

Growth Trust

Final report for the year ended 30 June 2011



WESLEYAN

Financial care since 1841




Clive Ward, BSc, FIA
Fund Manager,
Wesleyan Growth Trust

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*Collectively, these comprise the Manager's report

A black and white photograph of Michael G. Lewis, a middle-aged man with thinning hair, wearing a dark suit, white shirt, and a dark tie with a small pattern. He is gesturing with both hands raised, palms facing forward, as if speaking or explaining something. The background is blurred.

“...many leading shares now trade on very attractive valuations for those investors who are prepared to look through the current market volatility and take a longer-term view.”

Michael G. Lewis, MA, FIA
Chief Executive
Wesleyan Unit Trust Managers Limited

Manager's report

Trust review

This is the annual report of the Wesleyan Growth Trust covering the period from 1 July 2010 to 30 June 2011. The offer price of units in the Wesleyan Growth Trust rose by 23.6% to 268.28p over the year. After adjusting for the two half-yearly distributions totalling 5.06p, which have been retained within the Trust as usual to enhance the unit price, the underlying increase was 21.3%. This compares with an increase of 20.9% achieved by the FTSE 100 index and 21.7% for the wider FTSE Actuaries All-Share index. The normal table of detailed performance statistics is shown on page 7 and this continues to demonstrate the strong long-term performance record of the Trust against both of these benchmark indices.

Almost all of the appreciation in the unit price took place in the first six months of the reporting period. At the start of July 2010 many UK shares were trading at relatively depressed levels as investors faced concerns on a number of fronts. Conditions in the banking sector were still fragile and the ongoing problems in some of the smaller European economies were causing additional uncertainty. The pace of UK economic recovery was also being questioned as the newly installed coalition government appeared determined to stick to its plans to address the deficit in the public finances through tax increases and aggressive cuts in public spending. In addition the share price of BP, one of the largest UK companies, had fallen sharply due to increasing estimates of the ultimate costs of the Macondo well disaster in the Gulf of Mexico. Investor confidence returned from August onwards, inspired by the announcement of further quantitative easing (QE2) in the US and helped by many companies continuing to report positive trading conditions. Over the half year to the end of December 2010 shares performed strongly, particularly those of small and so called 'mid-cap' companies.

The first half of 2011 saw much more modest share price appreciation while small and medium-sized companies continued to outperform. Equity markets were well supported by record low interest rates and abundant liquidity but held back from further progress by fears of a hard landing for the Chinese economy, lack of progress on deficit reduction in the US and the ongoing sovereign debt crisis in the Eurozone. With UK economic growth sluggish at best there came the added shock caused by the Japanese earthquake, tsunami and nuclear disaster in mid March. Having begun 2011 at around the 5900 level the FTSE 100 index briefly fell below 5600 on concerns that the Japanese disaster would have negative implications for world economic growth, before recovering to end the period slightly up on the level six months earlier.

Manager's report cont.

As detailed above, the performance of units in the Wesleyan Growth Trust has been broadly in line with the benchmark indices this year. We have continued our approach of having the vast majority of the investments in the larger 'blue chip' companies where we are attracted by strong balance sheets, good cash flow and increasing dividend payouts. Although corporate activity has been relatively subdued of late, takeover bids for Arriva, Tomkins, Dimension Data and Rank Group during the reporting year have been beneficial to the unit price.

Outlook

Since the end of June there have been increasing concerns about a marked slowdown in the rate of world economic growth and resulting worries about the ability of many governments to service their sovereign debt. This has recently culminated in the rating agency Standard & Poor's downgrading the credit worthiness of US Treasury bonds by one notch from the highest rating of AAA to AA+ reflecting frustrations with the inability of Congress to reach a sensible compromise on taxes, government spending and the country's debt ceiling within an appropriate timescale.

These concerns have led to sharp falls in world stockmarkets and significant day-to-day movements in individual share prices. We take the view that following these falls many leading shares now trade on very attractive valuations for those investors who are prepared to look through the current market volatility and take a longer-term view.

Michael G. Lewis

Michael G. Lewis, MA, FIA

Chief Executive

Wesleyan Unit Trust Managers Limited

6 September 2011

The Manager's investment report, together with the information on the authorised status of the Trust, the objective and policy of the Trust and the information set out on page 37 comprise the Manager's Report.

General information

Income distribution

The net distribution for the period 1 January 2011 to 30 June 2011 amounts to 3.3132p per unit, making a total of 5.0613p for the year to 30 June 2011 (4.6724p for the year to 30 June 2010). As you own accumulation units, the income you would have received has been transferred to the capital account.

