

COMPANY REGISTRATION NUMBER 00697641

TU FUND MANAGERS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2018

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TU FUND MANAGERS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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TU FUND MANAGERS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

D Sachon - Chairman
The Baroness Prosser, OBE
P Noon, OBE
J Hannett
M Lawson
L Harrison
G Nichols
C Carberry
J Whelan

Company secretary

M Colverd

Registered Office

Congress House
Great Russell Street
London
England
WC1B 3LQ

Auditor

Shipleys LLP
Chartered Accountants
& Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

TU FUND MANAGERS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2018

The directors have pleasure in presenting their strategic report and the audited financial statements of the Group for the year ended 31 March 2018.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the group during the year was the promotion of investments via our subsidiary within the group, TU Financial Management Services Ltd, which is authorised and regulated by the Financial Conduct Authority.

PERFORMANCE REVIEW

The group profit before tax and gift aid payment for the financial year was £113,351 (2017: profit £36,312). A gift aid payment of £150,000 was approved for payment to the TUUT Charitable Trust, the parent company of TU Fund Managers Limited (2017: £30,000).

The directors consider the key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, profitability and funds under management. The results and the change in funds under management have been reported above.

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise authorised unit trust investments, bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for and to finance the group's operations.

In respect of the authorised unit trust investments the group ensures that there is a ready market for the sale of units and actively monitors their price.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

INTEREST RATE RISK

The Group does not have any significant exposure to interest rate risk.

CREDIT RISK

The Group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The Group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

LIQUIDITY RISK

Liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the company's operations. The Group makes use of money market facilities where funds are available.

CURRENCY RISK

Due to the nature of the financial instruments used by the Group there is no exposure to price or currency risk.

TU FUND MANAGERS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

The group's Risk & Compliance Committee consider the wider business risk facing the group as well as the financial risks arising in the normal course of business and sets policies for managing each of these risks to minimise potential adverse effects on the group's performance.

FUTURE DEVELOPMENTS

The Group's main focus will continue to be given to developing the activities of the Company's subsidiary, TU Financial Management Services Limited. However, unit holders will continue to receive the same standard of administrative support and there will be no visible change to the service they receive

This report was approved by the board of directors on 11th July 2018 and signed on behalf of the board by:



M COLVERD
Company Secretary

TU FUND MANAGERS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2018

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2018.

DIRECTORS

The directors who served the company during the year were as follows:

D Sachon - Chairman
The Baroness Prosser, OBE
P Noon, OBE
J Hannett
M Lawson
L Harrison
G Nichols
C Carberry
J Whelan (appointed 30 November 2017)

The members of board committees were as follows:

Chairman's Committee: The Baroness Prosser OBE, D Sachon, P Noon OBE, M Colverd, M Lawson and L Harrison.

Investment Oversight Committee: L Harrison, M Colverd, D Sachon, A Wylie, D Pelly and M Quiney.

RESULTS AND DIVIDENDS

The Group profit for the year after tax and gift aid payment amounted to £73,351 (2017: £11,312). The directors have not recommended a dividend.

RETIREMENT OF DIRECTORS

The following directors are to retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:

P Noon OBE
The Baroness Prosser OBE
L Harrison

POLICY ON THE PAYMENT OF CREDITORS

The company's policy is to agree terms with individual suppliers and to abide by those terms.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. 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;

TU FUND MANAGERS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

- state whether applicable UK 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the board of directors on 11th July 2018 and signed on behalf of the board by:



M COLVERD
Company Secretary

TU FUND MANAGERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF T U FUND MANAGERS LIMITED

YEAR ENDED 31 MARCH 2018

Opinion

We have audited group financial statements of TU Fund Managers Limited for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, the company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the group and the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

TU FUND MANAGERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF T U FUND MANAGERS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

TU FUND MANAGERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF T U FUND MANAGERS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2018

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

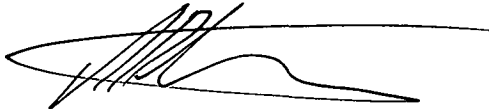
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group or the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

TU FUND MANAGERS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF T U
FUND MANAGERS LIMITED *(continued)***

