,016	-

3. OPERATING LOSS

The operating loss is arrived at after charging:

	1991	1990
	£	£
Auditors' remuneration	10,575	1,725
Depreciation of tangible fixed assets	2,444	-
Non-executive Directors' fees	15,667	-
Emoluments of Chairman (included above)	8,000	-
Staff costs (see Note 4)	288,368	-

Table of Directors' emoluments:

£0 to £5,000	5	7
£5,001 - £10,000	1	-

WOOLWICH UNIT TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1991 (continued)

4. STAFF COSTS

Staff contracts of service are with the Woolwich Building Society, therefore remuneration and numbers would normally be recorded within the parent society's Annual Report and Accounts. However, since staff costs are paid by Woolwich Unit Trust Managers Limited and the employees are working full time for the Company, disclosure is made below as required by the Companies Act 1985.

The average number of persons employed during the year was 10 (1990 - Nil). Aggregate remuneration amounted to:-

	1991	1990
	-----	-----
	£	£
Wages and salaries	249,081	-
Social security costs	20,787	-
Pension costs	18,500	-
	-----	-----
	288,368	-
	-----	-----

5. PENSION SCHEME

The employees of the Company are eligible to participate in the scheme operated by Woolwich Building Society, the contributions to which are based on pension costs across the Group as a whole.

The scheme is a contributory defined benefit pension scheme based on final pensionable earnings, with the assets of the scheme being held in a separate trustee administered fund.

The Company's pension cost for the year, calculated in accordance with Statement of Standard Accounting Practice Number 24, "Accounting for Pension Costs", amounted to £18,500 (1990 - £Nil).

The pension cost is assessed in accordance with the advice of a qualified actuary using the projected unit method. The latest full actuarial valuation for the scheme is as at 31 March 1989, particulars of which are contained in the Annual Report and Accounts of Woolwich Building Society.

WOOLWICH UNIT TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1991. (continued)

6. TAXATION ON LOSS ON ORDINARY ACTIVITIES

The tax credit is based on the loss on ordinary activities for the year and comprises:

	<u>1991</u>	<u>1990</u>
	£	£
UK corporation tax @ 34% (1990 - 25%)	5,253	1,465
Group relief surrender to parent society @ 33.19%	(242,401)	-
Deferred taxation	63,027	(62,679)
	<u>(174,121)</u>	<u>(61,214)</u>

7. TANGIBLE FIXED ASSETS

	<u>Office & computer equipment</u>
COST	£
1 January 1991	-
Additions	11,103
	<u>11,103</u>
31 December 1991	<u>11,103</u>
DEPRECIATION	
1 January 1991	-
Charge for the year	2,444
	<u>2,444</u>
31 December 1991	<u>2,444</u>
NET BOOK VALUES	
31 December 1991	8,659
	<u>=====</u>
31 December 1990	-
	<u>=====</u>

WOOLWICH UNIT TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1991 (continued)

8. DEBTORS

	1991	1990
	£	£
Trade debtors for units sold	131,076	-
Amount due from parent society	488,247	1,364,759
Prepayments and accrued income	3,308	-
Group relief receivable	242,401	-
	-----	-----
	865,032	1,364,759
	-----	-----

9. CREDITORS: amounts falling due within one year

	1991	1990
	£	£
Trade creditors for units repurchased and units created	106,793	-
Other trade creditors	15,932	308,934
Amount due to parent society	25,758	-
Corporation tax	5,253	1,465
Accruals	135,949	-
	-----	-----
	289,685	310,399
	-----	-----

10. PROVISIONS FOR LIABILITIES AND CHARGES

The total potential liability to deferred taxation, which has been provided for in the accounts in accordance with the Company's accounting policy described in 1(d) is set out below:-

	£
Movement in the year comprises:	
31 December 1990	(62,679)
Accelerated capital allowances	110
Accrued interest	238
Transfer from Profit & Loss Account	62,679

31 December 1991	348

WOOLWICH UNIT TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1991 (continued)

11. CALLED UP SHARE CAPITAL

	1991	1990
	£	£
Authorised:		
Ordinary shares of £1 each	2,000,000	2,000,000
Issued and fully paid:		
Ordinary shares of £1 each	1,700,000	1,700,000

12. PROFIT AND LOSS ACCOUNT

	1991	1990
	£	£
1 January 1991	482,751	-
Retained loss for the year	396,084	482,751
31 December 1991	878,835	482,751

13. GUARANTEES AND FINANCIAL COMMITMENTS

- (a) Under the Building Societies Act 1986 Woolwich Building Society has an obligation to discharge the liabilities of its subsidiary companies in so far as they are unable to discharge them out of their own assets.
- (b) The Company had no capital commitments as at 31 December 1991.

14. ULTIMATE HOLDING BODY

The Company is a wholly owned subsidiary of Woolwich Building Society, registered in England.