

N.F.U. MUTUAL UNIT MANAGERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Registered Number: 01837277

Registered Office:
Tiddington Road,
Stratford-upon-Avon,
CV37 7BJ



N.F.U. MUTUAL UNIT MANAGERS LIMITED

CONTENTS PAGE

FOR THE YEAR ENDED 31 DECEMBER 2018

Annual report

Strategic Report 2

Directors' Report 4

Statement of Directors' Responsibilities 6

Independent Auditors' Report 7

Financial Statements

Profit and Loss account 10

Balance Sheet 11

Statement of Changes in Equity 12

Notes to the Financial Statements 13

N.F.U. MUTUAL UNIT MANAGERS LIMITED**STRATEGIC REPORT****FOR THE YEAR ENDED 31 DECEMBER 2018****REVIEW OF THE BUSINESS**

The principal activity of the Company is the management of two third party Open Ended Investment Companies (OEICs).

In 2018 N.F.U. Mutual Unit Managers Limited (MUMCO) recorded a loss after tax for the financial year of £ (190,325) (2017 profit: £2,147,448).

The decline in profitability has been driven by higher project costs as a result of the migration to a new platform provider, Genpact. All retail investors have transferred across to NFU Mutual Select Investments Limited leaving only institutional transactions within MUMCO. Part of the migration project included share class conversions to move all A and B holdings to class C.

The Company has converted its Portfolio OEIC from a Non Undertakings for Collective Investment in Transferable Securities (Non-UCITS) retail scheme into a UCITs scheme and launched five new single asset class OEIC funds to enhance its investment proposition.

Balance sheet position

The Balance Sheet remains healthy with net assets of £16,833,003 (2017: £17,023,329). The current level of cash deposits is sufficient to meet the planned levels of additional expenditure to be incurred as part of ongoing strategic programmes.

The Directors consider that the level of reserves held is sufficient to meet the firm's financial liabilities.

KEY PERFORMANCE INDICATORS

	<u>2018</u>	<u>2017</u>
	£	£
(Loss) / Profit after taxation	(190,325)	2,147,448
Total purchases	1,205,976,426	245,652,051
Net purchases (less repurchases)	103,907,432	156,745,362
Total funds under management (fee generating) - 2018 Class C / 2017 Class A, B & C shares	887,479,057	944,436,371

PRINCIPAL RISKS AND UNCERTAINTIES**Operational Risk**

There is a risk that internal processes and procedures fail, resulting in the recording of the Company's income and expenses being incorrect. This could lead to the Company incurring financial losses as a result of these failures. Capital required to cover operational risk is held at a Group level. A letter of guarantee from the Parent Company, the National Farmers Union Mutual Insurance Society Limited, is in place covering the 15 months starting 1 January 2019. This states that the Parent Company would reimburse the costs of any operational risk failure in the eventuality that MUMCO is unable to meet that requirement.

N.F.U. MUTUAL UNIT MANAGERS LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial Risk Management

The Company is exposed to financial risk through its financial assets and financial liabilities. In particular, the key financial risk that is currently managed is Equity risk incurred indirectly through its relationship with the Open Ended Investment Companies (OEICs).

Equity Risk

The Company's income is derived from a management service charge levied based on the fund values of the NFU Mutual OEIC and the NFU Mutual Portfolio Funds OEIC. It follows that if the values of these funds go down then the income level within the Company will diminish. The Management team is satisfied that the Company's reserves are sufficient to allow it to absorb any short-term falls in revenue caused by a reduction in fund values. The continued uncertainty on Brexit and the extent to which it impacts on equity market values remains.

The Company holds a limited number of OEIC units thus reducing its exposure to market volatility and ultimately its financial position.

Cash flow Risk

The risk is that current assets are insufficient to meet obligations to third party creditors. This position is managed by ensuring that cash on short-term deposits is sufficient to cover the Company's obligations as they fall due.

Interest Rate Risk

Following the decision to hold only a limited amount of OEIC units on the Company's balance sheet the exposure to interest rate risk is limited and can therefore be considered immaterial.

Credit Risk

There is a risk that interest or principal will not be returned on the firm's cash deposits placed with financial institutions. We monitor the credit worthiness of financial instruments through credit ratings and other publicly available information in order to manage this risk to an acceptably low level.

FUTURE OUTLOOK

In 2019 the Company will take advantage of transferring its transaction accounting business to NFU Mutual Select Investments Limited, conducting solely institutional transactions. The financial effects of this transition will be a significant reduction in turnover and expenditure.

