

MW JOINT INVESTORS LIMITED

Directors' Report and Financial Statements

For the year ended 30th April 2004



Company Number 116351

Directors

V.N.U. Wood (Chairman)
J.D.S. Cumming
A.H. Fraser
J.C. McAulay
A.R. McInroy
I.R. Primrose
D.H. Shaw Stewart
T.A.U. Wood

Secretary

J.C. McAulay

Auditors

Scott-Moncrieff, Chartered Accountants

Bankers

Bank of Scotland

Solicitors

Tods Murray W.S.

Registered Office

17 Melville Street,
Edinburgh.
EH3 7PH

MW JOINT INVESTORS LIMITED
Directors' Report and Financial Statements
For the year ended 30th April 2004

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MW JOINT INVESTORS LIMITED

Directors' Report

For the year ended 30th April 2004

The Directors have pleasure in submitting their annual report together with audited financial statements for the year ended 30th April 2004.

Results and dividends

The profit for the year after taxation was £ 186,273. The directors recommend a dividend of £3 per share be paid and that accumulated profit of £66,273 be carried forward.

Principal activities and review of the business

The company's principal activity is the management of the MW Joint Investors Funds, all five of which are authorised unit trusts. The value of the funds increased from £56m at the end of April 2003 to £95m at the end of April 2004. The Directors anticipate continued growth in the year to April 2005. The company is regulated by the FSA.

Directors and their interests

The directors who served during the year were as follows:

A.R. McInroy
V.N.U. Wood
J.D.S. Cumming
A.H. Fraser
J.C. McAulay
I.R. Primrose
D H Shaw Stewart
T.A.U Wood

Mr TAU Wood was appointed as a director on 13th October 2003.

No director had any interest in the shares of the company during the year. The directors' interests in the share capital of the parent company, McInroy & Wood Limited, are set out in the accounts of that company.

In accordance with the Articles of Association the directors are not required to retire by rotation.

MW JOINT INVESTORS LIMITED

Directors' Report and Financial Statements

For the year ended 30th April 2004

Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

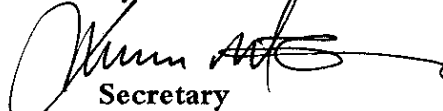
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Scott-Moncrieff Chartered Accountants as auditors will be put to the members at the annual general meeting.

Haddington, 12th August 2004

By order of the board


Secretary
J.C. McAulay

MW JOINT INVESTORS LIMITED

Independent Auditors' Report to the Shareholders

For the year ended 30th April 2004

We have audited the financial statements of MW Joint Investors Ltd for the year ended 30 April 2004 set out on pages 4 to 8. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

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 United Kingdom 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2004 and of its retained profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Scott-Moncrieff
Scott-Moncrieff
Chartered Accountants
Registered Auditors
17 Melville Street
Edinburgh

12 August 2004

MW JOINT INVESTORS LIMITED

**Profit and Loss Account
For the year ended 30th April 2004**

	Notes	2004 £	2003 £
Fees	2	1,081,835	688,630
Less: Administration expenses		<u>(836,480)</u>	<u>(590,386)</u>
Operating Profit	4	245,355	98,244
Interest receivable		<u>962</u>	<u>2,504</u>
Profit on ordinary activities before taxation		246,317	100,748
Taxation	5	<u>(60,044)</u>	<u>(19,142)</u>
Profit on ordinary activities after taxation		186,273	81,606
Dividend		<u>(120,000)</u>	<u>(100,000)</u>
Retained Profit / (Loss) for the year		66,273	(18,394)
Accumulated profit brought forward		<u>63,041</u>	<u>81,435</u>
Accumulated profit carried forward		<u><u>129,314</u></u>	<u><u>63,041</u></u>

All the results of the company relate to continuing operations

There are no recognised gains or losses other than those included in the profit and loss account.

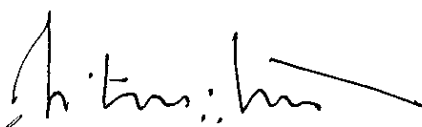
The notes on pages 6 to 8 form part of these financial statements.

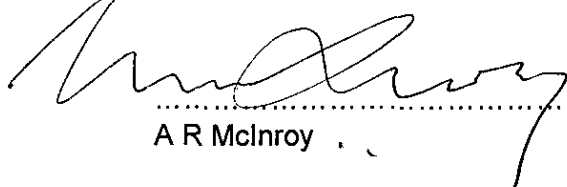
MW JOINT INVESTORS LIMITED

Balance Sheet As at 30th April 2004

	Notes	2004 £	2003 £
Current Assets			
Debtors	6	346,463	238,990
Cash in hand		<u>21,877</u>	<u>662</u>
		368,340	239,652
Current Liabilities			
Creditors:			
Amounts falling due within one year	7	<u>(199,026)</u>	<u>(136,611)</u>
Net Assets		<u><u>169,314</u></u>	<u><u>103,041</u></u>
Capital and Reserves			
Called up equity share capital	8	40,000	40,000
Profit and loss account	11	<u>129,314</u>	<u>63,041</u>
		<u><u>169,314</u></u>	<u><u>103,041</u></u>

The financial statements were approved by the directors on 12th August 2004


..... Director
V N U Wood


..... Director
A R McInroy

The notes on pages 6 to 8 form part of these financial statements.

