

**WOOLWICH UNIT TRUST MANAGERS LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

**REGISTERED NUMBER: 2364834**

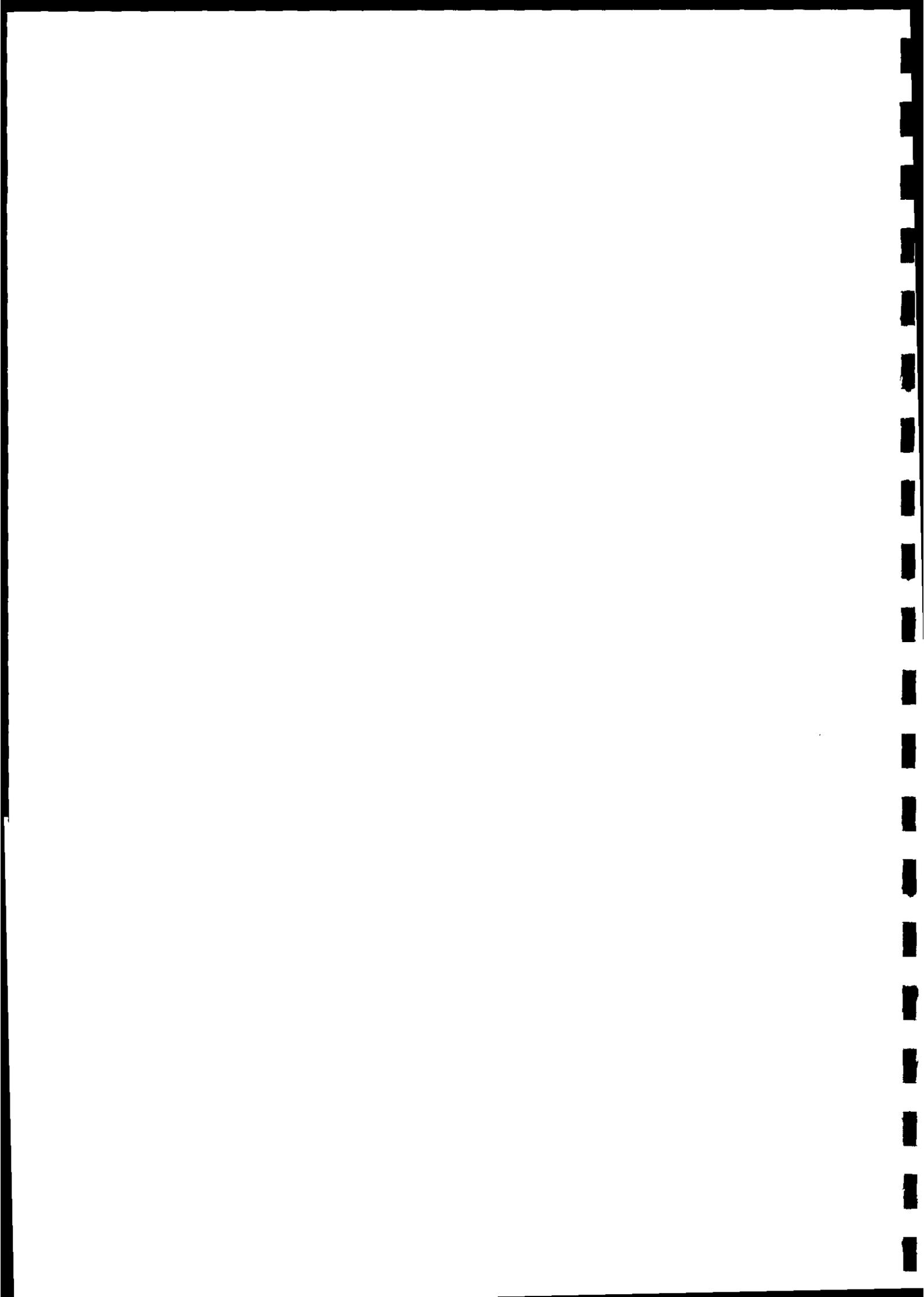


# WOOLWICH UNIT TRUST MANAGERS LIMITED

YEAR ENDED 31 DECEMBER 2005  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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# WOOLWICH UNIT TRUST MANAGERS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The Directors present their report together with the audited financial statements for the year ended 31 December 2005.

### Principal Activity and Review of Business

The principal activity of Woolwich Unit Trust Managers Limited (the "Company") is unit trust management and acting as an Authorised Corporate Director (ACD) for Open Ended Investment Companies (OEICs).

The Company intends to transition its position as Manager of the Woolwich Unit Trusts to a multi-manager product at the end of May 2006 subject to unit holders' approval. The transfer will involve approximately £1.3bn worth of managed Unit Trust assets.

The Company is authorised and regulated by the Financial Services Authority.

### Results and dividends

During the year the Company made a profit after taxation of £2,770,000 (2004: £1,206,000). An interim dividend of £8,000,000 was paid on the 13 April 2005 (2004: nil). The Directors do not recommend the payment of a further dividend.

### Directors

The Directors of the Company, who served during the year, together with their dates of appointment and resignation, where appropriate, are as shown below:

J G Demaine	(resigned 11 January 2005)
L Murphy	(appointed 21 January 2005)
P R Pashley	(resigned 19 October 2005)
M W Payne	
M A Smith	

Since the year end, A H Mullan was appointed as a director on 30 March 2006.

### Directors' interests in shares (as defined by section 325 of the Companies Act 1985)

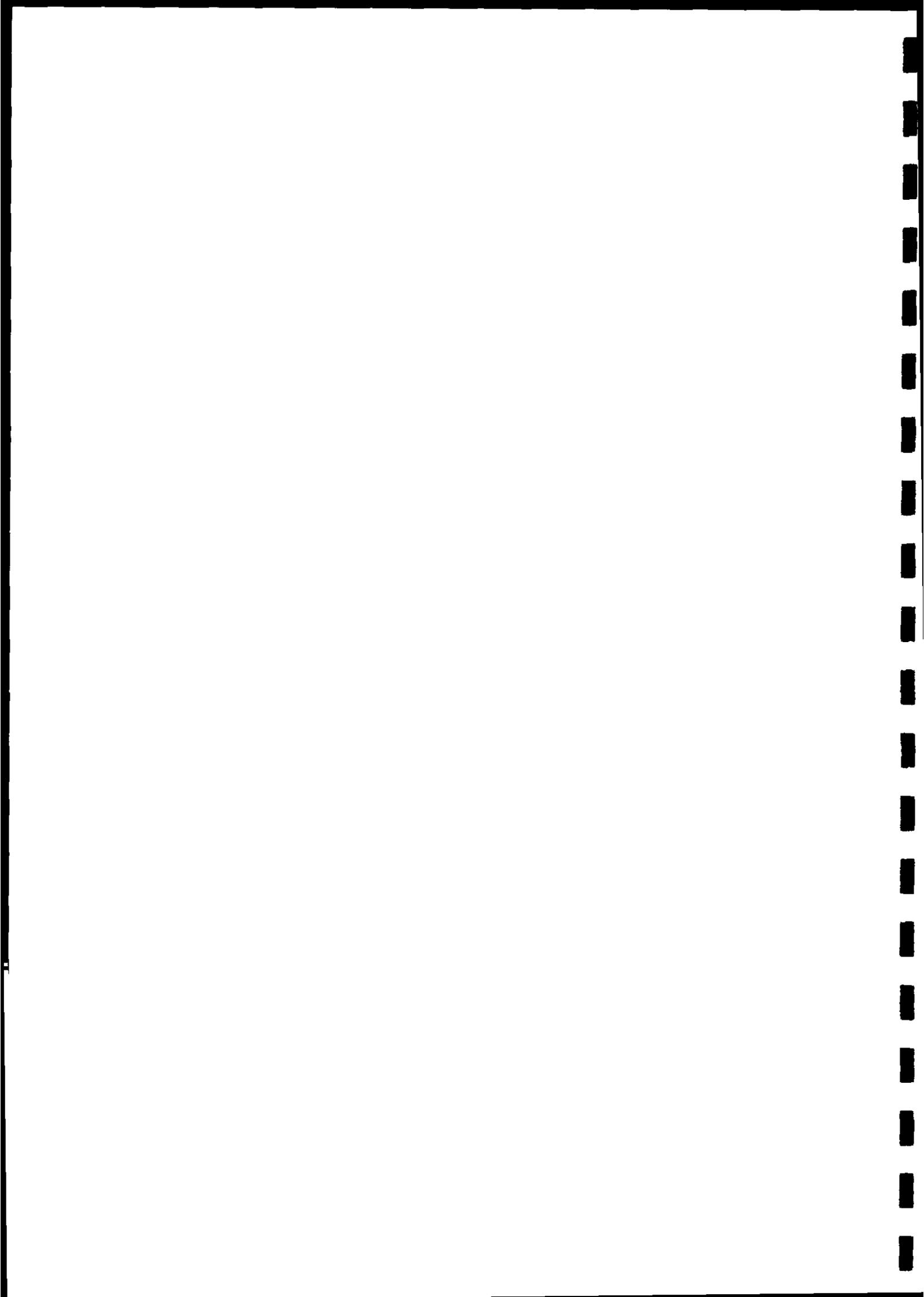
The Directors have no interests in the shares of the Company. The Directors' interests in the ordinary shares of Barclays PLC, the ultimate holding company, and in the "A" ordinary shares of Barclays Global Investors UK Holdings Limited, the direct holding company, are shown below:

### Directors' interest in Barclays PLC ordinary shares of 25p each

	<u>At 1 January 2005 (a)</u>	<u>At 31 December 2005</u>
L Murphy	215	680
M A Smith	-	2,136

(a) or date appointed to the Board if later.

Beneficial interests in the table above represent shares held by Directors, either directly or through a nominee, their spouses and children under eighteen. They include any interests held through the Barclays PLC Group Sharepurchase plan, details of which can be found in the financial statements of Barclays PLC.



## WOOLWICH UNIT TRUST MANAGERS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

#### Directors' interest in Barclays PLC ordinary shares of 25p each (Continued)

In addition, at 31 December 2005, Directors, together with senior executives of the Barclays Group, were potential beneficiaries in respect of a total of 147,145,847 Barclays PLC ordinary shares of 25p each (1 January 2005: 115,031,594 ordinary shares of 25p each in Barclays PLC) held by the trustees of the Barclays Group Employees' Benefit Trusts

#### Directors' interests in ordinary shares in Barclays PLC under option under open incentive schemes

<u>Sharesave</u>	<u>Number held at 1 January 2005 (a)</u>	<u>During the year</u>			<u>Number held at 31 December 2005</u>
		<u>Granted</u>	<u>Exercised</u>	<u>Lapsed</u>	
L Murphy	4,728	-	-	-	4,728
M A Smith	4,799	853	2,136	-	3,516

(a) or date appointed to the Board if later.

More information on Sharesave can be found in the financial statements of Barclays PLC.

#### Directors' interests in "A" ordinary shares in Barclays Global Investors UK Holdings Limited

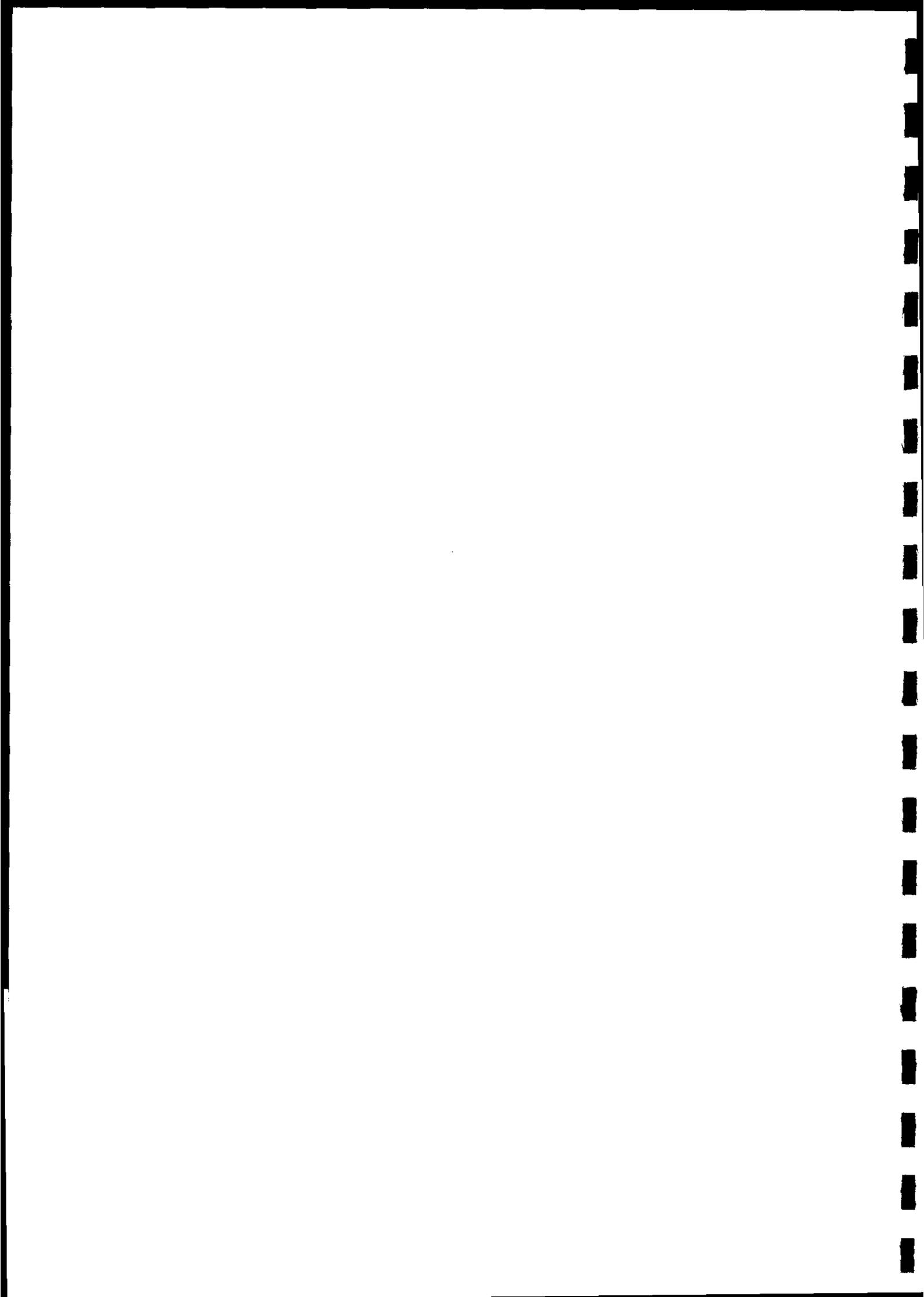
	<u>At 1 January 2005</u>	<u>At 31 December 2005</u>
M W Payne	2,000	5,000
M A Smith	38,332	50,000

#### Directors' interests in shares in Barclays Global Investors UK Holdings Limited under option under Equity Ownership Plan

	<u>Number held at 1 January 2005 (a)</u>	<u>During the year</u>			<u>Number held at 31 December 2005</u>
		<u>Granted</u>	<u>Exercised</u>	<u>Lapsed</u>	
L Murphy	15,000	10,000	-	-	25,000
M W Payne	3,000	5,000	3,000	-	5,000
M A Smith	11,668	-	11,668	-	-

(a) or date appointed to the Board if later.