On behalf of the Board



J. Priestley
Director
24 April 2019

N.F.U. MUTUAL UNIT MANAGERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and audited financial statements of N.F.U. Mutual Unit Managers Limited ("the Company") for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the promotion and management of two third party Open Ended Investment Companies (OEICs), containing 14 funds (2017: nine funds) in total. The Company receives management fees for performing this function. The Company is an Authorised Corporate Director for the OEICs and creates and redeems shares within the OEICs as part of its day to day business, in its capacity as ACD.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2017: £nil). The loss after tax for the financial year was £ (190,325) (2017 profit: £2,147,448) which will transfer to reserves.

DIRECTORS

The directors during the year and up to the date of signing of these financial statements were as follows:

P. A. Glover

K. Arif – (deceased) 23 April 2018

A.C. Mason – resigned 1 October 2018

J. Priestley – appointed 13 July 2018

C. Judd – appointed 24 September 2018

N. D. Bryan – appointed 1 October 2018

The Company Secretary during the year and up to the date of signing the financial statements was:

J. D. Creechan

The Parent Company, The National Farmers Union Mutual Insurance Society Limited, has put in place deeds of indemnity for the benefit of the Directors and Company Secretary of the Parent Company and of its associated Companies. The deeds of indemnity are qualifying third party indemnity provisions in accordance with the Companies Act 2006. The indemnity provisions were in force throughout the financial year and at the date the financial statements were approved.

FUTURE OUTLOOK

See Strategic Report above on page 3.

FINANCIAL RISK MANAGEMENT

See Strategic Report above on page 3.

GOING CONCERN

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

N.F.U. MUTUAL UNIT MANAGERS LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

The auditors, Deloitte LLP, appointed in June 2018, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that they ought to have taken as director in order to make them self-aware of any relevant audit information and to establish that the Company's auditors are aware of that information:

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board



J. Priestley
Director
24 April 2019

N.F.U. MUTUAL UNIT MANAGERS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

On behalf of the Board



J. Priestley
Director
24 April 2019

N.F.U. MUTUAL UNIT MANAGERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF N.F.U. MUTUAL UNIT MANAGERS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of N.F.U. Mutual Unit Managers Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

N.F.U. MUTUAL UNIT MANAGERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF N.F.U. MUTUAL UNIT MANAGERS LIMITED (continued)

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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are responsible for assessing 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 directors either intend to liquidate the company or to cease operations, or have 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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

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

N.F.U. MUTUAL UNIT MANAGERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF N.F.U. MUTUAL UNIT MANAGERS LIMITED (continued)

Matters on which we are required to report by exception

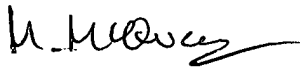
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to 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.



Mark McQueen (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
24 April 2019

N.F.U. MUTUAL UNIT MANAGERS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
TURNOVER	4	9,077,719	9,334,454
Administrative expenses		(9,413,323)	(6,709,949)
OPERATING (LOSS) / PROFIT		<u>(335,604)</u>	<u>2,624,505</u>
Interest receivable and similar income	5	100,634	34,760
(LOSS) / PROFIT BEFORE TAXATION	6	<u>(234,970)</u>	<u>2,659,265</u>
Tax on (loss) / profit	7	44,645	(511,817)
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		<u><u>(190,325)</u></u>	<u><u>2,147,448</u></u>

The Company has no other comprehensive income other than in the loss above, and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 13 to 18 form an integral part of these financial statements.

N.F.U. MUTUAL UNIT MANAGERS LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
<u>CURRENT ASSETS</u>			
Debtors	8	1,792,427	2,510,293
Deposits with credit institutions		22,000,000	21,000,000
Cash at bank and in hand		<u>1,609,987</u>	<u>272,427</u>
		25,402,414	23,782,720
Creditors: Amounts falling due within one year	9	<u>(8,569,410)</u>	<u>(6,759,391)</u>
NET ASSETS		<u>16,833,004</u>	<u>17,023,329</u>
 <u>CAPITAL AND RESERVES</u>			
Called up share capital	10	566,666	566,666
Share premium account		28,238,314	28,238,314
Accumulated losses		<u>(11,971,976)</u>	<u>(11,781,651)</u>
TOTAL EQUITY		<u>16,833,004</u>	<u>17,023,329</u>

The financial statements on pages 10 to 18 were approved and authorised for issue by the Board of directors on 24 April 2019 and were signed on its behalf by:



J. Priestley
DIRECTOR

24 April 2019

N.F.U. Mutual Unit Managers Limited
Company Number: 01837277

The notes on pages 13 to 18 form an integral part of these financial statements.

