

# **WOOLWICH UNIT TRUST MANAGERS LIMITED**

**Report and Financial Statements  
For the year ended 31 December 2000**



**REGISTERED NUMBER: 2364834**

# WOOLWICH UNIT TRUST MANAGERS LIMITED

## DIRECTORS' REPORT

For the year ended 31 December 2000

The directors are pleased to present their annual report and audited financial statements for the year ended 31 December 2000.

### Principal Activities

The principal activity of the Company is unit trust management. The Directors consider the position at the end of the year to be satisfactory and plan to continue the present activities during the coming year.

### Financial results and dividend

The results for the year are set out in the Profit and Loss Account on page 7. The Directors recommend that an interim dividend of £13,794,000 will be paid for the year (1999: final dividend of £4,928,000).

### Directors

The Directors of the Company during the year were:

D Holcroft  
I W Poston  
I D Smith

### Directors' Interests in Shares

(as defined by section 325 the Companies Act 1985)

No director had an interest in the shares of the company at any time during the year.

The share interests of the directors of the company at the year end in the share capital of Woolwich plc at the beginning of the year and in the share capital of Barclays PLC at the end of the year, as a consequence of the completion of the acquisition of Woolwich plc by Barclays PLC on 25 October 2000, are set out below:

	1 January 2000 (or date of appointment if later) Woolwich shares	25 October 2000 Woolwich shares	25 October 2000 Woolwich shares converted into Barclays Shares*	31 December 2000 Barclays shares
D Holcroft	1,456	1,481	267	267
I D Smith	2,076	2,076	268	268
I W Poston	1,981	2,025	190	280

\*Under the terms of the Offer by Barclays for Woolwich, Scheme Shareholders were entitled to receive in respect of each Woolwich Share: 0.1175 New Barclays Shares and £1.64 in cash. A mix and match election was available under which the Scheme Shareholders could elect, subject to availability, to vary the proportions in which they received New Barclays Shares and cash in respect of their holdings of Scheme Shares.

# WOOLWICH UNIT TRUST MANAGERS LIMITED

## DIRECTORS' REPORT (continued) For the year ended 31 December 2000

### Directors' Interests in Share Options and Allocations

Details of options to subscribe for ordinary shares and allocations of shares in Woolwich plc made to director of the company during 2000 are set out below:

	At 1 Jan 2000 (or date of appt if later)	No of Options		Exercise Price £	Market price at date of exercise £	Woolwich shares rolled over in 2000	Number of resulting Barclays shares	Resulting option price	Date from which exercisable	Expiry Date	
		Granted in 2000	Exercised in 2000								
D Holcroft	13,432	-	-	3.35	-	13,432	2,916	15.42	28.04.01	28.04.08	ESOP
	15,302	-	-	3.67	-	15,302	3,322	16.90	25.03.02	25.03.09	
	84,071	-	-	3.34	-	84,071	18,256	15.38	14.12.02	14.12.09	
	-	26,748	-	2.86	-	26,848	5,808	13.17	17.02.03	17.02.10	
	6,436	-	-	2.68	-	6,436	1,397	12.34	01.07.03	31.12.03	SS
I W Poston	17,910	-	-	3.35	-	17,910	3,888	15.42	28.04.01	28.04.08	ESOP
	18,596	-	-	3.67	-	18,596	4,038	16.90	25.03.02	25.03.09	
	139,221	-	-	3.34	-	139,221	30,232	15.38	14.12.02	14.12.09	
	-	49,825	-	2.86	-	49,825	10,819	13.17	17.02.03	17.02.10	
	6,436	-	-	2.68	-	6,436	1,397	12.34	01.07.03	31.12.03	SS
I D Smith	17,910	-	-	3.35	-	17,910	3,888	15.42	28.04.01	28.04.08	ESOP
	18,596	-	-	3.67	-	18,596	4,038	16.90	25.03.02	25.03.09	
	139,221	-	-	3.34	-	139,221	30,232	15.38	14.12.02	14.12.09	
	-	44,580	-	2.86	-	44,580	9,680	13.17	17.02.03	17.02.10	
	6,436	-	-	2.68	-	6,436	1,397	12.34	01.07.03	31.12.03	SS