The above share options were granted under Barclays Global Investors UK Holdings Limited's Equity Ownership Plan, further details of which can be found in that Company's financial statements.



## WOOLWICH UNIT TRUST MANAGERS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

#### Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' Report set out on pages 4 and 5, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 6 to 22:

- *the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and*
- *that all the accounting standards which they consider to be applicable have been followed, and*
- *that the financial statements have been prepared on a going concern basis.*

*The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985.*

*The Directors 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.*

#### Creditors' payment policy

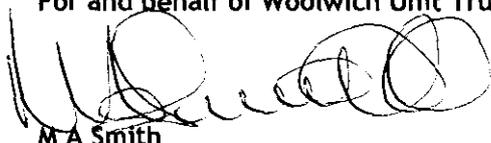
A related service company, Barclays Global Investors Services Limited (BGIS), settles the expenses incurred by the Company on its behalf. As such, the Company has an intercompany balance with BGIS. The creditors' payment policy of BGIS is referred to in the Directors' report of that company. Trade creditors on the Company's own balance sheet relate to amounts owed in respect of unsettled creations and repurchases. These creditors have a settlement period of 4 business days (2004 : 4 business days).

#### Auditors

On 20 May 1991, an Elective Resolution was passed by the shareholders of the Company pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint Auditors annually. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

#### BY ORDER OF THE BOARD

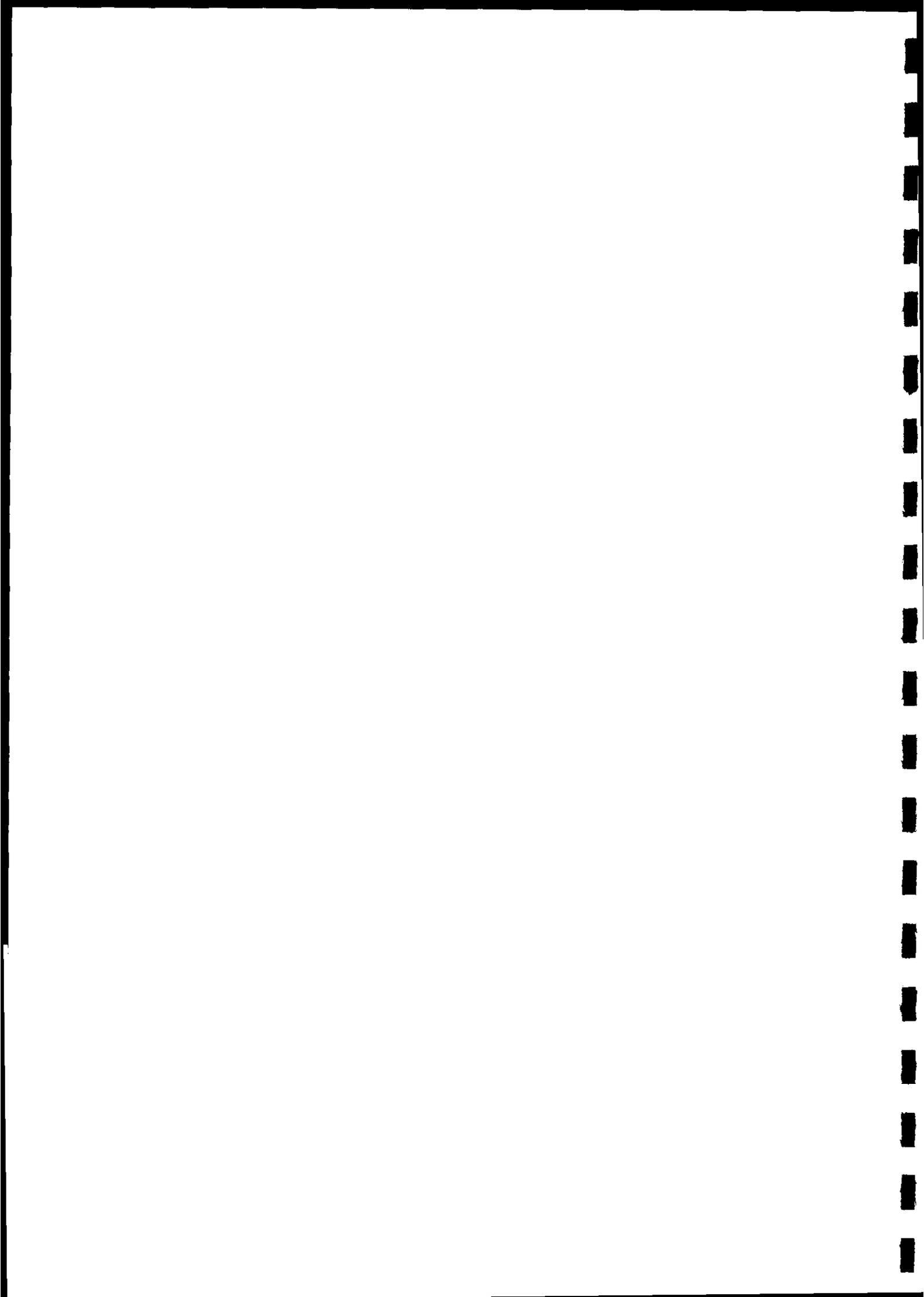
For and behalf of Woolwich Unit Trust Managers Limited



M A Smith

Director

27 April 2006



## WOOLWICH UNIT TRUST MANAGERS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOOLWICH UNIT TRUST MANAGERS LIMITED

We have audited the financial statements of Woolwich Unit Trust Managers Limited for the year ended 31 December 2005 which comprise the Income Statement, the Statement of Changes in Shareholders' Equity, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of Directors and Auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

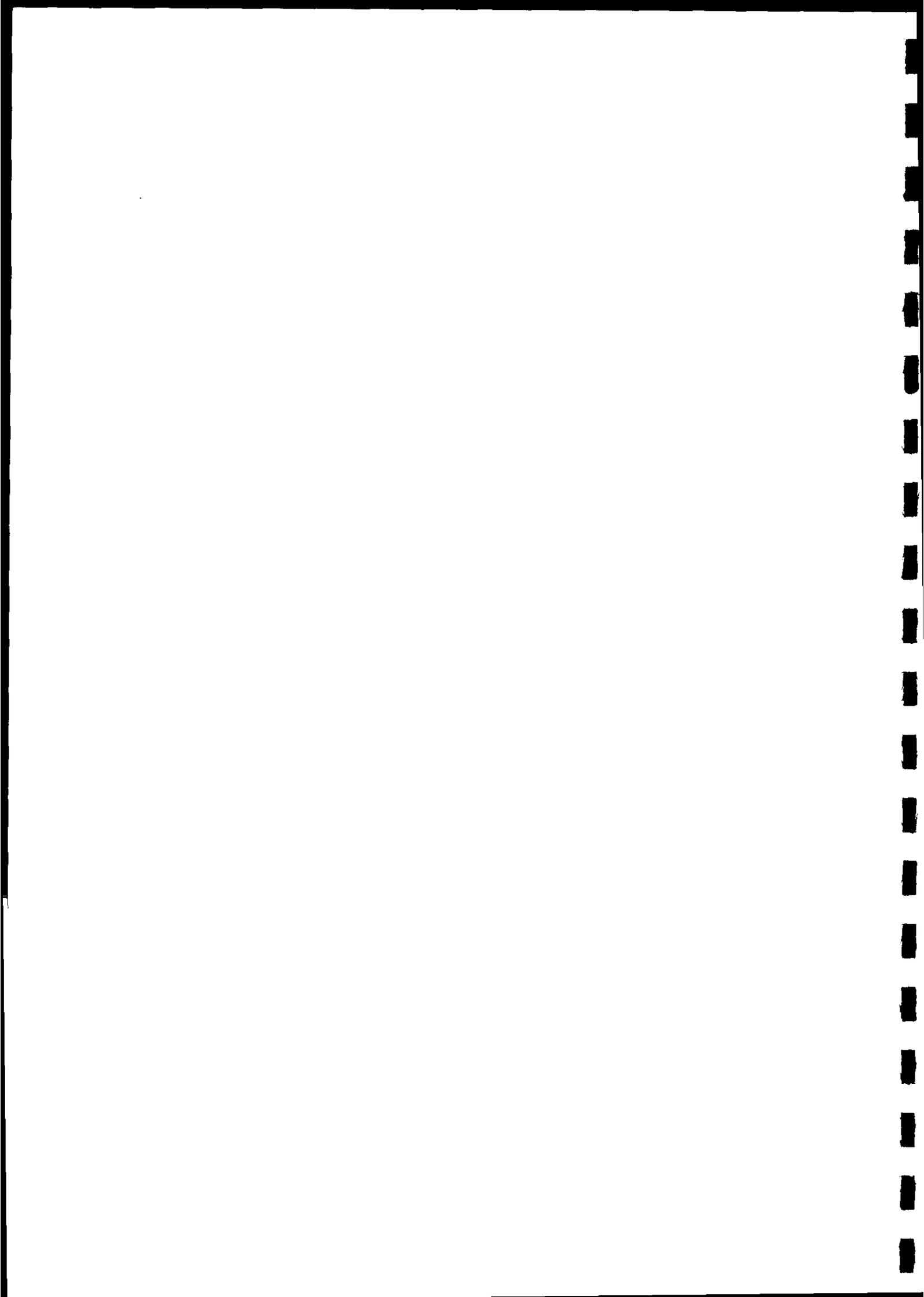
We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, 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 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOOLWICH UNIT TRUST MANAGERS LIMITED (CONTINUED)

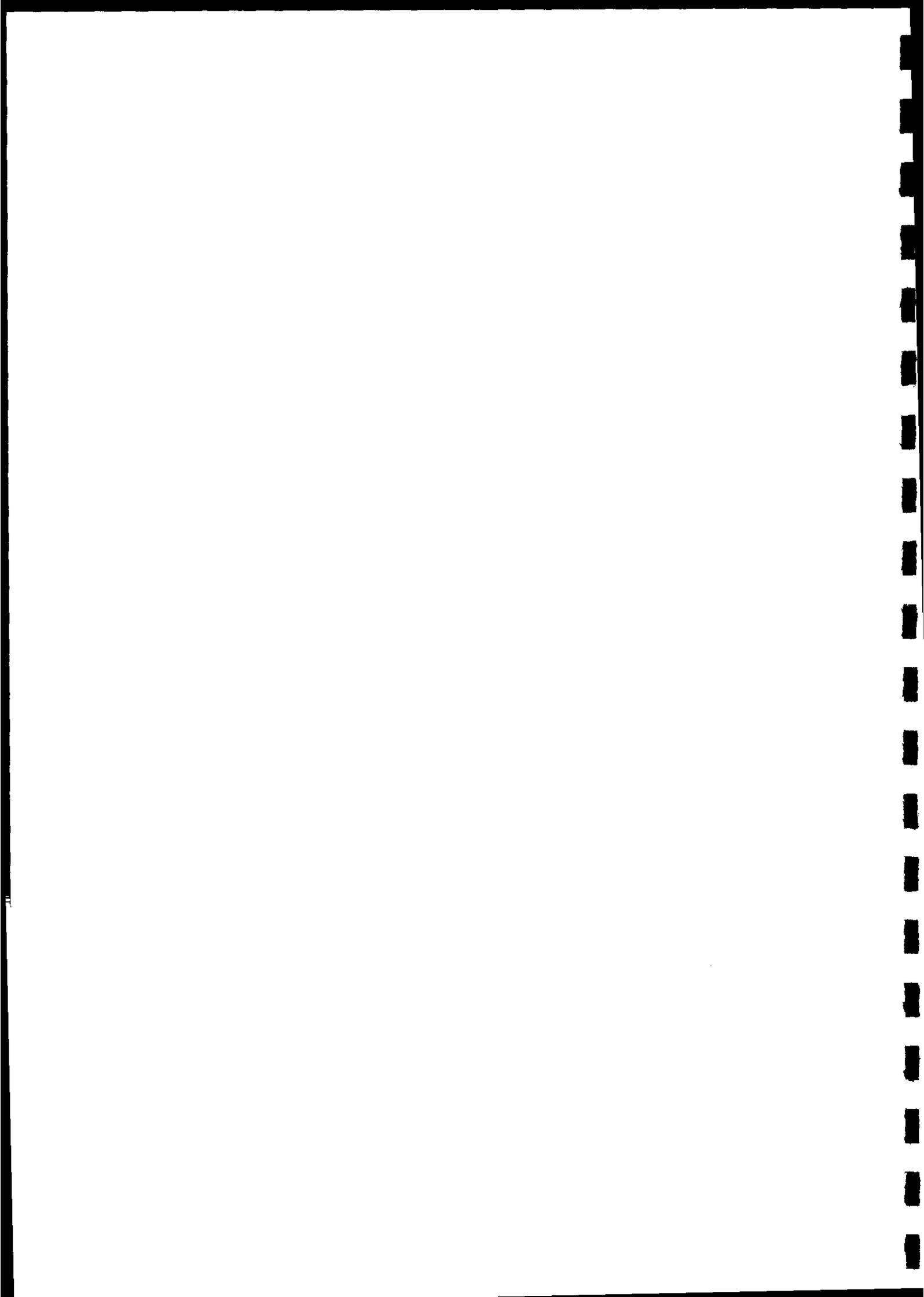
### Opinion

*In our opinion:*

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2005 and of its profit and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