YEAR ENDED 31 MARCH 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Robert Wood (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountant & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

11/7/18

TU FUND MANAGERS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover	4	366,957	310,531
Gross profit		<u>366,957</u>	<u>310,531</u>
Administrative expenses		(271,506)	(297,897)
Other operating income	5	<u>18,312</u>	<u>23,862</u>
Operating profit	6	113,763	36,496
Gift Aid	10	—	(25,000)
Operating profit		<u>113,763</u>	<u>11,496</u>
Other interest receivable and similar income	11	116	351
Interest payable and similar charges	12	<u>(528)</u>	<u>(535)</u>
Profit on ordinary activities before taxation		113,351	11,312
Tax on profit on ordinary activities	13	—	—
Profit for the financial year		<u>113,351</u>	<u>11,312</u>
Other comprehensive income for the year			
Profit for the financial year		113,351	11,312
Fair value movements on investments		<u>11,236</u>	<u>183,311</u>
Total comprehensive income for the year		<u>124,587</u>	<u>194,623</u>

All the activities of the Group are from continuing operations.

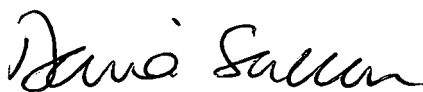
The notes on pages 16 to 25 form part of these financial statements.

TU FUND MANAGERS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 MARCH 2018

	Note	2018 £	£	2017 £
FIXED ASSETS				
Tangible assets	15		–	797
Investments	16		1,545,119	1,529,154
			<u>1,545,119</u>	<u>1,529,951</u>
CURRENT ASSETS				
Debtors	17	64,804		60,170
Cash at bank and in hand		243,382		234,854
		<u>308,186</u>		<u>295,024</u>
Creditors: amounts falling due within one year	18	(79,388)		(135,645)
			<u>228,798</u>	<u>159,379</u>
NET CURRENT ASSETS			<u>228,798</u>	<u>159,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,773,917</u>	<u>1,689,330</u>
CAPITAL AND RESERVES				
Called-up equity share capital	22	150,000		150,000
Profit and loss account	24	1,623,917		1,539,330
			<u>1,773,917</u>	<u>1,689,330</u>
SHAREHOLDER'S FUNDS			<u>1,773,917</u>	<u>1,689,330</u>

These financial statements were approved by the directors and authorised for issue on 11 July 2018 and are signed on their behalf by:

D Sachon
Chairman



P Noon OBE
Vice Chairman



Company Registration Number 00697641

The notes on pages 16 to 25 form part of these financial statements.

TU FUND MANAGERS LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	15	–	797
Investments	16	1,902,647	1,812,833
		<u>1,902,647</u>	<u>1,813,630</u>
CURRENT ASSETS			
Debtors	17	54,454	76,340
Cash at bank and in hand		121,041	54,772
		<u>175,495</u>	<u>131,112</u>
Creditors: amounts falling due within one year	18	(304,225)	(255,412)
NET CURRENT ASSETS		<u>(128,730)</u>	<u>(124,300)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,773,917</u></u>	<u><u>1,689,330</u></u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	150,000	150,000
Profit and loss account	24	1,623,917	1,539,330
SHAREHOLDER'S FUNDS		<u><u>1,773,917</u></u>	<u><u>1,689,330</u></u>

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account. The parent company's loss after tax for the period was £498 (2017: £191,482).

These financial statements were approved by the directors and authorised for issue on 11 July 2018 and are signed on their behalf by:



D Sachon
Chairman



P Noon OBE
Vice Chairman

Company Registration Number: 00697641

The notes on pages 16 to 25 form part of these financial statements.

TU FUND MANAGERS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2016	<u>150,000</u>	<u>1,344,707</u>	<u>1,494,707</u>
Profit for the financial year	–	11,312	11,312
Other comprehensive income for the year:			
Fair value movements on investments	–	183,311	183,311
Total comprehensive income for the year	<u>–</u>	<u>194,623</u>	<u>194,623</u>
At 31 March 2017	<u>150,000</u>	<u>1,539,330</u>	<u>1,689,330</u>
Profit for the financial year	–	113,351	113,351
Other comprehensive income for the year:			
Fair value movements on investments	–	11,236	11,236
Total comprehensive income for the year	<u>–</u>	<u>124,587</u>	<u>124,587</u>
Gift aid	–	(40,000)	(40,000)
Total investments by and distributions to owners	<u>–</u>	<u>(40,000)</u>	<u>(40,000)</u>
At 31 March 2018	<u>150,000</u>	<u>1,623,917</u>	<u>1,773,917</u>

The notes on pages 16 to 25 form part of these financial statements.