SS = Options granted under the Company's sharesave scheme

ESOP = Options granted under the Company's 1998 Executive Share Option Plan

### PSP

#### 1998

EDs	Granted	Normally Exercisable	Ex gratia	Total Exercisable	Ex- Gratia cash costs	Normal Cash cost	Total Cash Cost
D Holcroft	11,250	10,313	313	10,625	£1,160.00	£38,280.00	£39,440.00
I D Smith	15,000	13,750	417	14,167	£1,546.67	£51,040.00	£52,586.67
Ian Poston	15,000	13,750	417	14,167	£1,546.67	£51,040.00	£52,586.67

#### 1999

EDs	Granted	Normally Exercisable	Ex gratia	Total Exercisable	Ex- Gratia cash costs	Normal Cash cost	Total Cash Cost
D Holcroft	10,487	4,588	218	4,807	£810.99	£17,030.89	£17,841.88
I D Smith	15,294	6,691	319	7,010	£1,182.74	£24,837.46	£26,020.19
Ian Poston	15,294	6,691	319	7,010	£1,182.74	£24,837.46	£26,020.19

# WOOLWICH UNIT TRUST MANAGERS LIMITED

## DIRECTORS' REPORT (continued) For the year ended 31 December 2000

2000

EDs	Granted	Normally Exercisable	Ex gratia	Total Exercisable	Ex- Gratia cash costs	Normal Cash cost	Total Cash Cost
D Holcroft	12,289	3,072	341	3,414	£1,267.13	£11,404.19	£12,671.32
I D Smith	20,481	5,120	569	5,689	£2,111.82	£19,006.37	£21,118.19
Ian Poston	22,891	5,723	636	6,359	£2,360.32	£21,242.85	£23,603.16

On 25 October 2000, the entire share capital of Woolwich plc was acquired by Barclays PLC. Under the terms of the Recommended Offer, each Woolwich plc ordinary share of 10p each was valued at 0.1175 New Barclays shares together with £1.64 in cash. A mix and match election was made available under which the Woolwich Scheme Shareholders could elect, subject to availability, to vary the proportions in which they received New Barclays Shares and cash in respect of their holdings of Scheme Shares.

Woolwich staff members who were members of the Executive Share Option Scheme and the Sharesave Scheme were given three choices: to elect to rollover their existing options over Woolwich plc shares in to options over Barclays PLC shares; to elect to cancel their options and receive a cash payment; or to elect to exercise their options.

Under the Company's 1998 Performance Share Plan (PSP) executives were allocated a right to acquire shares, the number of which being determined by the Company's relative TSR performance against a FT-SE 100 index comparator group of companies over a three year performance period. As a consequence of the completion of the Recommended Offer by Barclays for the entire share capital of Woolwich plc, the existing allocation under the PSP were cancelled in return for a cash payment, in accordance with the rules of the Plan. Details of the cash cancellation for the PSP are disclosed in the above table.

# **WOOLWICH UNIT TRUST MANAGERS LIMITED**

## **DIRECTORS' REPORT (continued)** **For the year ended 31 December 2000**

### **Statement of Directors' Responsibilities**

The following statement, which should be read in conjunction with the Auditors' Report set out on Page 6, 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 7 to 14:

- 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.

# **WOOLWICH UNIT TRUST MANAGERS LIMITED**

## **DIRECTORS' REPORT (continued)** **For the year ended 31 December 2000**

### **Creditors' Payment Policy**

The Company's policy is to follow the CBI Prompt Payers' Code of Good Practice which states that a company should have a clear, consistent policy adhered to by the finance and purchasing departments, to settle bills in accordance with payment terms agreed with suppliers, dealing quickly with complaints and advising suppliers of disputes. Trade creditor payment days calculated in accordance with paragraph 12(3) of Schedule 7 to the Companies Act 1985 were 23 days as at 31 December 2000 (1999: 15 days).