27 April 2006



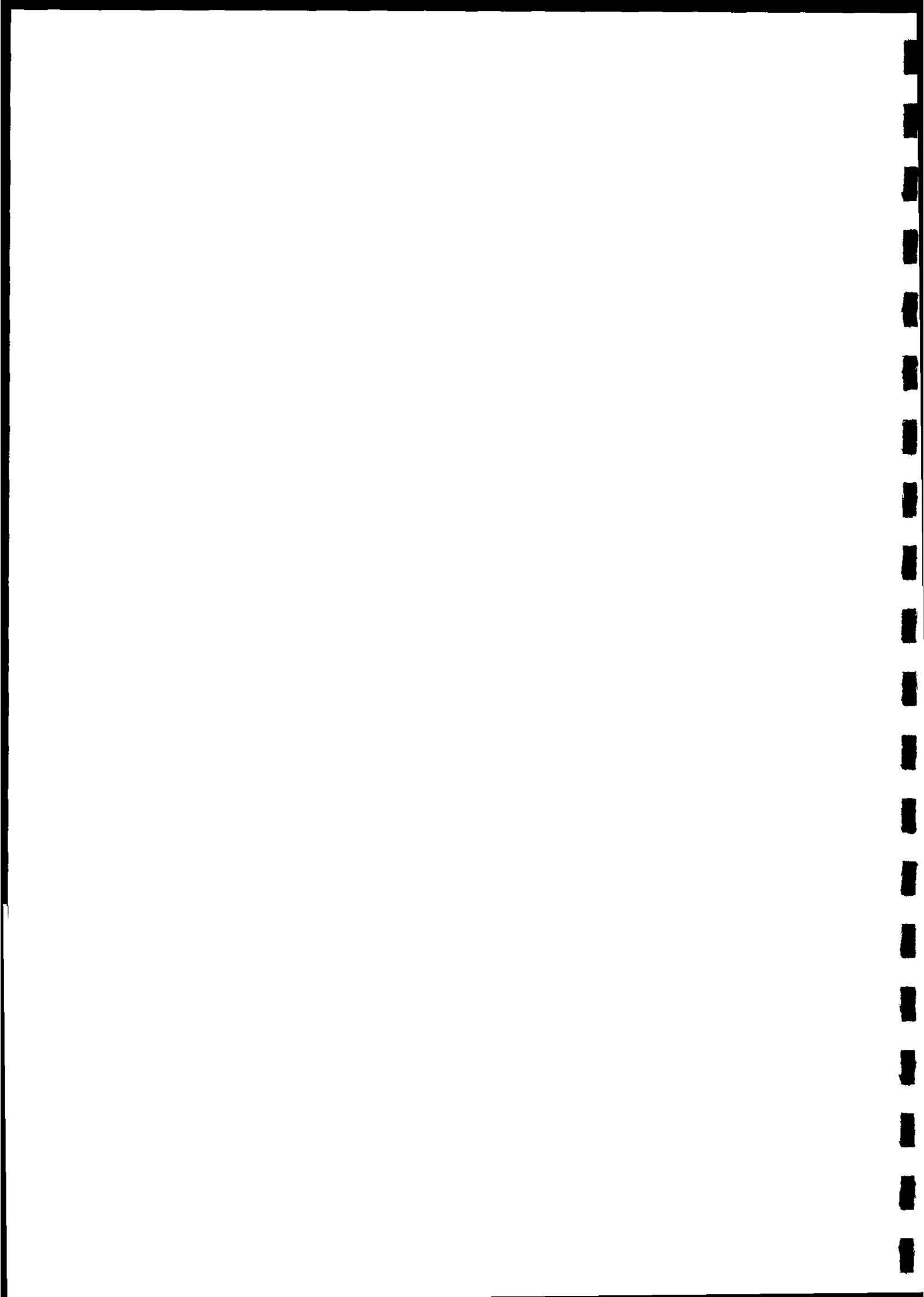
# WOOLWICH UNIT TRUST MANAGERS LIMITED

## INCOME STATEMENT YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £'000	2004 £'000
Income from dealing in units	4	2,162	280
Management fees		29,207	29,764
Expenses recharged to related parties		2,926	5,732
Distribution costs		(1,036)	(1,206)
<b>Gross profit</b>		<b>33,259</b>	<b>34,570</b>
Administrative expenses		(29,929)	(33,465)
<b>Operating profit</b>		<b>3,330</b>	<b>1,105</b>
Interest income		263	414
Interest expense		(1)	(2)
<b>Profit before taxation</b>	5	<b>3,592</b>	<b>1,517</b>
Taxation	7	(822)	(311)
<b>Profit after taxation</b>		<b>2,770</b>	<b>1,206</b>

All the amounts above are derived from continuing operations.

The notes on pages 10 to 22 form an integral part of these financial statements.

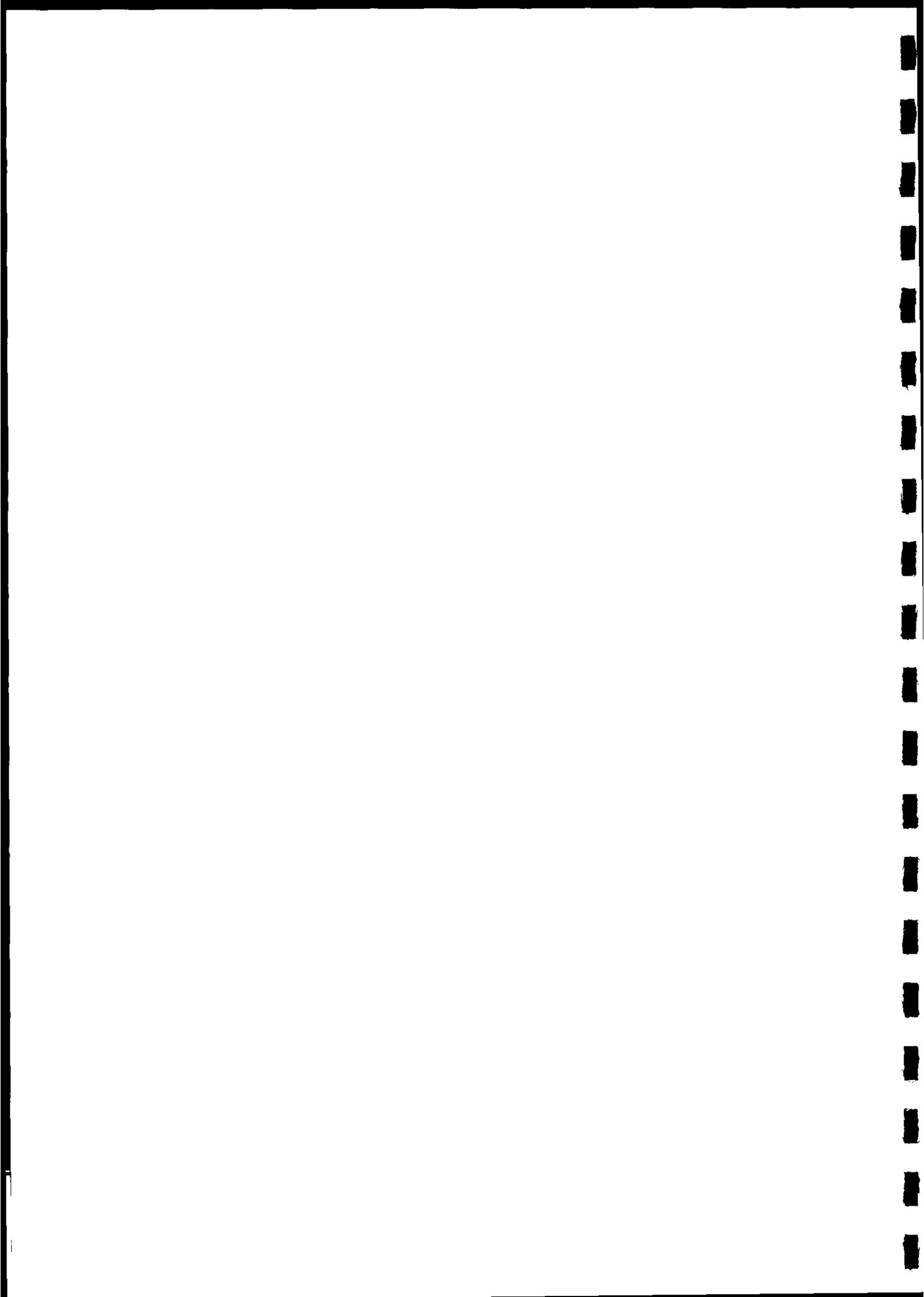


# WOOLWICH UNIT TRUST MANAGERS LIMITED

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY YEAR ENDED 31 DECEMBER 2005

	Notes	Share Capital £'000	Retained Earnings £'000	Total £'000
At 31 December 2003		1,700	11,430	13,130
Profit for the year		-	1,206	1,206
At 31 December 2004		<u>1,700</u>	<u>12,636</u>	<u>14,336</u>
Profit for the year		-	2,770	2,770
Equity dividends paid	8	-	(8,000)	(8,000)
At 31 December 2005		<u>1,700</u>	<u>7,406</u>	<u>9,106</u>

The notes on pages 10 to 22 form an integral part of these financial statements.



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £'000	2004 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax asset	7	87	116
<b>Total non-current assets</b>		<u>87</u>	<u>116</u>
<b>Current Assets</b>			
Financial assets held at fair value through profit or loss		100	80
Trade and other receivables	9	14,386	11,966
Current tax asset	11	834	-
Cash and cash equivalents		11,433	18,997
<b>Total current assets</b>		<u>26,753</u>	<u>31,043</u>
<b>Total assets</b>		<u>26,840</u>	<u>31,159</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	17,734	16,379
Current tax liabilities	11	-	444
<b>Total current liabilities</b>		<u>17,734</u>	<u>16,823</u>
<b>Net current assets</b>		<u>9,019</u>	<u>14,220</u>
<b>Net assets</b>		<u>9,106</u>	<u>14,336</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	12	1,700	1,700
Retained earnings		7,406	12,636
<b>Total shareholders' equity</b>		<u>9,106</u>	<u>14,336</u>