TU FUND MANAGERS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2018

	Called up share capital £	Profit and loss account (Undistributable) £	Profit and loss account (Distributable) £	Total £
At 1 April 2016	150,000	30,885	1,313,822	1,494,707
Loss for the financial year	–	–	(191,482)	(191,482)
Other comprehensive income for the year:				
Fair value movements on subsidiary	–	202,794	–	202,794
Fair value movements on investments	–	–	183,311	183,311
Total comprehensive income for the year	<u>–</u>	<u>202,794</u>	<u>(8,171)</u>	<u>194,623</u>
At 31 March 2017	<u>150,000</u>	<u>233,679</u>	<u>1,305,651</u>	<u>1,689,330</u>
Loss for the financial year	–	–	(498)	(498)
Other comprehensive income for the year:				
Fair value movements on subsidiary	–	73,849	–	73,849
Fair value movements on investments	–	–	11,236	11,236
Total comprehensive income for the year	<u>–</u>	<u>73,849</u>	<u>10,738</u>	<u>84,587</u>
At 31 March 2018	<u>150,000</u>	<u>307,528</u>	<u>1,316,389</u>	<u>1,773,917</u>

The notes on pages 16 to 25 form part of these financial statements.

TU FUND MANAGERS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit/ (Loss) for the financial year before tax	113,351	11,312
<i>Adjustments for:</i>		
Depreciation of tangible assets	797	5,825
Other interest receivable and similar income	(116)	(351)
Interest payable and similar charges	528	535
Accrued (income)/expenses	(46,098)	(65,661)
Gift aid	(40,000)	-
<i>Changes in:</i>		
Trade and other debtors	(31)	(14)
Trade and other creditors	(14,762)	(67,576)
Cash generated from operations	13,669	(115,930)
Interest paid	(528)	(535)
Interest received	116	351
Net cash outflow from operating activities	<u>13,257</u>	<u>(116,114)</u>
Cash flows from investing activities		
Purchase of tangible assets	-	-
Purchase of investments	(4,729)	(4,976)
Net cash from/(used in) investing activities	<u>(4,729)</u>	<u>(4,976)</u>
Net increase/ (decrease) in cash and cash equivalents	8,528	(121,090)
Cash and cash equivalents at beginning of year	<u>234,854</u>	<u>355,944</u>
Cash and cash equivalents at end of year	<u>243,382</u>	<u>234,854</u>

The notes on pages 16 to 25 form part of these financial statements.

TU FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling which is the functional currency of the entity.

Consolidation

The financial statements consolidate the financial statements of TU Fund Managers Ltd and its subsidiary undertaking TU Financial Management Services Ltd.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet the acquired identifiable assets, liabilities and contingent liabilities are initially recorded at their fair values at the acquisition date. The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account. The parent company has also applied the exemption available under paragraph 1.12 of FRS 102 to not present an individual statement of cash flows. The parent company's loss after tax for the period was £498 (2017: £191,482).

Turnover

The turnover shown in the profit and loss account represents commissions received for investment advice. Turnover also represents amounts received and income earned which have yet to be received. Turnover from sponsorship fees and commissions is generally recognised as income in the period in which the performance obligation has been satisfied.

Fixed assets

All fixed assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any fixed assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 10 years straight line
Equipment	- 3 years straight line

Investments

Fixed asset investments are initially recorded at cost and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Taxation

Tax expenses recognised in profit or loss comprise the sum of the tax currently payable and deferred tax not recognised in other comprehensive income or directly in equity.

Current Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial assets

Financial assets are recognised when the entity becomes a party to the contractual provisions of the financial instrument. The Company does not hold any third party financial assets.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment.