MW JOINT INVESTORS LIMITED
Notes to the Financial Statements
For the year ended 30th April 2004

1. Accounting policies

Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable Accounting Standards.

Deferred taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences in accordance with FRS 19.

Cash flow statement

The company is exempt from preparing a cash flow statement in compliance with the Financial Reporting Standard No. 1.

2. Fees

Fees were derived from the management service provided for MW Joint Investors Funds in the UK and exclude VAT.

3. Staff and associated costs

The administration of MW Joint Investors Limited is performed by the employees of the parent company McInroy & Wood Limited, who use the premises of McInroy & Wood Limited for which a management charge is paid.

MW JOINT INVESTORS LIMITED
Notes to the Financial Statements - continued
For the year ended 30th April 2004

4. Operating profit

The operating profit for the year is stated after charging:

		2004	2003
		£	£
Auditors' remuneration	- audit	2,425	2,932
	- other	<u>3,425</u>	<u>4,408</u>

5. Taxation

	2004	2003
a Analysis of charge in the year		
Current Tax		
UK Corporation Tax on profit for the year	60,044	19,142
	<u>60,044</u>	<u>19,142</u>
Tax on profit on ordinary activities		
	<u>60,044</u>	<u>19,142</u>
b Factors affecting the tax charge in the year		
Profit on ordinary activities before tax	246,317	100,748
Profit on ordinary activities multiplied by standard rate of corporation tax 30% (2003 - 19%)	73,895	19,142
Effects of:		
Marginal relief	(13,851)	-
Current tax charge for year (see (a) above)	<u>60,044</u>	<u>19,142</u>

c Factors that may affect future tax charges

There are no factors, of which the directors are aware, that would significantly affect future tax charges

MW JOINT INVESTORS LIMITED
Notes to the Financial Statements - continued
For the year ended 30th April 2004

6. Debtors

	2004 £	2003 £
Accrued income	106,742	70,409
Sundry debtors and prepayments	4,959	4,949
Amounts owed by holding company	<u>234,762</u>	<u>163,632</u>
	<u><u>346,463</u></u>	<u><u>238,990</u></u>

7. Creditors: Amounts falling due within one year

	2004 £	2003 £
Accruals	18,982	17,469
Dividend payable	120,000	100,000
Corporation tax	<u>60,044</u>	<u>19,142</u>
	<u><u>199,026</u></u>	<u><u>136,611</u></u>

8. Called up equity share capital

	2004	2003
Authorised		
Ordinary shares of £1 each	<u>£40,000</u>	<u>£40,000</u>
Issued and fully paid		
Ordinary shares of £1 each	<u>£40,000</u>	<u>£40,000</u>

9. Holding company

The company is a wholly owned subsidiary of McInroy & Wood Limited, a company incorporated in Scotland.

MW JOINT INVESTORS LIMITED
Notes to the Financial Statements - continued
For the year ended 30th April 2004

10. Capital commitments

There was no capital expenditure contracted for but not provided for, nor any capital expenditure authorised by the directors but not contracted for as at 30th April 2004.

11. Reconciliation of Movements in Shareholders' Funds

	Called up Share Capital £	Profit and Loss Account £	2004 £	2003 £
As at 30th April 2003	40,000	63,041	103,041	121,435
Movement in year				
Profit / (Loss) for the year	<u>-</u>	<u>66,273</u>	<u>66,273</u>	<u>(18,394)</u>
As at 30th April 2004	<u>40,000</u>	<u>129,314</u>	<u>169,314</u>	<u>103,041</u>

MW JOINT INVESTORS LIMITED
Profit and Loss Account
For the year ended 30th April 2004

	2004	2003
	£	£
Fees	1,081,835	688,630
Less: Administration expenses		
Fees to professional introducers	73,403	52,888
Office expenses	17,381	14,089
Auditors fees	5,850	7,340
Bank charges and interest	159	74
Professional fees	19,687	10,995
Overhead allocation	<u>720,000</u>	<u>505,000</u>
	<u>836,480</u>	<u>590,386</u>
Operating Profit for the year	245,355	98,244
Interest receivable	<u>962</u>	<u>2,504</u>
Profit on ordinary activities before taxation	<u><u>246,317</u></u>	<u><u>100,748</u></u>