Capital performance

Units in Wesleyan Growth Trust were initially offered in the period from 20 November 1995 to 8 December 1995 at a price of 100p. The first valuation was carried out on Monday 11 December 1995 and therefore the unit price on that date has been used as the basis for comparison. The change in the offer price of units in the Trust compared with movements in UK stockmarket indices is as follows:

	11/12/95	30/6/10	30/6/11	Change	
				Last 12 months	Since Launch
Unit Offer Price	102.14p	217.06p	268.28p	23.60%	162.66%
– adjusted for distribution	–	–	–	21.27%	96.68%
FTSE 100 Index	3,652.1	4,916.87	5,945.71	20.92%	62.80%
FTSE Actuaries All-Share Index	1,781.53	2,543.47	3,096.72	21.75%	73.82%

General information cont.

Performance details

Unit price and distribution record

Wesleyan Growth Trust units were initially offered during the period 20 November 1995 to 8 December 1995 at 100p.

Calendar year	Highest offer price (pence)	Lowest bid price (pence)	Distributions Credited	
			Net per unit (pence)	Net per £1,000 invested at launch (£)
2006	251.85	204.49	3.9655	39.66
2007	274.67	228.83	4.8046	48.05
2008	257.95	146.11	6.3938	63.94
2009	233.14	138.33	5.0510	50.51
2010	268.01	202.22	4.6305	46.31
2011*	275.26	243.30	3.3132	33.13

*to 30 June 2011

Past performance is not a guide to future performance. The price of units and distributions credited may go down as well as up. Investments in unit trusts should normally be regarded as long-term investments.

Net asset value record

Date	Net asset value (£)	Net asset value per unit (pence)	Mid-market price per unit (pence)	Number of units in issue
30/6/07	81,324,364	253.29	259.18	32,107,497
30/6/08	61,778,283	209.97	214.90	29,422,497
30/6/09	49,459,415	176.37	180.45	28,042,497
30/6/10	54,898,280	207.03	211.85	26,517,497
30/6/11	61,457,100	255.94	256.70	24,012,497

General information cont.

Trust facts

Interim/Annual Accounting dates	Payment dates
31 December	28 February
30 June	31 August

Total Expense Ratio % for the year ended 30/6/11	Total Expense Ratio % for the year ended 30/6/10
1.44%	1.46%

Investment objective and policy

The investment objective of the Manager is to produce capital appreciation and an increasing income from the active management of a diversified portfolio of securities. Under normal circumstances the emphasis will be on equity shares. However, the Manager reserves the right to invest a portion of the Trust in bonds, other fixed interest securities and convertibles should such investment be deemed advantageous in view of prevailing market conditions, taxation arrangements, and Individual Savings Account regulations. The Manager also retains the freedom to hedge any currency risk in the Trust when considered appropriate. Capital growth will be sought through various sectors and companies believed to have good growth prospects. It is intended that the Trust will, at all times, be a qualifying investment for Individual Savings Accounts.

Taxation of unitholders – Income Tax

- Distributions by Wesleyan Growth Trust are made from its income, which consists mainly of dividends received from UK companies in which it invests, less operating expenses and taxation and therefore will normally be made with a tax credit at 10%.
- The only units currently issued are accumulation units and therefore distributions are transferred to the capital account of the Trust. The following notes set out further information for those who pay UK income tax.

General information cont.

Taxation of unitholders – Income Tax continued

- Where your units are owned within a valid Individual Savings Account (ISA) no further tax is payable by you, the investor, but tax credits on dividend distributions are no longer recoverable.
- Where the units are held as a direct investment in the Trust, tax credits on the dividend distribution are also not recoverable by the Manager. Consequently:
 - a) basic rate taxpayers will suffer no further liability; but
 - b) higher rate taxpayers have to account for any further tax payable; and
 - c) non-taxpayers are not able to claim a refund of the tax credit from HM Revenue & Customs.
- Unit trusts are no longer able to reclaim tax credits on UK dividends received, nor are they required to pay Advance Corporation Tax on their dividend payments to investors. If a trust's management expenses exceed income from loan stocks, bank deposits and foreign dividends, tax relief on the excess is no longer available.

Taxation of unitholders – Capital Gains Tax

- Capital Gains Tax can arise in the year in which a holding of units in the Trust is sold. However, where the units are held within an ISA, no Capital Gains Tax is payable. Where the units are not held through an ISA, you should disclose your gain on your tax return and you may be liable to Capital Gains Tax depending on your personal circumstances.