N.F.U. MUTUAL UNIT MANAGERS LIMITED**STATEMENT OF CHANGES IN EQUITY****AS AT 31 DECEMBER 2018**

	<u>Called</u> <u>Up Share</u> <u>Capital</u> £	<u>Share</u> <u>Premium</u> <u>Account</u> £	<u>Accumulated</u> <u>Losses</u> £	<u>Total Equity</u> <u>2018</u> £	<u>Total Equity</u> <u>2017</u> £
Balance at 1 January	566,666	28,238,314	(11,781,651)	17,023,329	14,875,881
<i>(Loss) / Profit for the financial year</i>	-	-	(190,325)	(190,325)	2,147,448
Balance at 31 December	566,666	28,238,314	(11,971,976)	16,833,004	17,023,329

N.F.U. MUTUAL UNIT MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 ACCOUNTING POLICIES

N.F.U. Mutual Unit Managers Limited is a private Company limited by shares and incorporated in the United Kingdom. The registered address is: Tiddington Road, Stratford upon Avon, CV37 7BJ.

These financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the fair valuing of stocks and shares, and in compliance with the Companies Act 2006 and applicable accounting standards and accounting policies in the United Kingdom, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS102). Accounting policies have been applied consistently to all years presented unless otherwise stated.

a) Going Concern basis of preparation

The Company made a loss on ordinary activities before taxation in the year of £(234,970) (2017: profit £2,659,265) and is dependent on the continuing support of its Parent Company (The National Farmers Union Mutual Insurance Society Limited). The Parent Company has undertaken to provide support to ensure that the Company is able to pay its debts as they fall due, an arrangement formalised in a signed letter of support. The Directors have taken account of this parental support in concluding that it remains appropriate to use the going concern concept in the preparation of the financial statements.

b) Turnover

Turnover consists of dealing charges on the sale of units within the OEICs less any discounts, and fees receivable for managing the Open Ended Investment Companies in the United Kingdom. Any holding profit or loss made on the manager's box along with any distribution income is accounted for as turnover. Income receivable is recognised on an accruals basis and relates entirely to services provided in the UK.

c) Debtors

Debtors are amounts due from customers and other receivables arising from trading and 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. Debtors are recognised initially at fair value less any associated impairment.

e) Deposits with Credit Institutions

Deposits with credit institutions represent deposits with qualifying credit institutions subject to time restrictions or penalties for early withdrawal.

N.F.U. MUTUAL UNIT MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

f) **Cash at bank and in hand**

This comprises cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

g) **Called up share capital**

Ordinary shares are classified as equity. Excess amounts received over par is accounted for as share premium and recognised as equity.

h) **Retained earnings**

Retained earnings represent accumulated comprehensive income and loss for the year and prior periods.

i) **Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Creditors are recognised initially at fair value less any associated impairment.

j) **Current and Deferred Taxation**

The tax expense for the period comprises current and deferred tax where applicable. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company generates taxable income. A taxation credit is recognised where losses are utilised within the Group. The Company will receive cash in respect of these losses.

k) **Administrative Expenses**

Administrative expenses are recognised on an accruals basis in the period to which the services or goods received relate.

l) **Interest Receivable and similar income**

Interest receivable represents interest earned on cash at bank and on short term deposits and is recognised on an accruals basis.

N.F.U. MUTUAL UNIT MANAGERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2018**m) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent Company, The National Farmers Union Mutual Insurance Society Limited, includes the Company's cash flows in its own consolidated financial statements. The National Farmers Union Mutual Insurance Society Limited's consolidated financial statements are publicly available (see note 11).

In accordance with FRS 102 33.1A, the Company does not disclose transactions with members of The National Farmers Union Mutual Insurance Society Limited Group that are wholly owned. The Company does however disclose transactions with related parties which are not wholly owned within the same group.

2 RELATED PARTY DISCLOSURES**Dealings with OEIC funds**

The Company managed 14 (2017: nine) Open Ended Investment Company (OEIC) funds within the two OEICs during the year, for which it received total management fees of £8,986,935 (2017: £9,178,633).