Trade payables

Obligations to pay for goods/services; current and non-current are initially recognised at fair value and are subsequently measured at amortised costs.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under FRS 102 requires the Company to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

The directors have considered the above and do not believe that there are any estimates or assumptions which have a significant effect on the amounts recognised in the financial statements that require disclosure.

4. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2018	2017
	£	£
United Kingdom	<u>366,957</u>	<u>310,531</u>

5. OTHER OPERATING INCOME

	2018	2017
	£	£
Other operating income	<u>18,312</u>	<u>23,862</u>

The other operating income relates to distributions received from fixed asset investments.

6. OPERATING PROFIT/ (LOSS)

Operating profit/ (loss) is stated after charging:

	2018	2017
	£	£
Depreciation of owned fixed assets	797	5,825
Operating lease costs	<u>22,573</u>	<u>29,401</u>

7. AUDITORS REMUNERATION

	2018	2017
	£	£
Fees payable for the audit of the financial statements	11,000	11,000
Taxation services	1,500	1,500
Other services	<u>1,500</u>	<u>1,500</u>
	<u>14,000</u>	<u>14,000</u>
Fees payable to the company's auditor and its associates for other services:		
- Audit of subsidiary financial statements	6,750	6,750
- Taxation services	750	750
- Other services	<u>1,500</u>	<u>1,500</u>

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

8. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group, including the directors and key management personnel, during the financial year amounted to:

	2018	2017
	No	No
Number of administrative staff	-	-
Number of management staff	1	1
	1	1

The aggregate payroll costs of the above were:

	2018	2017
	£	£
Wages and salaries	100,250	93,500
Social security costs	13,165	13,961
Other pension costs	15,254	12,415
	128,669	119,876

The company operates a defined contribution pension scheme for its employees. The pension cost charge represents contributions payable by the company to the fund of £15,254 (2017: £12,415). Contributions totalling £131 (2017: £nil) were due to the pension fund at the year end and are included in creditors.

9. DIRECTORS' AND KEY MANAGEMENT REMUNERATION

The aggregate remuneration in respect of qualifying services were:

	2018	2017
	£	£
Directors' remuneration receivable	40,633	50,900
Key management remuneration receivable	100,250	93,500
	140,883	144,400

10. GIFT AID

Gift aid payments relate to amounts donated to the TUUT Charitable Trust, a charity registered in England. The directors have agreed to pay a further £110,000 in gift aid prior to the year end, and under the guidance within FRED68 this has not been recognised as a liability as no deed of covenant is in place. Gift aid is now shown directly in the Statement of Changes in Equity. No restatement of prior period figures is considered necessary on the grounds of materiality

11. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Interest receivable and similar income	116	351
	116	351

12. INTEREST PAYABLE AND SIMILAR CHARGES

	2018	2017
	£	£
Interest payable and bank charges	528	535
	528	535

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

13. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge/ (credit) in the year

	2018 £	2017 £
Current tax:	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total current tax charge	<u>-</u>	<u>-</u>

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2017 - 20%).

	2018 £	2017 £
Profit/ (Loss) on ordinary activities before taxation	<u>113,351</u>	<u>11,312</u>
Profit/(Loss) on ordinary activities by rate of tax	21,537	2,262
Expenses not deductible for tax purposes	1,279	1,365
Capital allowances for period in excess of depreciation	58	(120)
Utilisation of brought forward tax losses	(19,395)	220
Exempt UK dividend income	<u>(3,479)</u>	<u>(3,727)</u>
Total current tax	<u>-</u>	<u>-</u>

14. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £498 (2017: loss of £191,482).