Stamp Duty Reserve Tax

- Stamp Duty Reserve Tax (SDRT) is charged to the Trust at 0.5% of the surrendered units although this amount can be reduced if (i) the Trust holds any exempt assets; and (ii) if more units are surrendered than issued during any relevant two-week period, then the liability is reduced by multiplying the value of the surrenders in the first week by the ratio: issues over surrenders. The Trust will make an appropriate SDRT provision which may result in a decrease in the proceeds from units redeemed. The Manager reserves the right to charge SDRT to investors encashing their units.

This information is based upon our current understanding of tax legislation, which may change in the future.

Portfolio of investments

as at 30 June 2011

All holdings are ordinary stocks and shares and are admitted to official listings unless otherwise stated. Percentages in brackets show the equivalent sector distribution as at 30 June 2010.

Holding	Investment	Bid-market value £	Percentage of total net assets %
United Kingdom - 97.62% (97.02%)			
Oil & Gas - 16.67% (13.82%)			
205,620	BG Group	2,896,158	4.71
845,000	BP	3,852,355	6.27
20,000	KBC Advanced Technologies	13,800	0.02
158,984	Royal Dutch Shell 'B'	3,484,929	5.67
	Total Oil & Gas	10,247,242	16.67
Basic Materials - 10.30% (8.51%)			
20,960	Anglo American	639,175	1.04
95,926	BHP Billiton	2,326,206	3.78
25,000	Johnson Matthey	483,500	0.79
56,165	Rio Tinto	2,474,911	4.03
30,000	Xstrata	405,000	0.66
	Total Basic Materials	6,328,792	10.30
Industrials - 4.74% (5.52%)			
121,835	BAE Systems	387,435	0.63
96,428	Balfour Beatty	292,273	0.48
50,000	Electrocomponents	134,350	0.22
50,000	Galiform	52,950	0.09
7,000	IMI	71,750	0.12
16,468	Laird Group	33,232	0.05
31,000	Premier Farnell	76,105	0.12
50,000	QinetiQ	58,500	0.09
16,294	Rexam	62,667	0.10
81,813	Rolls-Royce Holdings	521,558	0.85
7,854,048	Rolls-Royce Holdings C Shares	-	-

Portfolio of investments cont.

as at 30 June 2011 – continued

Industrials – continued			
100,000	SIG	132,900	0.22
44,157	Smiths Group	526,793	0.86
500,000	Speedy Hire	151,250	0.25
30,000	St.Ives	29,475	0.05
17,262	Travis Perkins	169,254	0.27
10,560	Wolseley	212,150	0.34
	Total Industrials	2,912,642	4.74
Consumer Goods - 4.20% (5.86%)			
5,332	AGA Foodservice	5,812	0.01
69,808	Diageo	880,279	1.43
35,200	GKN	79,658	0.13
20,000	Tate & Lyle	122,900	0.20
74,883	Unilever	1,493,916	2.43
	Total Consumer Goods	2,582,565	4.20
Healthcare - 9.40% (9.99%)			
64,914	AstraZeneca	1,996,430	3.25
265,396	GlaxoSmithKline	3,513,843	5.72
40,454	Smith & Nephew	267,401	0.43
1,348	Vernalis	536	-
	Total Healthcare	5,778,210	9.40
Consumer Services - 9.41% (10.72%)			
1,182	Carnival (London listed)	28,415	0.05
34,285	Dignity	265,537	0.43
271,836	Dixons Retail	43,385	0.07
300,000	Enterprise Inns	190,950	0.31
129,770	Home Retail Group	209,708	0.34
24,890	Intercontinental Hotels	316,601	0.52
400,528	ITV	285,576	0.47
43,410	Kesa Electricals	59,949	0.10
229,918	Kingfisher	618,709	1.01

Portfolio of investments cont.