In its capacity as Authorised Corporate Director of the OEICs the Company creates and redeems shares within the OEICs as part of its day to day business. These transactions are not included in turnover since they are client monies and relate to client investments in the OEICs and do not represent income to the Company. The amounts paid over to the trustees of the OEIC in order to satisfy customer demands were as follows:

	<u>2018</u>	<u>2017</u>
	£	£
Amounts paid to the trustees for creation of shares.	<u>1,387,612,477</u>	<u>219,613,785</u>
The amounts outstanding at 31 December with open ended investment companies	<u>104,045</u>	<u>1,027,232</u>

3 DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

The directors received no emoluments for their services to the Company for year ended 31 December 2018 (2017: nil). The Directors are remunerated by the Parent Company in respect of the services for the entire Group. The Directors' services in respect of the Company were incidental in comparison to their services within the Group, and therefore nil emoluments have been apportioned to the Company (2017: nil). There were no employees during the year (2017: nil).

N.F.U. MUTUAL UNIT MANAGERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2018****4 TURNOVER**

	<u>2018</u>	<u>2017</u>
	£	£
Turnover comprises the following:		
Dealing charges and other income	373,669	238,245
Management fee	8,986,935	9,178,633
Discount on initial charges	(282,885)	(82,424)
	<u>9,077,719</u>	<u>9,334,454</u>

The Company acts as the principal in the sale of shares in its authorised OEICs. However, in substance the Company is acting as an agent on behalf of the OEICs, and as a result the sale of shares is not recognised as revenue by the Company. The gross sales of shares during the year were £1,205,976,426 (2017: £245,652,051).

All business is written in the U.K.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2018</u>	<u>2017</u>
	£	£
Deposit Interest	<u>100,634</u>	<u>34,760</u>

6 (LOSS) / PROFIT BEFORE TAXATION

	<u>2018</u>	<u>2017</u>
	£	£
The (loss) / profit is stated after charging:		
Fees payable to the Company's auditors for the audit of N.F.U. Mutual Unit Managers Limited (excluding VAT)	11,000	10,506

In accordance with SI 2008/489 the company has not disclosed the fees payable to the Company's auditors for 'Other services' as this information is included in the consolidated financial statements of The National Farmers Union Mutual Insurance Society Limited.

N.F.U. MUTUAL UNIT MANAGERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2018****7 TAX ON (LOSS) / PROFIT**

	<u>2018</u>	<u>2017</u>
	£	£
The taxation credit / (debit) on the (loss) / profit for the year:		
UK Corporation tax credit / (charge)	44,645	(511,817)
Total UK corporation tax credit / (debit)	<u>44,645</u>	<u>(511,817)</u>

The tax assessed for the year is the same as (2017: same as) the rate of corporation tax in the UK for the year ended 31 December 2018 of 19% (2017: blended rate of 19.25%).

Since 1 April 2017 the UK Corporation Tax rate has been 19%. A blended rate of 19.25% applied for 2017 as the rate pre April 2017 was 20%.

The differences are explained below:

	<u>2018</u>	<u>2017</u>
	£	£
(Loss) / Profit before taxation	<u>(234,970)</u>	<u>2,659,265</u>
Loss / (Profit) multiplied by rate of Corporation tax in UK 19% (2017: blended rate of 19.25%)	44,645	(511,817)
Total tax credit / (charge) for the year	<u>44,645</u>	<u>(511,817)</u>

8 DEBTORS

	<u>2018</u>	<u>2017</u>
	£	£
Trade debtors	1,698,786	2,153,979
Corporation tax	44,645	-
Prepayments and accrued income	48,996	356,314
	<u>1,792,427</u>	<u>2,510,293</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

N.F.U. MUTUAL UNIT MANAGERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2018****9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2018</u>	<u>2017</u>
	£	£
Trade creditors	104,045	1,106,642
Amounts owed to group undertakings	6,911,892	4,515,096
Corporation Tax	-	511,817
Accruals and deferred income	1,553,473	625,836
	<u>8,569,410</u>	<u>6,759,391</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 CALLED UP SHARE CAPITAL

	<u>2018</u>	<u>2017</u>
	£	£
566,666 (2017: 566,666) Allotted and fully paid shares of £1 each	<u>566,666</u>	<u>566,666</u>

11 ULTIMATE PARENT UNDERTAKING

The directors consider the immediate and ultimate Parent Company, and controlling party is The National Farmers Union Mutual Insurance Society Limited, a Company incorporated in England and Wales, and the only group to consolidate these financial statements. Copies of the consolidated financial statements of the immediate and ultimate Parent Company can be obtained from the Secretary at the following address:

Tiddington Road,
Stratford-upon-Avon,
CV37 7BJ