

Company Number 1938417

BWD Rensburg Unit Trust Managers Limited

Report and Financial Statements

30 November 2002



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BWD RENSBURG UNIT TRUST MANAGERS LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report and financial statements for the year to 30 November 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is unit trust management.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Market conditions have been challenging throughout the year, and against this backdrop, the Directors are satisfied with the Company's performance. During the year, the Company launched a new fund named the BWD UK Micro-Cap Growth Trust, which takes the total number of trusts managed by the Company to eight.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- iv) prepare the financial statements 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

RESULTS AND DIVIDENDS

The profit after taxation amounted to £614,832. No interim dividends were paid during the year. The directors recommend the payment of a final dividend of £130,526.

BWD RENSBURG UNIT TRUST MANAGERS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

The directors who held office at the end of the year were as follows:

Interest in 10p Ordinary Shares of BWD Securities PLC

	At 30 November 2002	At 30 November 2001
M.H. Burns	See below	See below
J.P. Wragg	See below	See below
D.L. Acfield	753	753
A. Brotherston	Nil	Nil
S.W.F. Sharp	Nil	Nil

W.F. Ramsbotham resigned as a director of the Company on 27 November 2002.

M.H. Burns and J.P. Wragg are directors and shareholders of BWD Securities PLC and their interests are disclosed in the report of that company.

The Directors are not required to retire by rotation.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



Per Pro
Battye, Wimpenny & Dawson Ltd
Secretary

Quayside House
Canal Wharf
Leeds
LS11 5PU
10 February 2003

BWD RENSBURG UNIT TRUST MANAGERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2002**

	Note	2002 £	2001 £
Turnover	1	95,242,868	77,068,296
Cost of sales	1	<u>(91,567,884)</u>	<u>(73,258,778)</u>
Gross profit		3,674,984	3,809,518
Administrative expenses		<u>(2,910,584)</u>	<u>(3,022,965)</u>
Operating profit	3	764,400	786,553
Interest receivable	5	<u>107,672</u>	<u>96,942</u>
Profit on ordinary activities before taxation		872,072	883,495
Tax on profit on ordinary activities	6	<u>(257,240)</u>	<u>(279,120)</u>
Profit on ordinary activities after taxation		614,832	604,375
Dividends	7	<u>(130,526)</u>	<u>(250,000)</u>
Retained profit for the year		484,306	354,375
Retained profit brought forward		<u>1,515,694</u>	<u>1,161,319</u>
Retained profit carried forward		<u>2,000,000</u>	<u>1,515,694</u>

Turnover and operating profit relate entirely to continuing operations.

There are no recognised gains or losses during the current or previous years other than the profit for the year stated above and therefore no separate statement of total recognised gains and losses has been presented.

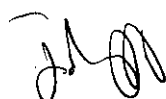
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

BWD RENSBURG UNIT TRUST MANAGERS LIMITED

BALANCE SHEET AS AT 30 NOVEMBER 2002

	Note	2002	2001
		£	£
FIXED ASSETS			
Tangible	8	207,576	354,178
Investments	9	<u>35,377</u>	<u>35,377</u>
		242,953	389,555
CURRENT ASSETS			
Stock		2,844	2,956
Debtors	10	4,612,182	1,286,637
Cash at bank and in hand		<u>2,712,226</u>	<u>2,345,474</u>
		7,327,252	3,635,067
CREDITORS:			
Amounts falling due within one year	11	<u>(5,518,725)</u>	<u>(2,457,448)</u>
NET CURRENT ASSETS		1,808,527	1,177,619
NET ASSETS		<u>2,051,480</u>	<u>1,567,174</u>
CAPITAL AND RESERVES			
Called up share capital	12	51,480	51,480
Profit and loss account		<u>2,000,000</u>	<u>1,515,694</u>
SHAREHOLDERS' FUNDS		<u>2,051,480</u>	<u>1,567,174</u>

The financial statements on pages 3 to 10 were approved by the Board of Directors on 10 February 2003 and signed on its behalf by:



J.P. Wragg
Director

10 February 2003

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following is a summary of the principal accounting policies:

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. These policies have been applied consistently with the exception of deferred taxation, following the implementation of FRS 19 for the first time this year. The effect of the adoption of FRS 19 is explained in note 13.

(b) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, on a straight line basis of each asset over its expected useful life as follows:

Motor vehicles	25%
Computer equipment	Between 25% and 33%

(c) Turnover

Turnover comprises management fees, registrars' fees and sales of units less discounts given, excluding Value Added Tax.

(d) Cost of sales

Cost of sales comprises cost of creations and repurchase of units, less liquidations of units plus related stamp duty and gross commissions and management fees.

(e) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between taxable profits and the results stated in the financial statements. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

(f) Stocks

The stock of units held by the Managers is valued at the lower of cost or net realisable value.

(g) Cash flow statement

Financial Reporting Standard 1 (Revised 1996) has been implemented by the company's holding company, BWD Securities PLC. The Company itself is a wholly owned subsidiary of BWD Securities PLC and as such is an exempt entity under FRS 1 (Revised 1996).

(h) Related party transaction

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the BWD Securities PLC group or investees of the BWD Securities PLC group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. STAFF COSTS

	2002 £	2001 £
Wages and salaries	1,026,229	895,861
Social security costs	113,540	111,798
Pension contributions	47,279	43,196
	<u>1,187,048</u>	<u>1,050,855</u>

Directors' emoluments (excluding pension contributions) were £459,170 in the year (2001: £643,571).

Retirement benefits are accruing to 5 directors (2001: 8) under defined contribution schemes. No directors are accruing benefits under defined benefit schemes (2001: nil).

The emoluments of the highest paid director were £124,023 (2001: £113,634) and company pension contributions of £6,339 (2001: £6,169) were made to a defined contribution scheme on their behalf.