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

15. TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £	Office Equipment £	Total £
COST OR VALUATION			
At 1 April 2017	28,895	33,594	62,489
Disposals	-	-	-
At 31 March 2018	<u>28,895</u>	<u>33,594</u>	<u>62,489</u>
DEPRECIATION			
At 1 April 2017	28,644	33,048	61,692
Charge for the year	251	546	797
Disposals	-	-	-
At 31 March 2018	<u>28,895</u>	<u>33,594</u>	<u>62,489</u>
NET BOOK VALUE			
At 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2017	<u>251</u>	<u>546</u>	<u>797</u>
Company	Fixtures & Fittings £	Office Equipment £	Total £
COST OR VALUATION			
At 1 April 2017	28,895	33,594	62,489
Disposals	-	-	-
At 31 March 2018	<u>28,895</u>	<u>33,594</u>	<u>62,489</u>
DEPRECIATION			
At 1 April 2017	28,644	33,048	61,692
Charge for the Year	251	546	797
Disposals	-	-	-
At 31 March 2018	<u>28,895</u>	<u>33,594</u>	<u>62,489</u>
NET BOOK VALUE			
At 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2017	<u>251</u>	<u>546</u>	<u>797</u>

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

16. INVESTMENTS

Group	Total £
COST OR VALUATION	
At 1 April 2017	1,529,154
Additions	4,729
Disposals	-
Revaluations	11,236
At 31 March 2018	<u>1,545,119</u>
NET BOOK VALUE	
At 31 March 2018	<u>1,545,119</u>
At 31 March 2017	<u>1,529,154</u>

Company	Group companies £	Fair Value through profit and loss £	Total £
COST OR VALUATION			
At 1 April 2017	283,679	1,529,154	1,812,833
Additions	-	4,729	4,729
Disposals	-	-	-
Revaluations	73,849	11,236	85,085
At 31 March 2018	<u>357,528</u>	<u>1,545,119</u>	<u>1,902,647</u>
NET BOOK VALUE			
At 31 March 2018	<u>357,528</u>	<u>1,545,119</u>	<u>1,902,647</u>
At 31 March 2017	<u>283,679</u>	<u>1,529,154</u>	<u>1,812,833</u>

The company owns 100% of the ordinary share capital of the subsidiary undertaking, TU Financial Management Services Ltd which trades as a financial intermediary and is registered and incorporated in England & Wales.

17. DEBTORS

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Amounts owed by Group companies	-	-	50,000	50,000
Other debtors	1,686	1,655	1,686	1,655
Prepayments and accrued income	63,118	58,515	2,768	24,685
	<u>64,804</u>	<u>60,170</u>	<u>54,454</u>	<u>76,340</u>

The amount owed by group undertakings includes £50,000 (2017: £50,000) in respect of a subordinated loan. The loan is due for payment within 1 year and bears no interest.

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

18. CREDITORS: Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	12,024	11,791	2,574	10,555
Gift Aid creditor	-	20,000	-	-
Other creditors	30,510	30,505	17,587	17,567
Accruals and deferred income	36,854	73,349	20,361	64,349
Amounts owed to Group companies	-	-	263,703	162,941
	<u>79,388</u>	<u>135,645</u>	<u>304,225</u>	<u>255,412</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

19. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Land and buildings				
Not later than 1 year	21,682	24,508	1,118	1,708
Later than 1 year and not later than 5 years	89,775	95,318	-	1,118
In more than 5 years	-	18,375	-	-
	<u>111,457</u>	<u>138,201</u>	<u>1,118</u>	<u>2,826</u>

20. FINANCIAL AND OTHER COMMITMENTS

The company had no other commitments or contracts for capital expenditure in place as at the reporting date (2017: £nil).

21. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102: Section 33. The Company is taking advantage of the exemption in FRS 102, not to disclose transactions within the Group.

22. SHARE CAPITAL

Allotted, called up and fully paid:

	2018		2017	
	No	£	No	£
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>£150,000</u>

The holders of ordinary shares are entitled to receive notice of and attend and vote at any general meeting of the Group.

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

23. CONTROLLING PARTY

The ultimate parent undertaking and the ultimate controlling party is the TUUT Charitable Trust a charity registered in England.

24. RESERVES

Profit and loss account - This reserve records retained earnings and accumulated losses. It includes fair value gains/ (losses) on fixed asset investments and subsidiaries totalling £11,236 (2017: £183,311) and £73,849 (2017: £202,794) respectively. Of the fair value movements, those attributable to the subsidiary are not distributable, these amounts total £307,528 (2017: £233,679) respectively at the balance sheet date.

25. ULTIMATE PARENT COMPANY

The ultimate parent company is TUUT Charitable Trust, a charity registered with the Charities Commission in England.