as at 30 June 2011 – continued

Consumer Services – continued			
67,266	Ladbrokes	101,303	0.16
103,983	Marks & Spencer	376,730	0.61
100,000	Marstons	102,100	0.17
77,741	Mitchells & Butlers	241,386	0.39
15,000	Next	345,150	0.56
310,868	Rank Group	464,748	0.76
51,113	Reed Elsevier	285,466	0.45
163,625	Sainsbury (J)	535,381	0.87
288,000	Tesco	1,141,776	1.86
75,000	TUI Travel	169,200	0.28
40,000	Yell Group	2,324	-
Total Consumer Services		5,784,394	9.41
Telecommunications - 9.61% (8.84%)			
755,500	BT Group	1,505,712	2.45
121,639	Cable & Wireless Communications	56,307	0.09
130,000	Kingston Communications	98,475	0.16
2,589,383	Vodafone Group	4,243,999	6.91
Total Telecommunications		5,904,493	9.61
Utilities - 7.47% (7.56%)			
400,809	Centrica	1,291,807	2.10
50,000	Drax Group	249,350	0.40
157,405	International Power	502,594	0.82
163,391	National Grid	993,417	1.62
50,000	Scottish & Southern Energy	694,000	1.13
15,977	Severn Trent	230,868	0.38
106,494	United Utilities	627,250	1.02
Total Utilities		4,589,286	7.47
Financials - 24.37% (24.11%)			
571,729	3i Group	1,589,978	2.59
187,839	Aviva	815,221	1.33
247,092	Barclays	620,695	1.01

Portfolio of investments cont.

as at 30 June 2011 – continued

Financials – continued			
25,000	BlackRock World Mining Trust	187,000	0.30
100,000	British Land Company	605,000	0.98
40,490	Capital & Counties Properties	77,984	0.13
20,000	F&C Asset Management	14,840	0.02
60,000	Hammerson REIT	285,120	0.46
250,000	Henderson Smaller Companies Investment Trust	772,500	1.26
481,691	HSBC Holdings (London listed)*	2,955,656	4.81
135,494	JP Morgan Fleming Mercantile Investment Trust	1,438,946	2.34
105,484	Land Securities REIT	890,812	1.45
765,497	Legal & General	895,632	1.46
40,490	Liberty International REIT	159,855	0.26
1,827,738	Lloyds Banking Group	880,421	1.43
20,000	London Stock Exchange Group	200,200	0.33
100,000	Man Group	232,500	0.38
30,000	Primary Health Properties REIT	96,150	0.16
176,083	Prudential	1,254,591	2.04
201,678	RSA Group	269,644	0.44
629,910	Royal Bank of Scotland Group	238,610	0.39
19,046	Schroders	291,975	0.47
23,666	St Modwen Properties	43,569	0.07
67,433	Standard Life UK Smaller Companies	157,287	0.26
Total Financials		14,974,186	24.37
Technology – 1.45% (2.09%)			
68,639	Invensys	218,409	0.35
174,579	Logica	233,936	0.38
129,000	Sage Group	373,584	0.61
75,000	Telit Communications	66,000	0.11
Total Technology		891,929	1.45
Total United Kingdom		59,993,739	97.62

Portfolio of investments cont.

as at 30 June 2011 – continued

Channel Islands - 1.34% (1.39%)			
Industrials - 0.86% (0.72%)			
67,134	Experian Group	527,338	0.86
	Total Industrials	527,338	0.86
Consumer Services - 0.48% (0.46%)			
39,376	Informa	167,427	0.27
23,531	United Business Media	128,950	0.21
	Total Consumer Services	296,377	0.48
Financials – 0.00% (0.21%)			
	Total Channel Islands	823,715	1.34
Luxembourg – 0.01% (0.01%)			
Telecommunications – 0.01% (0.01%)			
3,200	Colt Telecom Group	4,579	0.01
	Total Telecommunications	4,579	0.01
	Total Luxembourg	4,579	0.01
Spain - 0.24% (0.00%)			
Consumer Services - 0.24% (0.00%)			
59,500	International Consolidated Airlines Group	149,464	0.24
	Total Consumer Services	149,464	0.24
	Total Spain	149,464	0.24
	Portfolio of investments	60,971,497	99.21
	Net other assets	485,603	0.79
	Net assets	61,457,100	100.00
* A related party to the Trust			

Statement of total return

for the year ended 30 June 2011

	Notes	30 June 2011		30 June 2010	
		£	£	£	£
Income:					
Net capital gains	2	11,548,390		7,559,383	
Revenue	3	2,142,801		2,114,322	
Expenses	4	(900,392)		(855,278)	
Finance costs: Interest	6	–		–	
Net revenue before taxation		1,242,409		1,259,044	
Taxation	5	(1,186)		(613)	
Net revenue after taxation		1,241,223		1,258,431	
Total return before distributions		12,789,613		8,817,814	
Finance costs: Distributions	6	(1,241,216)		(1,258,425)	
Change in unitholders' funds from investment activities		11,548,397		7,559,389	