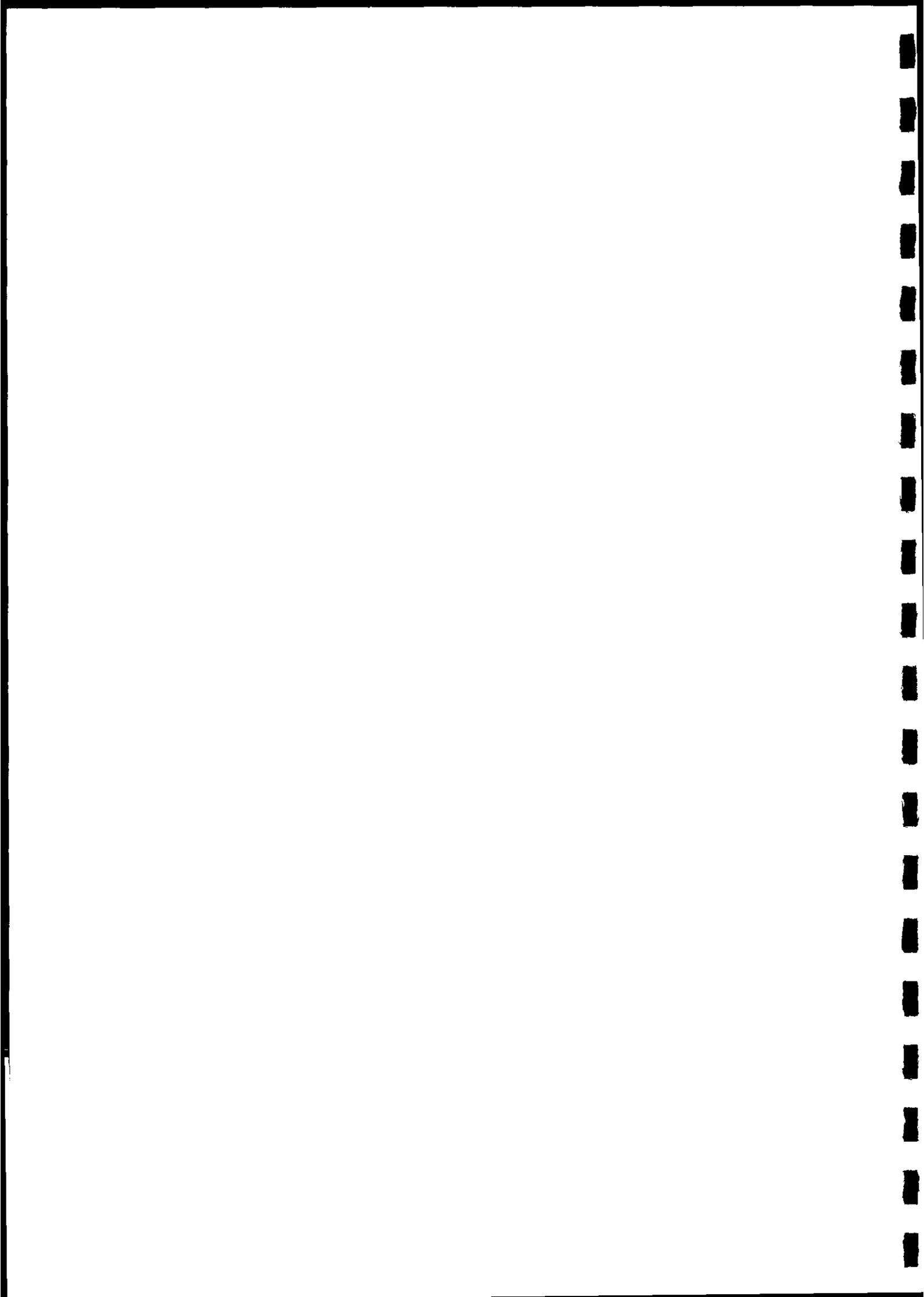
The notes on pages 10 to 22 form an integral part of these financial statements.

The Company's Directors or others do not have the power to amend the financial statements after the approval date.

The financial statements on pages 6 to 22 were approved by the Board of Directors and authorised for issue on 27 April 2006. They were signed on its behalf by:



M A Smith  
Director



# WOOLWICH UNIT TRUST MANAGERS LIMITED

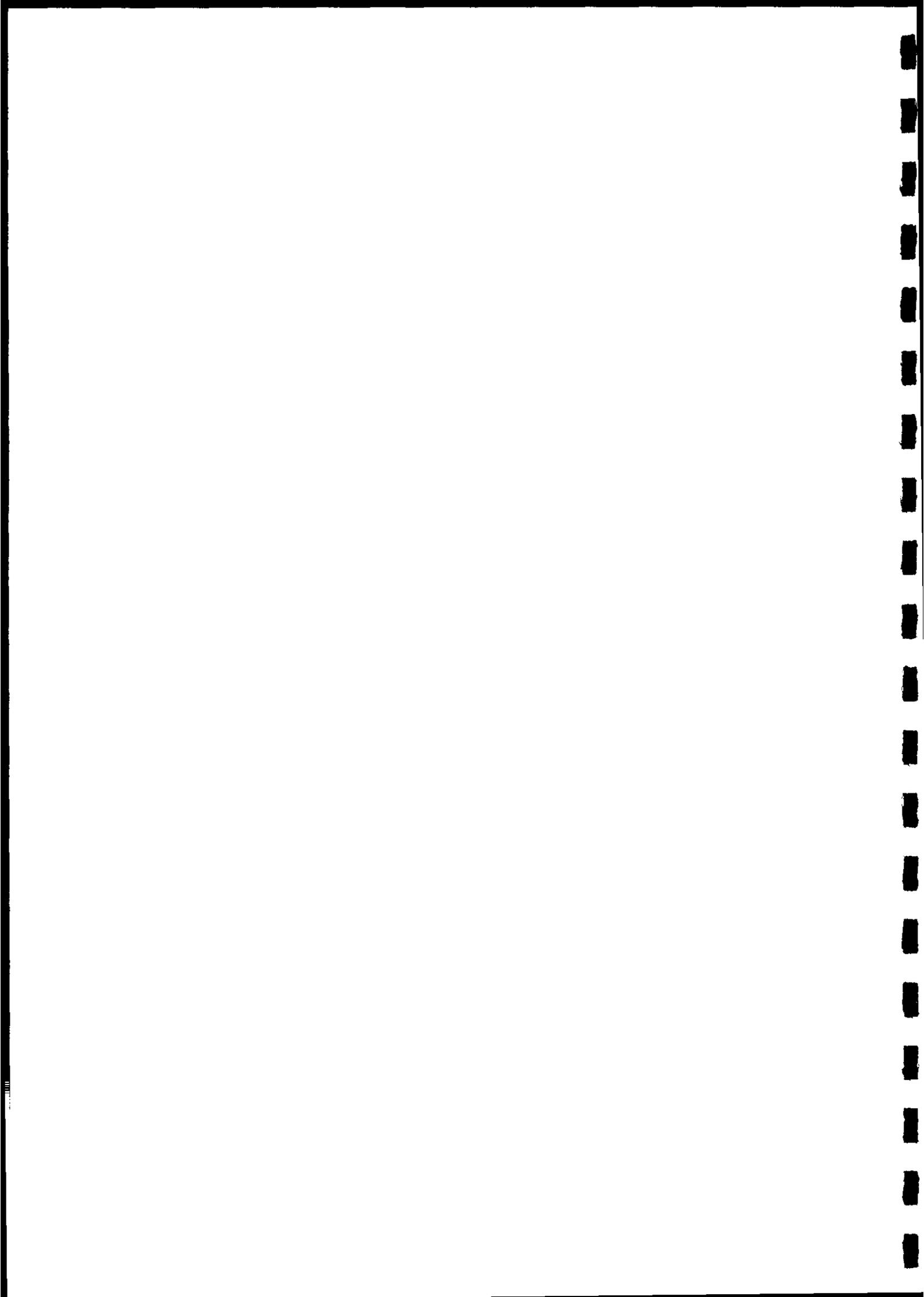
## CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £'000	2004 £'000
<b>Net cash flow from operating activities</b>			
Cash inflow from operating activities	13	362	4,204
Interest received		263	414
Interest paid		(1)	(2)
Taxation		(188)	(1,183)
<b>Net cash inflow from operating activities</b>		<u>436</u>	<u>3,433</u>
<b>Cash flows from financing activities</b>			
Dividends paid		(8,000)	-
<b>Net cash used in financing activities</b>		<u>(8,000)</u>	<u>-</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		(7,564)	3,433
Cash and cash equivalents at beginning of year		18,997	15,564
<b>Cash and cash equivalents at end of year</b>		<u>11,433</u>	<u>18,997</u>

Cashflows relate to continuing operations.

There have been no new operations or operations discontinued during the year.

The notes on pages 10 to 22 form an integral part of these financial statements.



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. REPORTING ENTITY

These financial statements are prepared for Woolwich Unit Trust Managers Limited ('the Company'). The principal activity of the Company is unit trust management and acting as an *Authorised Corporate Director (ACD) for Open Ended Investment Companies (OEICs)*. The company is a wholly owned subsidiary of Barclays Global Investors UK Holdings Limited and its ultimate parent company is Barclays PLC, which prepares consolidated financial statements in accordance with IFRS.

The Company is a private limited company, incorporated in the United Kingdom and its Registered Office is 1, Churchill Place, London E14 5HP.

### 2. COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards (together, 'IFRS'), as adopted by the European Union and in accordance with the Companies Act 1985.

### 3. ACCOUNTING POLICIES

#### Accounting presentation

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied throughout this and the previous year in accordance with IFRS.

#### Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IAS 39, 'Financial Instruments, recognition, and measurement' as set out in the relevant accounting policies.

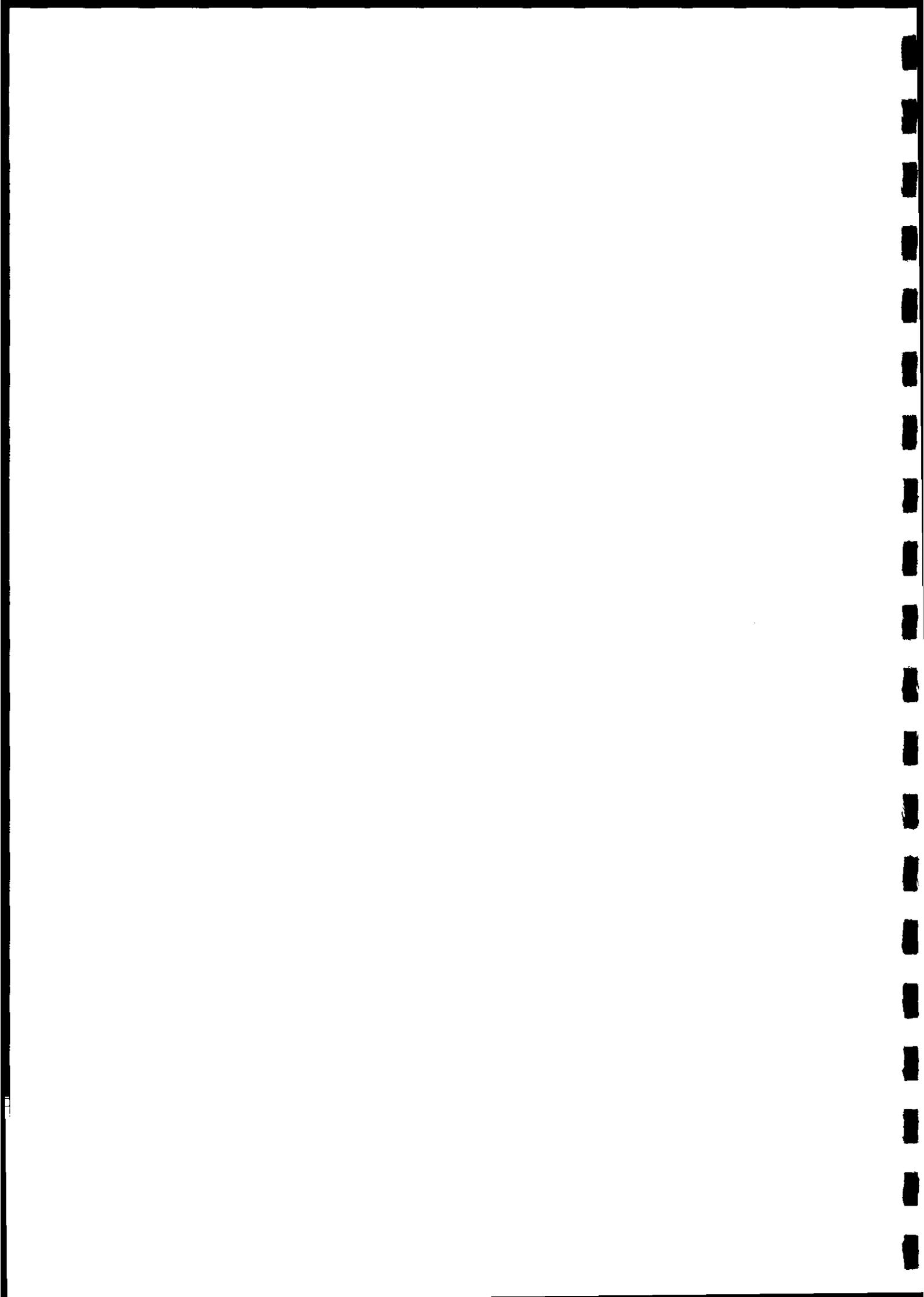
*They are stated in thousands of pounds sterling, £'000, the currency of the country in which the company is incorporated.*

#### First time application of IFRS

The Company has applied IFRS in its financial reporting with effect from 01 January 2004, in accordance with the transitional provisions set out in IFRS 1, 'First-time Adoption of International Financial Reporting Standards'. Previously, the Company followed UK accounting standards issued by the UK Accounting Standards Board and the pronouncements of its Urgent Issues Task Force, and the Companies Act, 1985 (collectively, 'UK GAAP'). The Company has not applied any of the exemptions offered under IFRS 1.

#### Effect of the transition to IFRS

Reconciliations of balance sheets prepared under UK GAAP and IFRS as at 01 January 2004 and at 31 December 2004 and of the income statement for the year ended 31 December 2004 have been included in Note 18. There is no impact on equity.



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### ACCOUNTING POLICIES (Continued)

#### Income from dealing in units

Management fees receivable from the unit trusts and OEIC are calculated in accordance with the scheme particulars and are accrued on a monthly basis. Sales and transfers of monies into the unit trusts are accounted for on the date of receipt of a completed application form.

#### Financial assets at fair value through profit or loss

The Company recognises financial instruments from the trade date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired. Financial assets and liabilities are recognised at fair value.

#### *Impairment of financial assets*

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets, including trade receivables, is impaired. The factors that the Company takes into account include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation, or, in the disappearance of an active market for a security because of the issuer's financial difficulties.

#### *Determining fair value*

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the fair value in an active market wherever possible.

#### Interest

Interest represents interest received on bank accounts of the Company and is recognised in the income statement as it accrues.