### **Holding Companies**

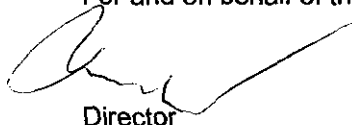
The parent company of the smallest group that presents group financial statements is Woolwich plc. The ultimate holding company is Barclays PLC and copies of the group financial statements of Barclays PLC and Woolwich plc may be obtained from Group Corporate Secretariat, Barclays PLC, 54 Lombard Street, London EC3P 3AH. Both companies are incorporated in Great Britain and registered in England and Wales.

### **Auditors**

KPMG Audit Plc resigned as auditors of the Company on 26 October 2000 and were replaced by PricewaterhouseCoopers with effect from the same date.

Pursuant to a shareholders resolution, the Company is not obliged to re-appoint its auditors annually and PricewaterhouseCoopers will therefore continue in office.

For and on behalf of the Board



Director

26 March 2001

# **WOOLWICH UNIT TRUST MANAGERS LIMITED**

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

We have audited the financial statements on pages 7 to 14.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

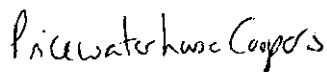
### **Basis of audit opinion**

We conducted our audit in accordance with 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London  
26 March 2001

# WOOLWICH UNIT TRUST MANAGERS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £'000	1999 Restated £'000
Turnover	3	276,646	557,246
Cost of sales		(241,841)	(526,354)
Gross profit		<u>34,805</u>	<u>30,892</u>
Distribution costs		(6,544)	(14,777)
Administrative expenses		(7,409)	(9,585)
Operating profit		<u>20,852</u>	<u>6,530</u>
Other interest receivable and similar income	6	1,004	645
Interest payable and similar charges	7	(7)	(17)
Profit on ordinary activities before taxation	4	<u>21,849</u>	<u>7,158</u>
Tax on profit on ordinary activities	8	(6,522)	(2,276)
Profit on ordinary activities after taxation		<u>15,327</u>	<u>4,882</u>
Dividends payable	9	(13,794)	(4,928)
Retained profit/(loss) for the financial year	15	<u>1,533</u>	<u>(46)</u>

All recognised gains and losses are included in the profit and loss account.

All amounts relate to continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The notes on pages 9 to 14 form an integral part of these financial statements.



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2000

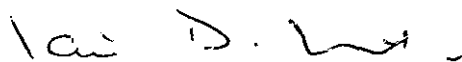
	Note	2000 £000	1999 Restated £000
<b>FIXED ASSETS</b>			
Tangible assets	10	239	344
<b>CURRENT ASSETS</b>			
Stocks		1,881	1,313
Debtors falling due within one year	11	2,641	4,166
Cash at bank and in hand		23,665	10,221
		<hr/>	<hr/>
		28,187	15,700
CREDITORS: Amounts falling due within one year	12	(23,292)	(12,437)
		<hr/>	<hr/>
NET CURRENT ASSETS		4,895	3,263
TOTAL ASSETS LESS CURRENT LIABILITIES		5,134	3,607
CREDITORS: Amounts falling due after more than one year	13	(61)	(67)
		<hr/>	<hr/>
NET ASSETS		5,073	3,540
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,700	1,700
Profit and loss account	15	3,373	1,840
		<hr/>	<hr/>
Total shareholders' funds	16	5,073	3,540
		<hr/>	<hr/>

A statement of movement in shareholders' funds is given in note 16.

The notes on pages 9 to 14 form an integral part of these financial statements.

The financial statements on pages 7 to 14 were approved by the Board of Directors on 26 March 2001.

Iain Smith  
Chairman



David Holcroft  
Managing Director



# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

#### Depreciation

Depreciation of tangible fixed assets is provided on a straight line basis at the following annual rates:

Office equipment	5 years
Computers and similar equipment	4 years
Motor vehicles	3 years

#### Finance Leases

Assets acquired under finance leases are capitalised in the balance sheet at fair value and are depreciated over the shorter of the period of the lease or useful life of the asset, after taking account of estimated residual values. The finance charge element of the rental obligations is charged to the profit and loss account over the period of the lease.