Statement of change in unitholders' funds

for the year ended 30 June 2011

	Notes	30 June 2011		30 June 2010	
		£	£	£	£
Opening net assets		54,898,280		49,459,415	
Movement due to sales and repurchases of units:					
Amounts receivable on issue of units		–		–	
Amounts payable on cancellation of units		(6,211,169)		(3,361,267)	
		(6,211,169)		(3,361,267)	
Stamp duty reserve tax	1(j)	(19,624)		(17,682)	
Change in unitholders' funds from investment activities (see Statement of total return above)		11,548,397		7,559,389	
Retained distribution on accumulation units		1,241,216		1,258,425	
Closing net assets		61,457,100		54,898,280	

Balance sheet

as at 30 June 2011

		30 June 2011		30 June 2010	
	Notes	£	£	£	£
Assets					
Investment assets			60,971,497		54,029,230
Debtors	8	448,610		431,317	
Cash and bank balances		273,451		777,063	
Total other assets			722,061		1,208,380
Total assets			61,693,558		55,237,610
Liabilities					
Creditors	9	(236,458)		(339,330)	
Total liabilities			(236,458)		(339,330)
Net assets			61,457,100		54,898,280
Unitholders' funds			61,457,100		54,898,280

This report and the distribution tables on pages 35 and 36 were approved by the Directors of Wesleyan Unit Trust Managers Limited on 6 September 2011 and signed on their behalf by:



C.W. Errington
Chairman



M.G. Lewis
Chief Executive

The notes on pages 18 to 29 and the distribution tables form part of these financial statements.

Notes to the financial statements

for the year ended 30 June 2011

1 Accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

Previously the requirements for the SORP issued by the IMA in November 2008 had been applied. The changes are summarised below:

- The October 2010 SORP details three conditions which if met cause a fund's shares to be classified as equity instruments. The Trust's shares meet all of these conditions and as such have been reclassified as equity instruments.

Previously the Trust's shares were classified as financial liabilities. The effect of this has been to change the presentation of the Statement of total return, Statement of change in unitholders' funds and the balance sheet. The presentational amendments had no impact on the total return or net assets in either the current or preceding year.

- Portfolio Turnover Ratio disclosure is no longer required.

b. Recognition of revenue and interest payable

All dividends from companies declared ex-dividend by 30 June 2011, deposit interest and interest payable, are accrued to 30 June 2011 and are included in the Statement of total return.

Underwriting commission is taken to revenue and recognised when the issue takes place, unless the Trust is required to take up all or some of the underwritten shares. In this case the commission is used to reduce the cost of the shares.

Notes to the financial statements cont.

for the year ended 30 June 2011

c. Treatment of stock and special dividends

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

Special dividends are treated as revenue or capital depending on the facts of each particular case.

d. Treatment of expenses

All expenses, other than those relating to the purchase or sale of investments and stamp duty reserve tax, are charged against the revenue of the Trust.

e. Distribution policy

Any revenue available for distribution will be paid as an accumulated distribution.

f. Basis of valuation of investments

The investments of the Trust have been valued at bid-value at midday on the 30 June 2011, net of any accrued interest which is included in the balance sheet as a revenue-related item and is in accordance with the recommendations contained in the SORP for Authorised Funds issued by the IMA.

Any unlisted, delisted, suspended or unapproved securities have been valued at the Manager's best estimate.

g. Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Assets and liabilities expressed in foreign currencies are translated at the rates ruling at midday on 30 June 2011, being the last valuation point of the year.

Notes to the financial statements cont.

for the year ended 30 June 2011

h. Taxation

The charge for taxation is based on the results for the year. In general, the tax accounting treatment follows that of the original amount. Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences.

Deferred tax is provided at the average rate of tax expected to apply.

Deferred tax assets and liabilities are not discounted to reflect the time value of money.

i. Stamp Duty Reserve Tax

Stamp Duty Reserve Tax (SDRT) suffered on the surrender of units has been charged against the capital assets of the Trust.