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Group companies in an independently administered fund. The pension contributions charge for the year of £47,279 (2001: £43,196) represents contributions payable by this company to the Group fund. Company contributions to defined contribution pension schemes in respect of the directors were £16,915 during the year (2001: £27,694).

	2002 No.	2001 No.
The average number of employees during the year was as follows:		
Investment Management	6	5
Administration	8	10
	<u>14</u>	<u>15</u>

3. OPERATING PROFIT

	2002 £	2001 £
Stated after charging:		
Auditors' remuneration - audit fee	5,415	5,293
Auditors' remuneration - other fees	2,890	2,674
Depreciation	<u>146,015</u>	<u>155,768</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SEGMENTAL REPORTING

The company's activities consist solely of the provision of unit trust management within the United Kingdom.

5. INTEREST RECEIVABLE

	2002 £	2001 £
Bank interest	<u>107,672</u>	<u>96,942</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
United Kingdom corporation tax at 30% (2001: 30%)	295,358	284,928
Adjustment in respect of prior years	-	(5,808)
Total current taxation	<u>295,358</u>	<u>279,120</u>
Deferred taxation:		
Origination and reversal of timing differences	(38,118)	-
Total taxation on profit on ordinary activities	<u>257,240</u>	<u>279,120</u>

The total current tax charge stated above and the amount calculated by applying the standard UK corporation tax rate of 30% can be reconciled as follows:

	2002 £	2001 £
Tax on profit on ordinary activities before taxation at 30%	261,622	265,049
Effects of:		
Adjustments to tax in respect of prior years	-	(5,808)
Expenses not deductible for tax purposes	27,296	8,363
Depreciation in excess of Capital allowances	6,440	11,516
Current tax charge for the year	<u>295,358</u>	<u>279,120</u>

7. DIVIDENDS

	2002 £	2001 £
Interim paid: £Nil per share (2001: £4.86)	-	250,000
Final proposed: £2.54 per share (2001: £Nil)	130,526	-
	<u>130,526</u>	<u>250,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Computer Equipment £	Total £
Cost:			
At 1 December 2001	219,634	524,711	744,345
Additions	-	89,506	89,506
Disposals	(173,564)	-	(173,564)
At 30 November 2002	<u>46,070</u>	<u>614,217</u>	<u>660,287</u>
Depreciation:			
At 1 December 2001	67,616	322,551	390,167
Charge for the year	43,621	102,394	146,015
Disposals	(83,471)	-	(83,471)
At 30 November 2002	<u>27,766</u>	<u>424,945</u>	<u>452,711</u>
Net book value:			
At 30 November 2002	<u>18,304</u>	<u>189,272</u>	<u>207,576</u>
At 1 December 2001	<u>152,018</u>	<u>202,160</u>	<u>354,178</u>

9. INVESTMENTS

	2002 £	2001 £
Investment in The Yorkshire Unit Trust Managers Ltd at cost	43,964	43,964
Provisions for diminution in value	(8,587)	(8,587)
	<u>35,377</u>	<u>35,377</u>

The Yorkshire Unit Trust Managers Limited is registered in England and Wales and is a wholly owned subsidiary of the Company.

In accordance with the exemption granted under Section 229 (2) of the Companies Act 1985, consolidated accounts have not been prepared.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. DEBTORS

	2002	2001
	£	£
Trade debtors	4,365,381	1,114,165
Other debtors	121,008	91,377
Prepayments and accrued income	125,793	81,095
	<u>4,612,182</u>	<u>1,286,637</u>

Other debtors includes deferred tax assets of £38,118. The movement on deferred tax during the year was as follows:

	£
At 1 December 2001	-
Credited to the profit and loss account	38,118
At 30 November 2002	<u>38,118</u>

The deferred tax asset at 30 November 2002 comprises:

	£
Depreciation in excess of capital allowances	23,118
Other timing differences	15,000
	<u>38,118</u>

11. CREDITORS

Amounts falling due within one year

	2002	2001
	£	£
Trade creditors	4,427,040	1,383,689
Amounts due to group undertakings	127,323	411,925
Proposed dividend	130,526	-
Other creditors	7,035	5,393
Corporation tax payable	170,327	149,928
Accruals and deferred income	656,474	506,513
	<u>5,518,725</u>	<u>2,457,448</u>

12. SHARE CAPITAL

	2002		2001	
	No.	£	No.	£
Authorised:				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>51,480</u>	<u>51,480</u>	<u>51,480</u>	<u>51,480</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the year	614,832	604,375
Dividend	(130,526)	(250,000)
Opening shareholders' funds	1,567,174	1,212,799
Closing shareholders' funds	<u>2,051,480</u>	<u>1,567,174</u>

The Company implemented FRS 19 for the first time this year. The adoption of FRS 19 has resulted in a reduction in the tax charge for the year of £38,118 and an increase in the profit for the year of £38,118. There is no material effect on the profit for the year ended 30 November 2001.

14. CAPITAL COMMITMENTS

	2002 £	2001 £
Contracted for but not provided for	<u>Nil</u>	<u>Nil</u>

15. ULTIMATE HOLDING COMPANY

The Company is a subsidiary of BWD Securities PLC, the ultimate holding company, which is registered in England and Wales. BWD Securities PLC is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of BWD Securities PLC consolidated financial statements can be obtained from the Company Secretary at Quayside House, Canal Wharf, Leeds, LS11 5PU.

Independent auditors' report to the members of BWD Rensburg Unit Trust Managers Limited

We have audited the financial statements on pages 3 to 10.

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 auditor's 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 are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 transactions with the company is not disclosed.

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 as at 30 November 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants

Registered Auditor, Leeds

10 February 2003