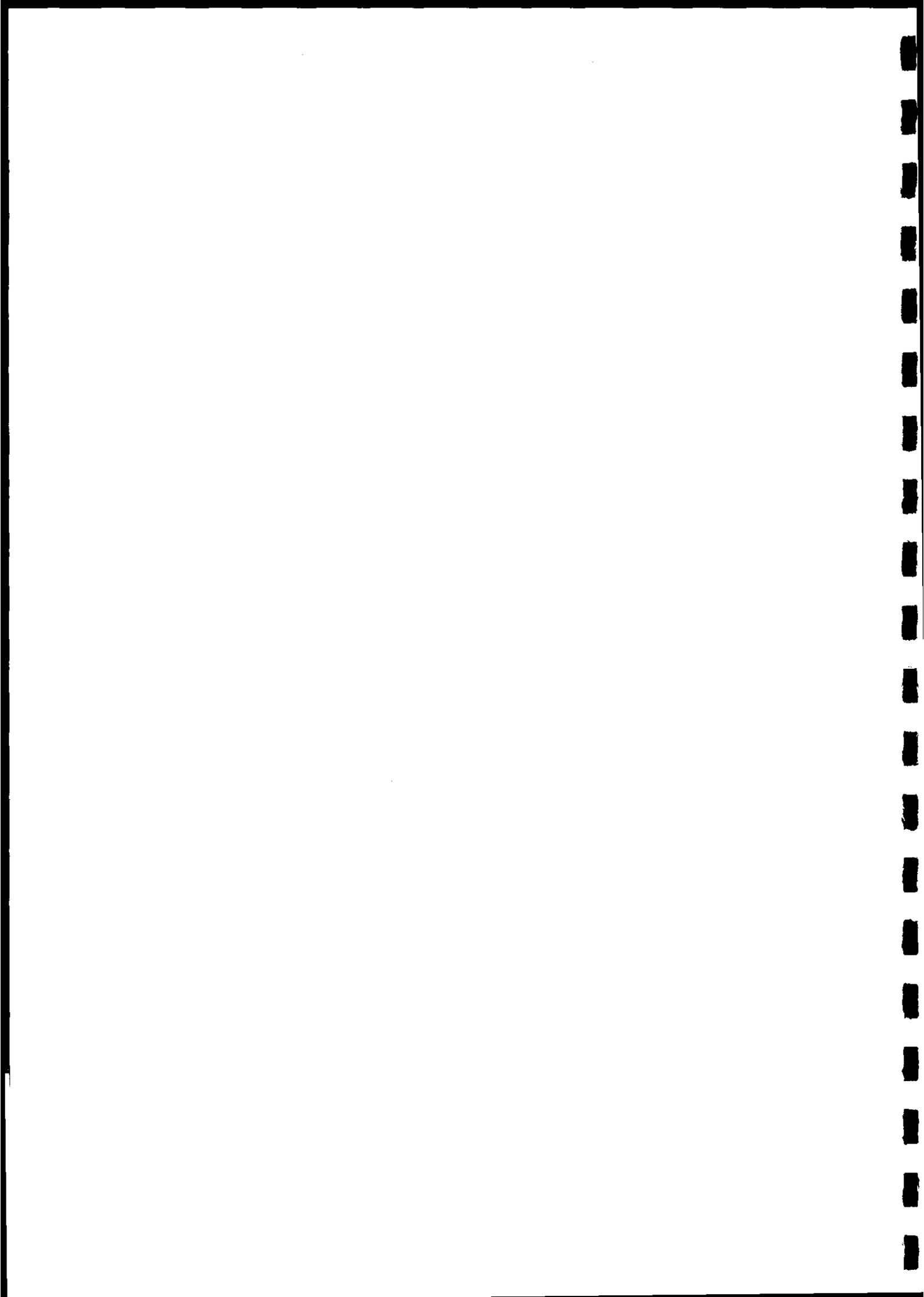
#### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### Taxation

Income tax payable on taxable profits ('current tax'), is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current or future taxable profits.

Temporary differences may occur between the dates that items of income or expense are recognised in the income statement and balance sheet and the dates that they are recognised in the Group's tax returns. In this case, full provision is made for the related taxation liabilities ('deferred tax') in the financial statements, based on the carrying value of assets



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### ACCOUNTING POLICIES (Continued)

and liabilities in the financial statements and their carrying values effective for tax purposes, using the tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets, representing costs or tax allowable losses that have been incurred at the balance sheet date but not yet offset against taxable profits, are only recognised to the extent that it is probable that sufficient taxable profits will be available to relieve them against. If recognised, deferred tax assets are reviewed regularly and written down where appropriate.

Deferred and current tax assets and liabilities are only off set when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 4. INCOME FROM DEALING IN UNITS

	2005 £'000	2004 £'000
Sales of units and shares	207,102	273,916
Creations of units and shares	(156,349)	(220,048)
Repurchases of units and shares	(651,890)	(648,241)
Liquidations of units and shares	601,746	595,050
Tax credits receivable on liquidations	1,883	-
Cost of sales	(330)	(397)
	<u>2,162</u>	<u>280</u>

During 2005 a claim was submitted for tax credits suffered on income from liquidation of units and shares received by the Company. The claim for the years through 2000 to 2005 have been submitted to the tax authorities and as such is accrued as receivable at 31 December 2005.

### 5. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging :-

	2005 £'000	2004 £'000
Auditors' remuneration:		
- audit services	<u>35</u>	<u>26</u>
No other audit fees payable.		
Employee costs	<u>-</u>	<u>593</u>
Depreciation of property, plant and equipment:		
- owned assets	<u>-</u>	<u>32</u>
Loss on disposal of fixed assets	<u>-</u>	<u>66</u>

# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. EMPLOYEES AND KEY MANAGEMENT, INCLUDING DIRECTORS

	2005 £'000	2004 £'000
Employee costs:		
Wages and salaries	-	589
Social security costs	-	4
Total employee costs	<u>-</u>	<u>593</u>
	Number	Number
Average number of employees	<u>-</u>	<u>5</u>

There were no employees employed by the Company during 2005. All UK employees' service contracts are with, and paid by, a fellow Barclays Group company (Barclays Global Investors Services Limited), and their remuneration is included within that company's financial statements. The cost of these staff is borne by the Company through a management recharge. Of the management recharge of £240,187 (2004: £949,265) an amount of £211,462 (2004: £896,372) related to staff costs. The Company also bore direct staff costs for £nil in 2005 (2004: £592,796.)

The aggregate emoluments of the Directors of the Company disclosed in accordance with Schedule 6 of the Companies Act 1985 were as follows:

	2005 £'000	2004 £'000
<i>Directors' emoluments in respect of their services to the Company:</i>		
Aggregate emoluments	546	1,742
Company contributions paid to money purchase pension schemes	19	28
	<u>565</u>	<u>1,770</u>

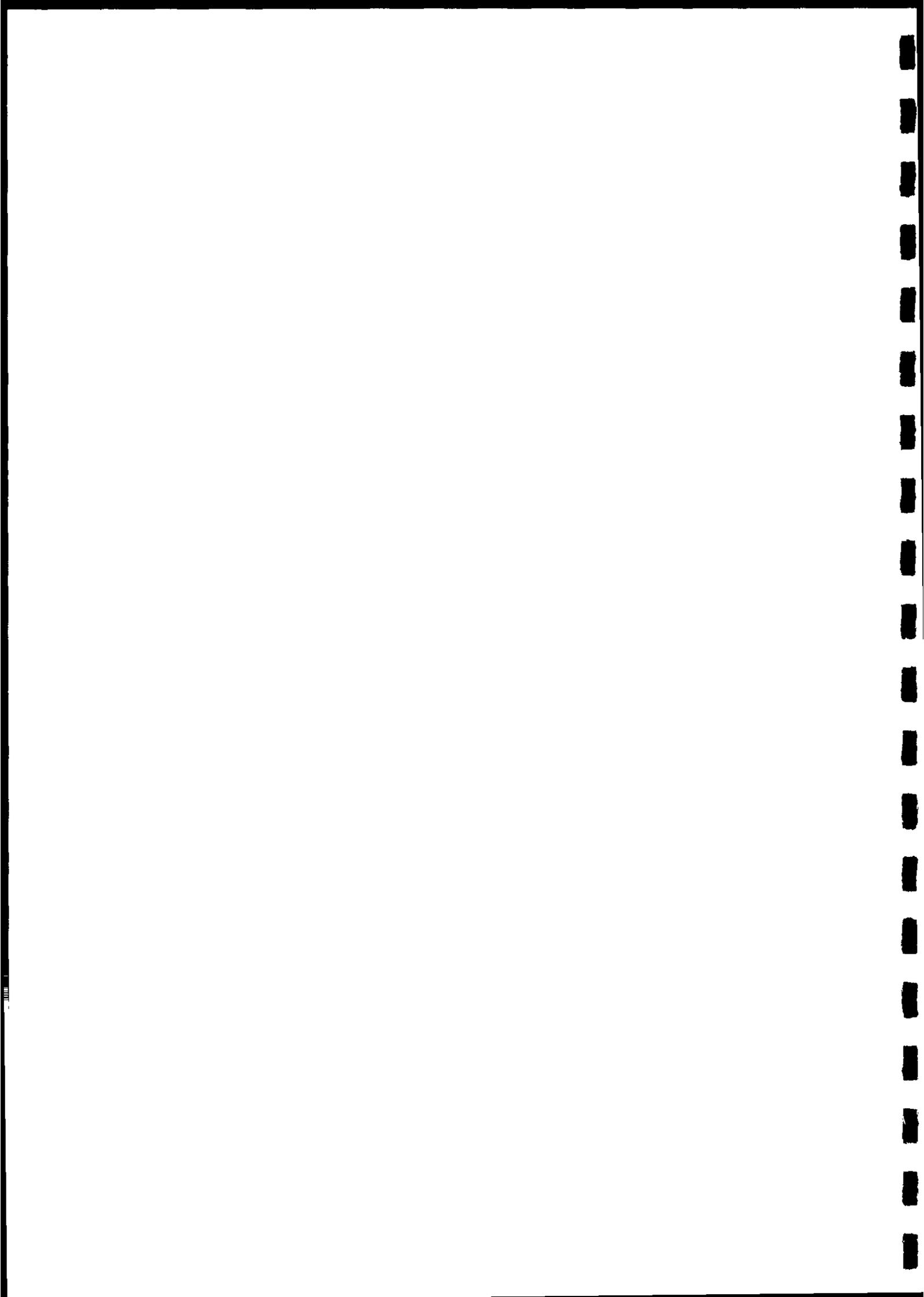
Three Directors are accruing retirement benefits under a defined contribution scheme (2004: three). Two Directors exercised options during 2005 (2004: three).

The emoluments of the Directors are paid by a fellow Barclays Group company which make no recharge to the Company for these costs. Their emoluments in respect of the period since their appointments or to resignation are apportioned to the Company in accordance with their Directorial service attributable to the Company.

The aggregate emoluments of the highest paid Director were as follows:

<b>Highest paid director</b>	2005 £'000	2004 £'000
Aggregate emoluments and benefits under long term incentive schemes	431	910
Company contributions paid to money purchase pension schemes	12	8

The highest paid director exercised options during the year.



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7. INCOME TAX EXPENSE

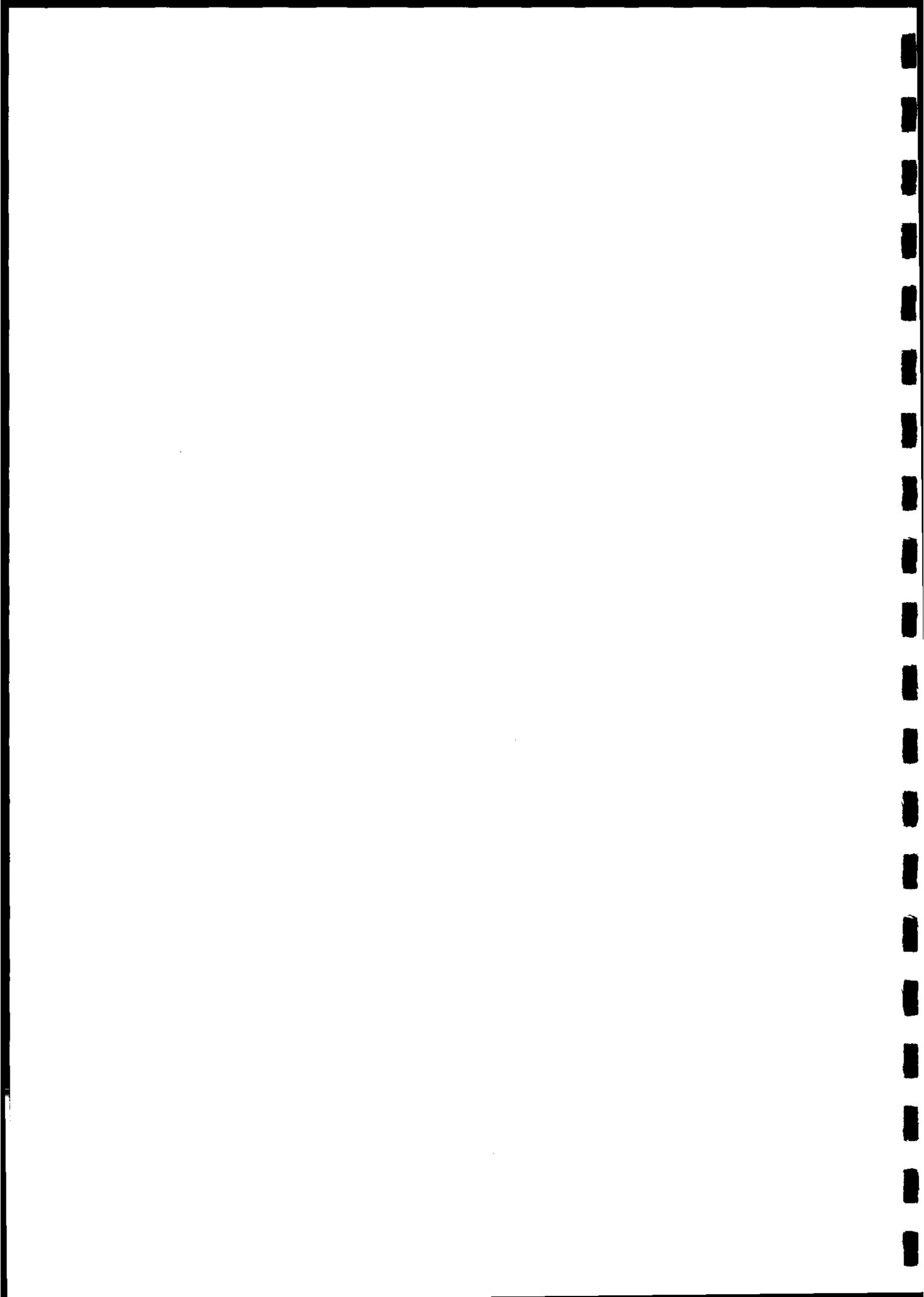
	2005 £'000	2004 £'000
<b>Current tax:</b>		
United Kingdom taxation	1,049	444
Adjustment in respect of prior years	(256)	(151)
Current tax charge	<u>793</u>	<u>293</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	29	18
Tax on profit on ordinary activities	<u>822</u>	<u>311</u>