Notes to the financial statements cont.

for the year ended 30 June 2011

2 Net capital gains

	30 June 2011	30 June 2010
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	11,404,030	7,560,194
Special dividends	144,813	-
Currency losses	1	(511)
Transaction charges	(454)	(300)
Total net capital gains	11,548,390	7,559,383

3 Revenue

	30 June 2011	30 June 2010
	£	£
UK dividends	2,043,310	2,031,269
UK property income	50,051	30,693
Overseas dividends	47,801	28,796
Bank interest	174	480
Underwriting commission	1,465	23,084
Total revenue	2,142,801	2,114,322

Notes to the financial statements cont.

for the year ended 30 June 2011

4 Expenses

	30 June 2011	30 June 2010
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	779,342	731,865
Registration fees	90,815	95,729
	870,157	827,594
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	16,068	13,539
Safe custody charges	2,438	5,146
	18,506	18,685
Other expenses:		
Audit fee	11,729	10,639
FSA fee	-	(1,640)
	11,729	8,999
Total expenses	900,392	855,278

Notes to the financial statements cont.

for the year ended 30 June 2011

5 Taxation

	30 June 2011	30 June 2010
	£	£
a) Analysis of charge in the year:		
Overseas tax	1,186	613
Total current tax for the year (see note 5b)	1,186	613
Deferred tax (see note 5c)	–	–
Total tax for the year	1,186	613
b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2010: 20%)		
The differences are explained below:		
	£	£
Net revenue before taxation	1,242,409	1,259,044
Corporation tax at 20% (2010: 20%)	248,482	251,809
Effects of:		
Revenue not subject to taxation	(418,222)	(412,013)
Current year expenses not utilised	169,740	160,204
Overseas tax	1,186	613
Current tax charge for the year (5a)	1,186	613
c) Deferred tax		
At 30 June 2011 there is a potential Deferred tax asset of £1,985,679 (30 June 2010: £1,815,939) in relation to surplus management expenses. It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amount and therefore no Deferred tax asset has been recognised in the year.		

Notes to the financial statements cont.

for the year ended 30 June 2011

6 Finance costs

Distributions

The distributions take account of amounts received on the issue of units and amounts deducted on the cancellation of units, and comprise:

	30 June 2011 £	30 June 2010 £
Interim	445,634	494,085
Final	795,582	764,340
Total finance costs	1,241,216	1,258,425

7 Movement between net revenue and distributions

	30 June 2011 £	30 June 2010 £
Net revenue after taxation	1,241,223	1,258,431
Net movement in income account	(7)	(6)
Net distribution	1,241,216	1,258,425

8 Debtors

	30 June 2011 £	30 June 2010 £
Accrued revenue	447,860	429,779
Overseas tax receivable	750	319
Sales awaiting settlement	-	1,219
Total debtors	448,610	431,317

Notes to the financial statements cont.

for the year ended 30 June 2011

9 Creditors

	30 June 2011	30 June 2010
	£	£
Amounts payable on cancellation of units	150,638	63,540
Accrued expenses	85,820	274,272
Stamp duty reserve tax accrual	-	1,518
Total creditors	236,458	339,330

10 Capital commitments and contingent liabilities

There were no material capital commitments as at the balance sheet date (30 June 2010: £nil).

There were no material contingent liabilities as at the balance sheet date (30 June 2010: £nil).

11 Related party transactions

Wesleyan Unit Trust Managers Ltd, as Manager, is a related party, and acts as principal in respect of all transactions of units in the Trust. HSBC Bank plc, as Trustee, is also a related party of the Trust.

The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of change in unitholders' funds. Any amounts due to or from Wesleyan Unit Trust Managers Ltd at the end of the accounting year are disclosed in notes 8 and 9.

Amounts paid to Wesleyan Unit Trust Managers Ltd in respect of Manager's periodic charge are disclosed in note 4. £62,583 was due to the Manager at the year end (30 June 2010: £261,171).

Amounts paid to the Trustee, HSBC Bank plc, in respect of trustee services and safe custody charges are disclosed in note 4. £2,531 was due to the Trustee at the year end (30 June 2010: £2,672).

Notes to the financial statements cont.

for the year ended 30 June 2011

The Trust received £174 of interest on deposits held with HSBC Bank plc during the year (30 June 2010: £480). At the year end the Trust held cash balances of £273,451 with the Trustee (30 June 2010: £777,063).

Neither Wesleyan Unit Trust Managers Ltd nor HSBC Bank plc entered into securities transactions with the Trust during the year.

There was no transaction activity with HSBC during the year (30 June 2010: 40,000 shares were sold for £274,249).

12 Derivatives and other financial instruments

In pursuing its investment objectives the Trust holds a number of financial instruments. The Trust's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable on liquidations, and debtors for accrued revenue.

The Trust has little exposure to credit or cash flow risk as all its transactions are settled in cash against delivery and therefore the failure of a third party broker will not give rise to a loss. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) foreign currency risk; (ii) market price risk, being the risk that the value of holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement; (iii) interest rate risk and (iv) inflation risk.

The Manager's policies for managing these risks are summarised below and have been applied throughout the current and preceding year.