#### Deferred taxation

Deferred tax is provided using the liability method on timing differences between the accounting and tax treatment of income and expense where it is considered probable that a liability to tax will crystallise.

#### Change in software accounting policy

The former policy of capitalising and amortising software costs has been changed in 2000 to bring Woolwich Unit Trust Managers Ltd into line with other Barclays Group companies. From 1 January 2000 all software costs are to be written off to the Profit & Loss Account in the year of purchase. As a result, comparative figures as at 31 December 1999 have been restated as follows:

	Reserves £'000	Net book value of tangible assets £'000
As previously reported	2,668	1,172
Effect of the change to writing off software	(828)	(828)
As restated	<u>1,840</u>	<u>344</u>

As a result of the above change in the accounting policy profit before tax is decreased by £594,000 in 1999 and is increased by £210,000 in 2000.

### 2. CASH FLOW STATEMENT

The Company's holding company has adopted the provisions of Financial Reporting Standard 1 ("FRS 1") revised 1996, Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary of Woolwich plc, has elected to utilise the exemption provided in FRS 1 not to produce a cash flow statement.

# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. TURNOVER

Turnover comprises proceeds from sales of units amounting to £250,877,000 (1999: £535,135,000) and remuneration from managing the trusts, amounting to £25,769,000 (1999: £22,111,000) net of rebates.

In prior years turnover was shown net of the cost of creations, liquidations, repurchases, stock movements, discounts and commissions. The turnover definition has been revised to align it with that used by the Barclays Group. Accordingly the comparative figures have been restated. There is no impact on operating profit.

The Directors believe the Company has one class of business which wholly originates in the United Kingdom.

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000	1999
	£'000	Restated £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit services	59	85
Non-audit services	16	25
Total auditors' remuneration	<u>75</u>	<u>110</u>
Depreciation of tangible fixed assets:		
owned assets	100	79
leased assets	14	19
Total depreciation charge	<u>114</u>	<u>98</u>
Wages and salaries	1,332	1,642
Social security costs	126	131
Other pension costs	102	114
Total staff costs	<u>1,560</u>	<u>1,887</u>

The average monthly numbers of employees during the year was 51 (1999: 58). All staff fall within a single structure.

Profit on ordinary activities before taxation is stated after crediting:

Management fee from Woolwich Plan Managers Limited, relating to staff costs

<u>120</u>	<u>120</u>
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# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. DIRECTORS' EMOLUMENTS AND OTHER BENEFITS

	2000 £'000	1999 £'000
Aggregate emoluments	146	134
Aggregate amount paid under long term incentive schemes	70	-
Company contributions to money purchase pension schemes	28	31
Company contributions to defined benefit scheme	12	10
	<u>256</u>	<u>175</u>

One director received emoluments and other benefits in respect of qualifying services in his capacity as a director of the Company. The other directors are employed by other companies within the Woolwich plc Group and do not receive emoluments or other benefits in their capacity as directors of the Company.

The accrued pension of the director under the defined benefit scheme was £38,000 (1999: £34,000). There were no amounts taken up as a lump sum at 31 December 2000 (1999: nil).

### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £'000	1999 £'000
Interest receivable from group undertakings	<u>1,004</u>	<u>645</u>

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £'000	1999 £'000
Finance leases	<u>7</u>	<u>17</u>

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
Current taxation on income for the period	6,578	2,289
Adjustments in respect of prior years	(56)	(13)
Tax on profit on ordinary activities	<u>6,522</u>	<u>2,276</u>

The tax charge is based on an effective UK corporation tax rate of 30% (1999: 30.25%).

# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. DIVIDENDS

	2000 £'000	1999 £'000
Equity dividends on ordinary shares:		
Interim proposed 811p (1999: 0p)	13,794	-
Final proposed 0p (1999: 290p)	-	4,928

### 10. TANGIBLE FIXED ASSETS

	Equipment		Motor vehicles	
	2000	1999 Restated	2000	1999
	£000	£000	£000	£000
<b>Cost</b>				
At 1 January	637	485	132	94
Additions	20	152	22	84
Disposals	-	-	(61)	(46)
At 31 December	657	637	93	132
<b>Accumulated depreciation</b>				
At 1 January	392	301	33	31
Charge for the year	100	91	14	19
Disposals	-	-	(28)	(17)
At 31 December	492	392	19	33
<b>Net book value</b>				
At 31 December 2000	165		74	
At 31 December 1999		245		99

The net book value included £74,000 (1999: £99,000) in respect of motor vehicles held under finance leases, on which the depreciation charge was £14,000 (1999: £19,000).