The tax charge is based on an effective UK corporation tax rate of 30% (2004: 30%). The overall tax charge is explained in the following table:-

	2005 £'000	2004 £'000
Profit on ordinary activities before tax	<u>3,592</u>	<u>1,517</u>
Tax charge at average UK Corporation Tax rate of 30% (2004: 30%)	1,078	455
Effect of other permanent differences	-	7
Prior year adjustments	(256)	(151)
Overall tax charge	<u>822</u>	<u>311</u>
Effective rate %	<u>22.9%</u>	<u>20.5%</u>

The deferred tax asset is a receivable falling due after more than one year:

	2005 £'000	2004 £'000
Deferred tax asset		
At 1 January	116	134
Charged to income statement	(29)	(18)
At 31 December	<u>87</u>	<u>116</u>



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8. DIVIDENDS

	2005 £'000	2004 £'000
Dividends on ordinary shares:		
Interim dividends paid £4.71 per share	<u>8,000</u>	<u>-</u>

Dividends are recognised when paid.

### 9. TRADE AND OTHER RECEIVABLES

	2005 £'000	2004 £'000
Trade receivables	14,349	11,836
Other receivables	37	130
	<u>14,386</u>	<u>11,966</u>

Trade receivables at the balance sheet date comprise of: purchases and liquidations which have a settlement period of 4 days; and accrued fees not yet invoiced to the Unit Trusts / OIECs which are settled monthly. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

### 10. TRADE AND OTHER PAYABLES

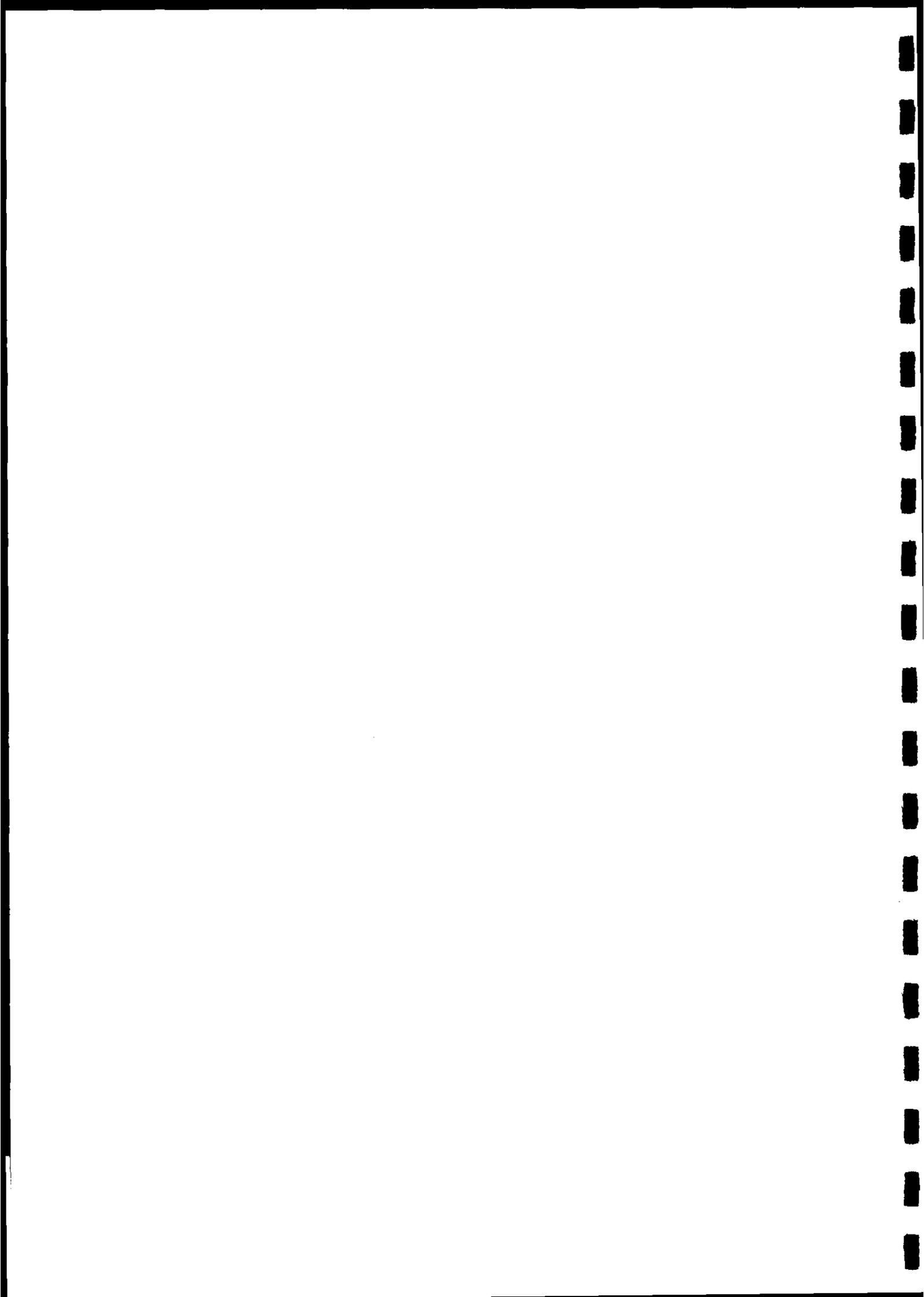
	2005 £'000	2004 £'000
Trade payables	9,109	8,914
Amounts due to related parties	7,866	5,615
Other payables	40	161
Accruals and deferred income	719	1,689
	<u>17,734</u>	<u>16,379</u>

Trade payables relate to amounts owed in respect of unsettled creations and repurchases. These creditors have a settlement period of 4 business days. The amounts due to related parties are paid quarterly. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

### 11. CURRENT TAX ASSETS / LIABILITIES

	2005 £'000	2004 £'000
UK income tax receivable / (payable)	<u>834</u>	<u>(444)</u>

The UK income tax receivable in 2005 is due to the tax reclaim on income on liquidations of units and shares received by the Company - see note 4.



## WOOLWICH UNIT TRUST MANAGERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 12. CALLED UP SHARE CAPITAL

	2005 £'000	2004 £'000
Authorised:		
2,000,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted and fully paid:		
1,700,000 ordinary shares of £1 each	<u>1,700</u>	<u>1,700</u>

The authorised share capital of Woolwich Unit trust Managers Limited is £2,000,000, (2004:£2,000,000), comprising 2,000,000 (2004:2,000,000) ordinary shares of £1 each. All issued shares are fully paid.

#### 13. RECONCILIATION OF OPERATING PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

	2005 £'000	2004 £'000
Operating profit	3,330	1,105
Depreciation	-	32
Loss on sale of fixed assets	-	66
(Increase)/Decrease in financial assets at fair value through profit or loss	(20)	164
(Increase) in receivable tax credits	(1,883)	-
(Increase) in trade and other receivables	(2,420)	(1,657)
Increase in trade and other payables	<u>1,355</u>	<u>4,494</u>
Cash inflow from operating activities	<u>362</u>	<u>4,204</u>

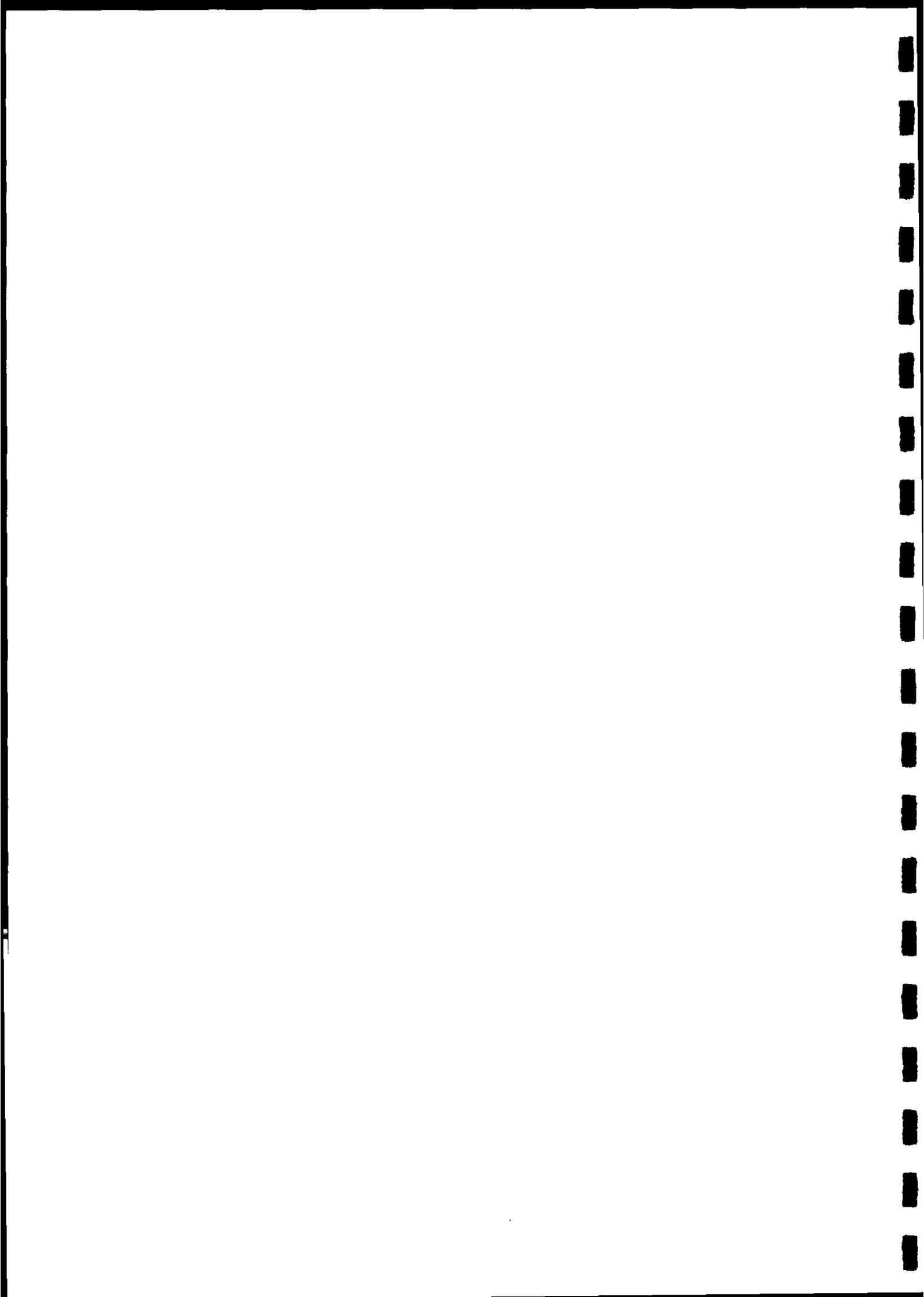
#### 14. FINANCIAL RISKS

The main financial risks that the Company is exposed to and its management policy with respect to those risks are as follows:

##### Credit risk

Credit risk refers to the risk of loss if another party fails to perform its obligations or fails to perform them in a timely fashion. In addition to direct credit exposures, this includes:

- (a) indirect credit exposures, where the obligation is owed to a third party but failure would have consequences for the Company, e.g. because it has issued a guarantee to a third party;
- (b) contingent credit exposures, exposure that would arise if circumstances changed (but only in so far as such change is reasonably possible e.g. where the Company relies upon a counterparty to reimburse a loss.



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FINANCIAL RISKS (Continued)

#### Credit Risk (Continued)

The Company has identified the following credit risk exposures:

- The Company's main credit risk arises from trading as principal in the units/shares of the funds of which it is the manager/Authorised Corporate Director;
- The assets representing the customers' funds are invested by the Company in segregated accounts. This ensures no contamination with the assets of other clients of Company or with those of Company itself.

#### Market Risk

Market risk arises where the value of assets and liabilities change as a result of movements in foreign exchange rates, interest rates and market prices. Market risk is not a material risk for the Company.