Risk management process

The stock selection and asset allocations of the portfolios are reviewed at periodic Board meetings. Consideration is given to whether the risk associated with the exposure to particular investment categories or stocks is prudent in the context of the investment objective. The Investment Manager has the responsibility for monitoring existing portfolios in accordance with an overall investment category deviation parameter and seeks to ensure that the portfolios as a whole meet an acceptable risk/reward profile.

Notes to the financial statements cont.

for the year ended 30 June 2011

(i) Foreign currency risk

A proportion of the net assets of the Trust are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements.

Currency risk profile

The currency risk profile of the Trust's net assets and liabilities at the balance sheet date was as follows:

Currency	Net currency assets 30 June 2011			Net currency assets 30 June 2010		
	Monetary exposures	Non- Monetary exposures	Total	Monetary exposures	Non- Monetary exposures	Total
	£	£	£	£	£	£
Sterling	449,801	60,971,497	61,421,298	835,926	54,029,230	54,865,156
US Dollar	35,802	-	35,802	33,124	-	33,124
Total	485,603	60,971,497	61,457,100	869,050	54,029,230	54,898,280

(ii) Other market price risk

The Trust's investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy set out on page 9.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, Scheme Particulars and in the rules of the FSA's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Notes to the financial statements cont.

for the year ended 30 June 2011

(iii) Interest rate risk

The only significant interest-bearing assets are cash balances of £273,451 (30 June 2010: £777,063), which earn interest by reference to LIBOR or its overseas equivalent.

There are no significant interest-paying liabilities (30 June 2010: £nil).

- **Fair Value** - there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(iv) Inflation risk

Inflation erodes the real (buying power) value of future income payments or capital repayment. Consequently, where these future payments are fixed in nominal terms, as is the case with bonds, a rise in inflation will reduce the present value of the financial instrument in question. The further in the future that the payments are to be made, the greater will be the negative impact of an increase in inflation, since the erosion of the value will accumulate over a greater number of years. Hence, fixed rate bonds with many years to maturity will be most at risk from a rise in inflation. The returns from cash deposits can vary and may even benefit from an increase in anticipated inflation if it is associated with an increase in current interest rates. As a result, cash holdings may or may not suffer from an increase in anticipated inflation.

Notes to the financial statements cont.

for the year ended 30 June 2011

13 Portfolio transaction costs

	30 June 2011		30 June 2010	
	£	£	£	£
Analysis of total purchase costs				
Purchases in year before transaction costs		1,463,280		6,267,363
Commissions	2,621		8,481	
Taxes and other charges	6,566		18,443	
Total purchase costs		9,187		26,924
Gross purchase total		1,472,467		6,294,287
Analysis of total sales costs				
Sales in year before transaction costs		5,944,404		8,185,462
Commissions	(10,144)		(9,460)	
Taxes and other charges	(31)		(21)	
Total sales costs		(10,175)		(9,481)
Total sales net of transaction costs		5,934,229		8,175,981

14 Portfolio balance sheet market movements

As at midday on the balance sheet date the bid price for the units was 255.44p.

The bid price for the units, as at midday on 5 September 2011, was 222.23p.

This represents a decrease of 13.00% from the year end value.

The Responsibilities of the Manager

The Collective Investment Schemes Sourcebook (COLL), as issued (and amended) by the Financial Services Authority (FSA) requires the Manager to prepare the annual report and financial statements for each financial year which give a true and fair view of the financial affairs of the Scheme and of its net revenue and net gains for the year.

In preparing the financial statements the Manager is required to:

- a) Select suitable accounting policies and then apply them consistently.
- b) Comply with requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in October 2010.
- c) Follow generally accepted accounting principles and applicable accounting standards.
- d) Keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.
- e) Make judgements and estimates that are reasonable and prudent.
- f) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that this Scheme will continue in operation.

The Manager is responsible for the management of the Scheme in accordance with its Trust Deed, Prospectus and COLL. The Manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Responsibilities and Report of the Trustee

In respect of the Scheme and report of the Trustee to the unitholders of the Wesleyan Growth Trust for the year ended 30 June 2011

The Trustee is responsible for the safe keeping of all the property of the scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property. It is the duty of the Trustee to take reasonable care to ensure that the scheme is managed in accordance with the Financial Services Authority's Collective Investment Schemes Sourcebook ("The Sourcebook"), as amended, the scheme's Trust Deed and Prospectus, in relation to the pricing of, and dealings in, units in the scheme; the application of income of the scheme; and the investment and borrowing powers of the scheme.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the scheme, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects, the Manager:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus, and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

HSBC Bank plc
8 Canada Square
London
E14 5HQ

6 September 2011

Report of the Independent Auditors

Independent Auditors' Report to the unitholders of Wesleyan Growth Trust (the "Trust")

We have audited the financial statements of the Wesleyan Growth Trust (the "Trust") for the year ended 30 June 2011 which comprise the statement of total return, the statement of change in net assets attributable to unitholders, the balance sheet, the related notes and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of Manager and Auditors

As explained more fully in the statement of Responsibilities of the Manager, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook and for no other purpose. We do not, in giving these opinions, 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.