During the year the company revised the useful life of equipment from 7 years to 5 years, in line with Barclays PLC, the ultimate holding company. The effect of this revision is immaterial and is therefore not separately disclosed.

### 11. DEBTORS

	2000 £'000	1999 £'000
Trade debtors	2,435	4,068
Amounts owed by group undertakings	114	29
Other debtors	-	16
Prepayments and accrued income	92	53
	2,641	4,166

# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. CREDITORS: Amounts falling due within one year

	2000 £'000	1999 £'000
Banks loans and overdrafts	1,594	1,895
Finance leases	16	33
Amounts due to group companies	407	592
Corporation tax payable	4,428	1,915
Other taxation & social security	37	28
Dividends payable	13,794	4,928
Other creditors	24	13
Accruals and deferred income	2,992	3,033
	<u>23,292</u>	<u>12,437</u>

### 13. CREDITORS: Amounts falling due after more than one year

	2000 £'000	1999 £'000
Finance leases	<u>61</u>	<u>67</u>
Payable:		
In more than one year but not more than two years	50	53
In more than two years but not more than five years	11	14
	<u>61</u>	<u>67</u>

### 14. CALLED UP SHARE CAPITAL

	2000 £'000	1999 £'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>

### 15. RESERVES

	2000 £'000	1999 £'000
Profit & Loss Account		
At 1 January - profit retained as previously stated	1,840	2,120
Prior year adjustment	-	(234)
Retained profit/(loss) for the financial year as restated	1,533	(46)
At 31 December - profit retained	<u>3,373</u>	<u>1,840</u>

# WOOLWICH UNIT TRUST MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £'000	1999 £'000
Profit/(loss) for the financial year as restated	1,533	(46)
Opening shareholders' funds as previously stated	3,540	3,820
Prior year adjustment	-	(234)
Closing shareholders' funds	<u>5,073</u>	<u>3,540</u>

### 17. PENSION COMMITMENTS

The company is a member of a group scheme, details of the which are given in the financial statements of Woolwich plc. The cost of contributions to the group scheme amount to £102,000 (1999: £114,000) and are based on pension costs across the group as a whole.

### 18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under the provisions of Financial Reporting Standard 8 ("FRS 8"), Related Party Disclosures not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of Woolwich plc and of its ultimate holding company Barclays PLC, the consolidated financial statements of which are publicly available. Except as disclosed below, during the period there have been no transactions with related parties other than group companies.

During the year, transactions undertaken in Unit Trust Funds managed by the Company by Directors and key management of the Company, the directors of Woolwich plc and Barclays PLC and members of their close family were as follows:

	2000 £'000	1999 £'000
Sales by the Company	<u>49</u>	<u>77</u>
Repurchases by the Company	<u>17</u>	<u>27</u>

The Woolwich unit trusts, managed by Woolwich Unit Trust Managers Limited, fall within FRS 8's definition of related parties. During the year, annual management fees net of rebates, totalling £24,937,000 (1999: £21,368,000) were receivable by the company from the Woolwich unit trusts. In addition the Company received £913,000 (£1999: £431,000) of income from its unit holdings in these trusts and £832,000 (1999: £743,000) of registration fees in respect of the management of the trusts' unit registers. At the year end £2,178,000 was receivable from the unit trusts in respect of these transactions (1999: £4,068,000).

### 19. ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts is Woolwich plc. The ultimate holding company and the parent company of the largest group that presents group accounts is Barclays PLC. Both companies are incorporated in Great Britain and registered in England and Wales. Barclays PLC's and Woolwich plc's statutory accounts are available from the Secretary, 54 Lombard Street, London EC3P 3AH.