#### Liquidity risk

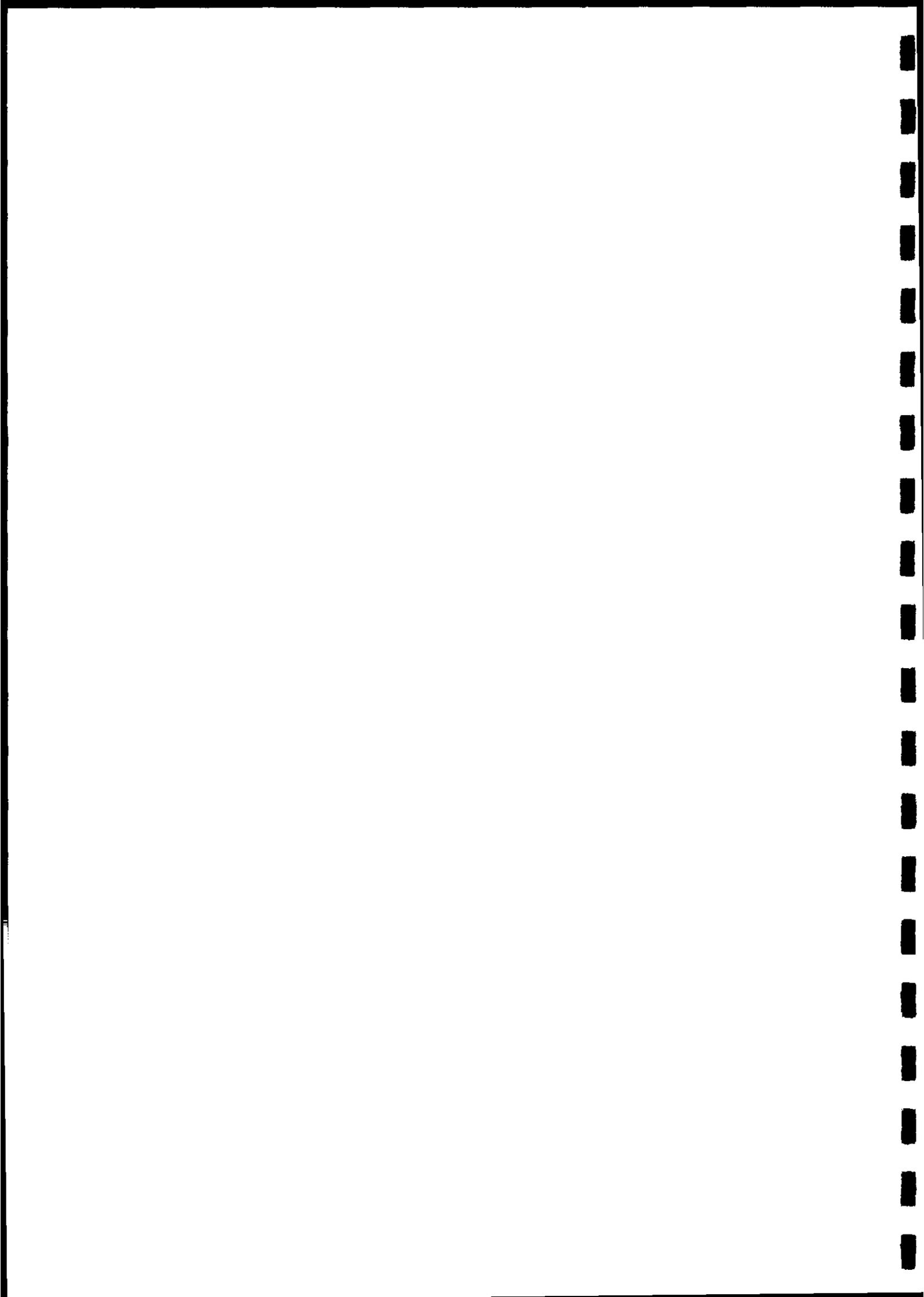
The risk that the Company's cash and committed facilities may be insufficient to meet its debts as they fall due. Liquidity risk is not a material risk for the Company.

Numerical financial instruments disclosures are set out below:

#### *Maturity of financial instruments*

The maturity profile of financial assets and liabilities is as follows:

Financial Assets	Cash and cash equivalents 2005 £'000	Trade and other receivables 2005 £'000	Investments held at fair value through profit or loss 2005 £'000	Total 2005 £'000
Interest bearing - one year or less	11,433	-	-	11,433
Non-interest bearing - one year or less	-	14,386	100	14,486
	<u>11,433</u>	<u>14,386</u>	<u>100</u>	<u>25,919</u>



WOOLWICH UNIT TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

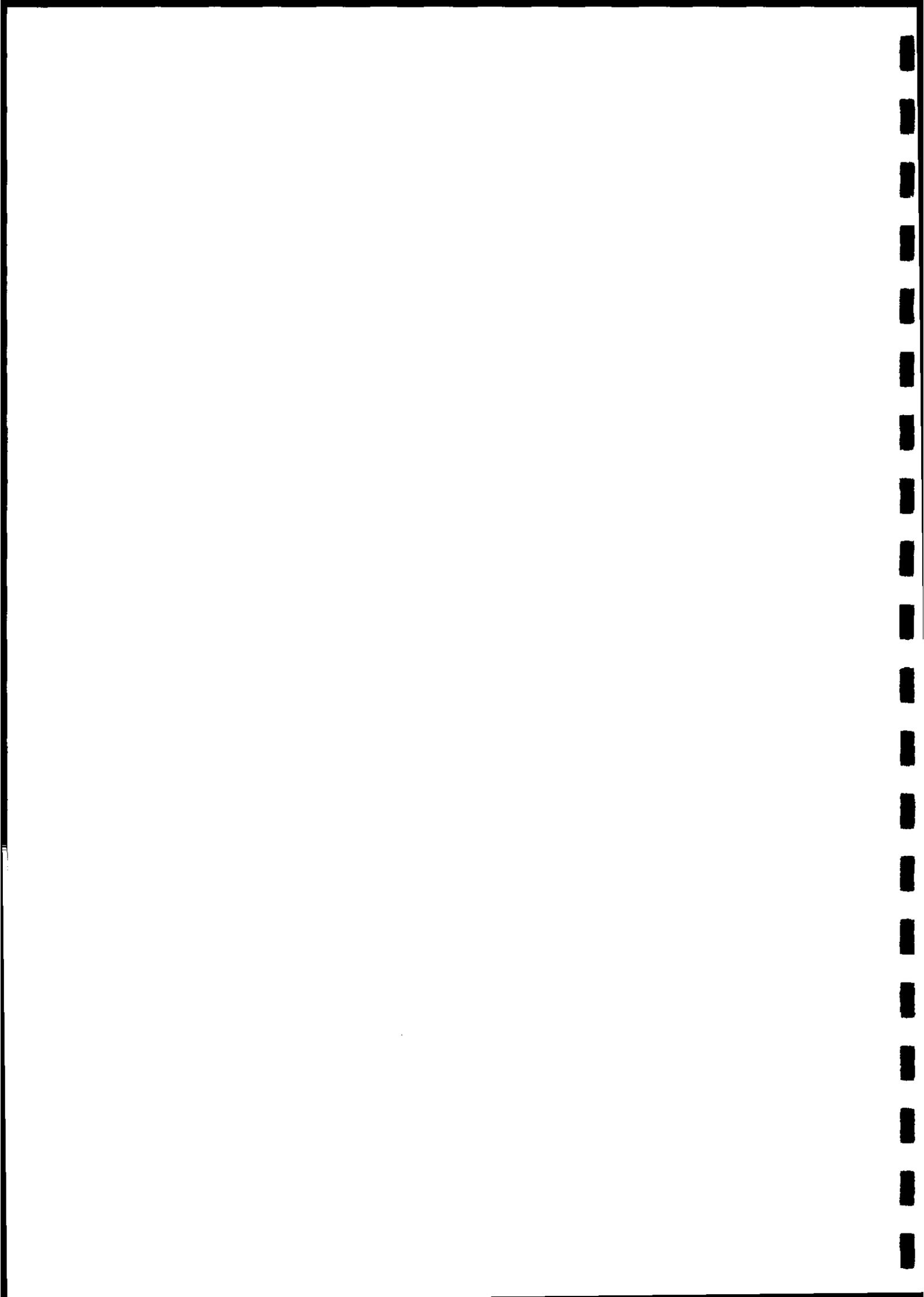
FINANCIAL RISKS (Continued)

*Maturity of financial instruments (Continued)*

Financial Assets	Cash and cash equivalents 2004 £'000	Trade and other receivables 2004 £'000	Investments held at fair value through profit or loss 2004 £'000	Total 2004 £'000
Interest bearing - one year or less	18,997	-	-	18,997
Non-interest bearing - one year or less	-	11,966	80	12,046
	<u>18,997</u>	<u>11,966</u>	<u>80</u>	<u>31,043</u>

Financial Liabilities	Trade and other payables 2005 £'000	Total 2005 £'000
Non-interest bearing - one year or less	17,734	17,734
	<u>17,734</u>	<u>17,734</u>

Financial Liabilities	Trade and other payables 2004 £'000	Total 2004 £'000
Non-interest bearing - one year or less	16,379	16,379
	<u>16,379</u>	<u>16,379</u>



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. RELATED PARTY TRANSACTIONS

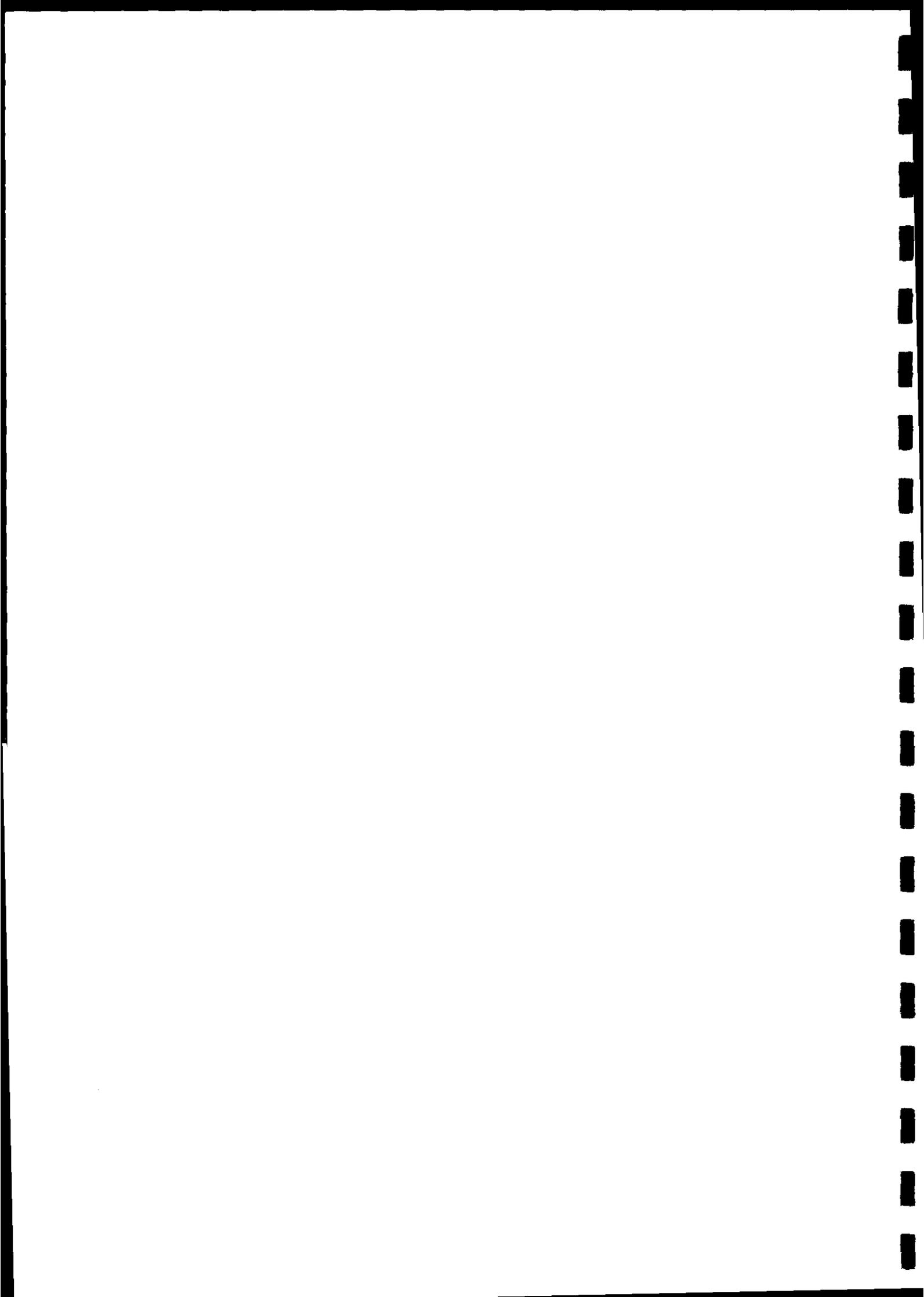
The definition of related parties includes subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors. Particulars of transactions, and the balances outstanding at the year end, is disclosed in the tables below:

	(Payable) included on balance sheet	(Expense) included in the income statement	(Payable) included on balance sheet	Income / (Expense) included in the income statement
	2005 £'000	2005 £'000	2004 £'000	2004 £'000
<b>Investment management fees</b>				
Barclays Global Investors Limited	(3,544)	(7,410)	(2,472)	(7,962)
<b>Trail fees</b>				
Barclays PLC	(4,038)	(16,015)	(2,760)	(13,787)
<b>Group recharges</b>				
Barclays Global Investors Services Limited	(214)	(240)		(949)
Barclays Global Investors UK Holdings Limited	(70)	(278)	(160)	(223)
Woolwich Plan Managers Limited	-	-	(223)	10
	<u>(7,866)</u>	<u>(23,943)</u>	<u>(5,615)</u>	<u>(30,873)</u>

Fellow subsidiaries: - Barclays Global Investors Limited, Barclays Global Investors Services Limited.