Report of the Independent Auditors cont.

Independent Auditors' Report to the unitholders of Wesleyan Growth Trust (the "Trust")

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Final Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our Report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust at 30 June 2011 and of the net revenue and the net gains of the scheme property of the Trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors cont.

Independent Auditors' Report to the unitholders of Wesleyan Growth Trust (the "Trust")

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the Trust have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Edinburgh

6 September 2011

- a) The financial statements are published on the www.wesleyan.co.uk website. The maintenance and integrity of the website maintained by Wesleyan or any of its subsidiaries is, so far as it relates to the Fund, the responsibility of Wesleyan. The work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Distribution statement

Distributions capitalised

Wesleyan Growth Trust currently only issues accumulation units and therefore all amounts distributed are transferred to the capital account without issue of further units. Reference should be made to the Taxation of unitholders section of this Report as regards the tax treatment of investors subject to UK tax.

Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of income included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Under the rules of the FSA's Collective Investment Schemes Sourcebook (the "COLL"), the Manager is permitted to cease making equalisation payments; with effect from 1 January 2002, the Manager ceased to make equalisation payments.

Accumulation no. 30

Group 1: units purchased prior to 1 July 2010

Group 2: units purchased on or after 1 July 2010

Group	Net Accumulation (pence)	Equalisation per unit (pence)	Amount paid 28/2/11 Accumulation (pence)	Amount paid 28/2/10 Accumulation (pence)
Group 1	1.7481	–	1.7481	1.7900
Group 2	1.7481	–	1.7481	1.7900

The total distribution, net of tax, amounts to 1.7481p per unit (31 December 2010: 1.7900p).

Corporate unitholders' information

For corporate unitholders the percentage split between Franked and Unfranked income relating to this distribution is:

Franked 100.00%

Unfranked 0.00%

Distribution statement cont.

Accumulation no. 31

Group 1: Units purchased prior to 1 January 2011

Group 2: Units purchased on or after 1 January 2011

Group	Net Accumulation (pence)	Equalisation per unit (pence)	Amount payable 31/8/11 Accumulation (pence)	Amount paid 31/8/10 Accumulation (pence)
Group 1	3.3132	–	3.3132	2.8824
Group 2	3.3132	–	3.3132	2.8824

The total distribution, net of tax, amounts to 3.3132p per unit
(30 June 2010: 2.8824p).

Corporate unitholders' information

For corporate unitholders the percentage split between Franked and Unfranked income relating to this distribution is:

Franked 100.00%

Unfranked 0.00%

Manager and advisers

Manager:	Wesleyan Unit Trust Managers Limited Colmore Circus Birmingham B4 6AR
Directors:	C.W. Errington, C Dir, FloD (Chairman) M.P. Howard, CMICS, Dip IoD (Appointed 1 January 2011) M.G. Lewis, MA, FIA S.J. Porter M.J. Rodhouse, ACA (Resigned 31 July 2011) C.C. Ward, BSc, FIA
Trustee:	HSBC Bank plc 8 Canada Square London E14 5HQ
Registrar:	International Financial Data Services Limited PO Box 9033 Chelmsford CM99 2WQ
Independent Auditors:	PricewaterhouseCoopers LLP Erskine House 68-73 Queen Street Edinburgh EH2 4NH
Legal Advisers to the Manager:	Eversheds LLP Senator House 85 Queen Victoria Street London EC4V 4JL

Wesleyan Growth Trust is an authorised unit trust within the meaning of the Financial Services and Markets Act 2000. It is categorised as a UCITS scheme. The Manager, Trustee and Independent Auditors are authorised and regulated by the Financial Services Authority.



If you would like this document in Braille, large print or audio tape, please contact 0845 351 2352.

Wesleyan Unit Trust Managers Limited

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Chelmsford CM99 2WQ

Telephone: 0870 601 6129

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Birmingham B4 6AR

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