Parent company: - Barclays Global Investors UK Holdings Limited.

Other related parties: -Woolwich Plan Managers Limited, Barclays PLC.



## WOOLWICH UNIT TRUST MANAGERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 16. PARENT UNDERTAKING AND ULTIMATE PARENT COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Bank PLC. The ultimate parent company and controlling party is Barclays PLC, which is the parent company of the largest group that presents group accounts. Both companies are incorporated in Great Britain and registered in England and Wales. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from the Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

#### 17. EVENTS AFTER BALANCE SHEET DATE

The Company intends to transition its position as Manager of the Woolwich Unit Trusts to a multi-manager product at the end of May 2006 subject to unit holders' approval. The transfer will involve approximately £1.3bn worth of managed Unit Trust assets.

#### 18. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Company has adopted the requirements of International Financial Reporting Standards and International Accounting Standards (together, 'IFRS') for the first time as at 01 January 2004 for the purpose of preparing the financial statements for the year ended 31 December 2005. This has led to a number of significant changes from the disclosures made in the financial statements prepared in accordance with the requirements of the UK Companies Act 1985 and UK Statements of Standard Accounting Practice and Financial Reporting Standards (collectively, 'UK GAAP').

In order for the financial statements for the year ended 31 December 2005 to comply with the requirement for comparative figures to be presented in accordance with IFRS, it was necessary to restate the balance sheet on 01 January 2004 along with the profit and loss for the year ended 31 December 2004. Amounts previously presented under UK GAAP at 31 December 2003 and 31 December 2004 have been represented in accordance with IFRS applicable on 01 January 2004 and 01 January 2005 respectively.

The adoption of IFRS has had no impact on equity or net profit.

##### **Balance Sheet**

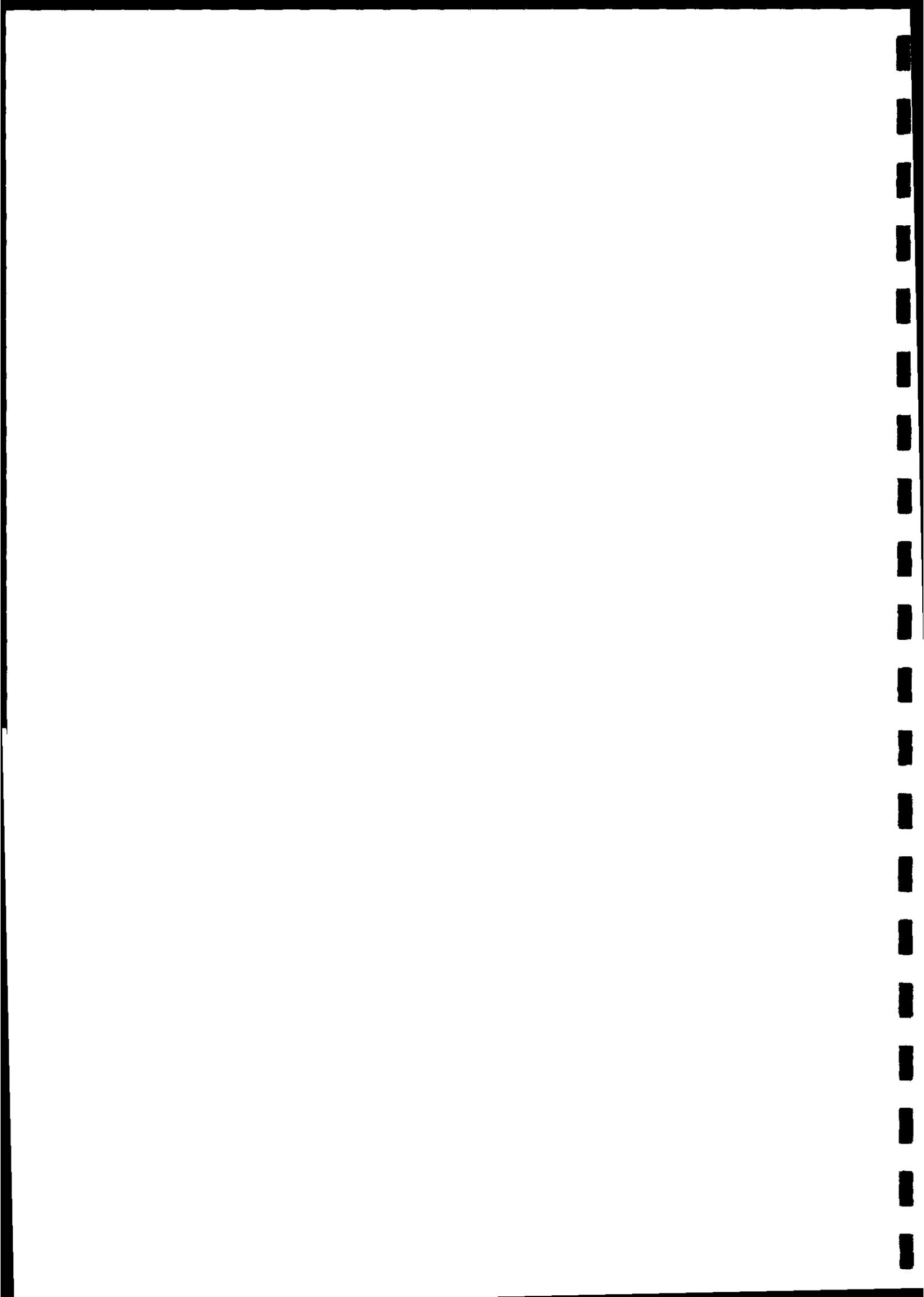
A reconciliation of balance sheets prepared under UK GAAP and IFRS at 01 January 2004 and as at 31 December 2004 are presented in the table on page 21. All adjustments are classification adjustments only, hence no narrative has been provided.

##### **Income Statement**

A reconciliation of the income statement prepared under UK GAAP and IFRS for the year ended 31 December 2004 are presented in the table on page 22. All adjustments are classification adjustments only, hence no narrative has been provided.

##### **Cash Flow Statement**

There are no material differences between the cash flow statement presented under IFRS and the cash flow statement presented under UK GAAP.

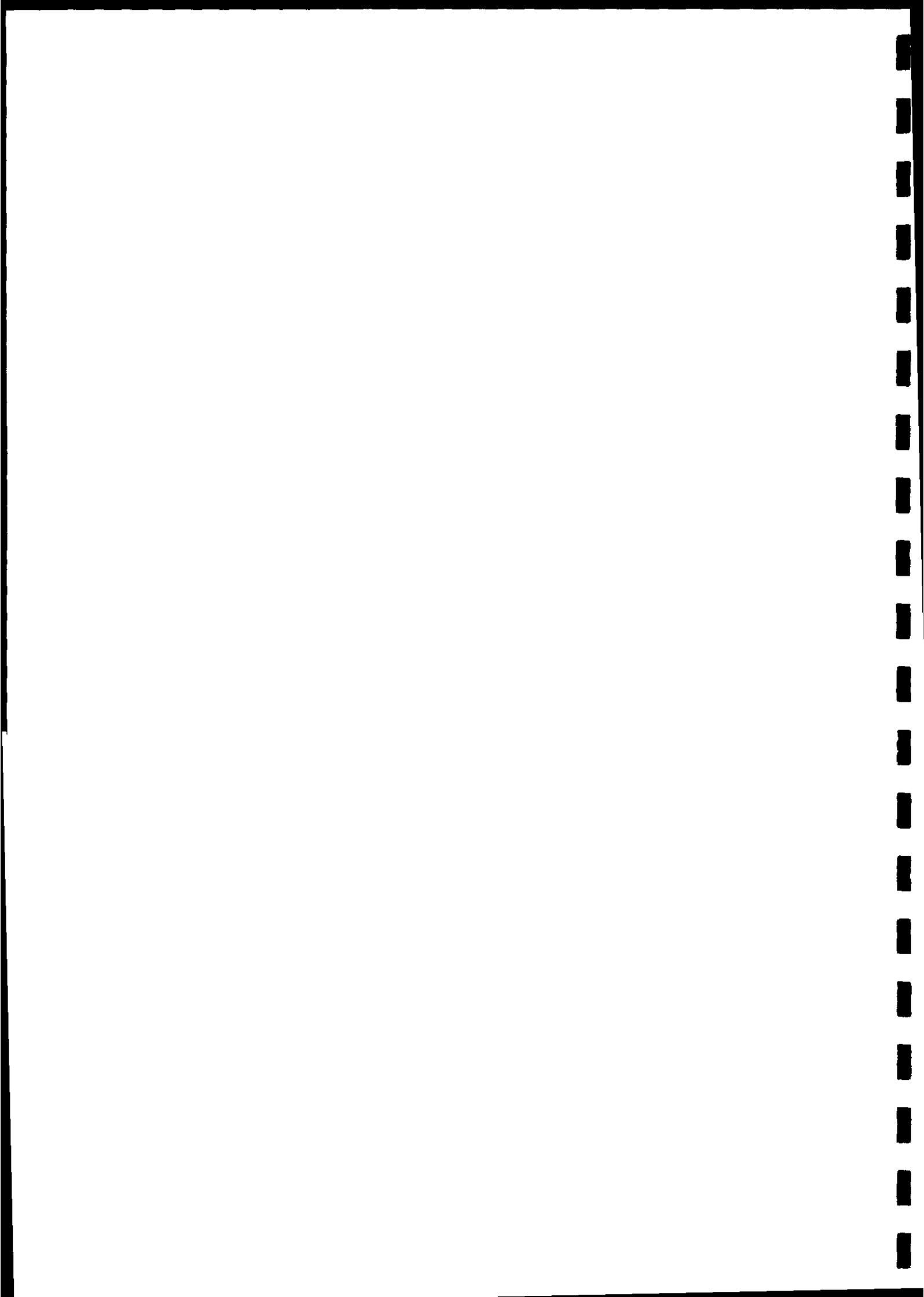


# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

<u>Balance sheet reconciliation</u>	<u>Effect of transition to IFRS</u>		<u>Effect of transition to IFRS</u>		<u>IFRS</u>	
	<u>UK GAAP</u>	<u>1 Jan 04</u>	<u>IFRS</u>	<u>UK GAAP</u>	<u>31 Dec 04</u>	<u>IFRS</u>
	<u>1 Jan 04</u>	<u>1 Jan 04</u>	<u>1 Jan 04</u>	<u>31 Dec 04</u>	<u>31 Dec 04</u>	<u>31 Dec 04</u>
<b>Assets</b>	£'000	£'000	£'000	£'000	£'000	£'000
Tangible assets	99	(99)	-	-	-	-
Property, plant and equipment	-	99	99	-	-	-
Deferred tax asset	-	-	-	-	116	116
Stocks	244	(244)	-	80	(80)	-
Financial assets at fair value through profit or loss	-	244	244	-	80	80
Debtors	10,443	(10,443)	-	12,082	(12,082)	-
Trade and other receivables	-	10,443	10,443	-	11,966	11,966
Cash at bank and in hand	15,564	(15,564)	-	18,997	(18,997)	-
Cash and cash equivalents	-	15,564	15,564	-	18,997	18,997
<b><u>Total assets</u></b>	<b>26,350</b>	<b>-</b>	<b>26,350</b>	<b>31,159</b>	<b>-</b>	<b>31,159</b>
<b>Liabilities</b>						
Creditors: amounts falling due within one year	13,220	(13,220)	-	16,823	(16,823)	-
Trade and other payables	-	11,885	11,885	-	16,379	16,379
Current tax liabilities	-	1,335	1,335	-	444	444
<b><u>Total liabilities</u></b>	<b>13,220</b>	<b>-</b>	<b>13,220</b>	<b>16,823</b>	<b>-</b>	<b>16,823</b>
<b>Shareholders' Equity</b>						
Called up share capital	1,700	-	1,700	1,700	-	1,700
Profit and loss account	11,430	(11,430)	-	12,636	(12,636)	-
Retained earnings	-	11,430	11,430	-	12,636	12,636
<b><u>Total shareholders' equity</u></b>	<b>13,130</b>	<b>-</b>	<b>13,130</b>	<b>14,336</b>	<b>-</b>	<b>14,336</b>



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

<u>Income statement reconciliation</u> <u>For the year ended 31 December 2004</u>	<u>UK GAAP</u>	<u>Effect of</u> <u>transition to IFRS</u>	<u>IFRS</u>
	£'000	£'000	£'000
Turnover	303,680	(303,680)	-
Income from dealing in units	-	280	280
Management fees	-	29,764	29,764
Cost of sales	(273,636)	273,636	-
Expenses recharged to related parties	-	5,732	5,732
Distribution costs	(1,206)	-	(1,206)
Administrative expenses	(27,733)	(5,732)	(33,465)
Interest income	414	-	414
Interest expense	(2)	-	(2)
<b>Profit before tax</b>	<b>1,517</b>	<b>-</b>	<b>1,517</b>
Tax on profit on ordinary activities	(311)	311	-
Taxation	-	(311)	(311)
Retained profit for the financial year	1,206	(1,206)	-
<b>Profit after taxation</b>	<b>-</b>	<b>1,206</b>	<b>1,206</b>

