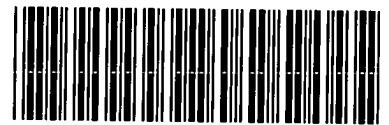


COMPANY REGISTRATION NUMBER: 00697641

TU Fund Managers Limited
Financial Statements
31 March 2020

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TU Fund Managers Limited

Financial Statements

Year ended 31 March 2020

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TU Fund Managers Limited
Officers and Professional Advisers

The board of directors

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

Company secretary

M Colverd

Registered office

Congress House
Great Russell Street
London
United Kingdom
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 2020

The directors have pleasure in presenting their strategic report and the audited financial statements of the Group for the year ended 31 March 2020.

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 £109,683 (2019: £84,048). A gift aid payment of £150,000 was approved for payment to the TUUT Charitable Trust, the parent company of TU Fund Managers Limited (2019: £210,000).

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's Risk & Compliance Committee provides the Board with regular updates on the key risk and compliance activity and issues arising during the year. Specifically, the Key Risk Map is reviewed regularly by this Committee and reported to the Board.

The principal risks and uncertainties facing the Group, (those assessed as high) remain market conditions - i.e. a protracted downturn in equity markets could impact profitability; and client retention - i.e. a loss of one or more larger clients would reduce assets under management, which in turn would have an adverse effect upon fee income.

All other risks have either been assessed as "medium" or "low" and remain stable. It should be specifically noted that the Firm's operational resilience has not been materially impacted by the Covid - 19 lock down, with key individuals being able to carry out their activities remotely. All the Firm's risks continue to be closely monitored by the Board

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 meet 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.

TU Fund Managers Limited

Strategic Report

Year ended 31 March 2020

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.

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.

DIRECTORS DUTIES, GOVERNANCE REPORT

The Directors of the Company and Group, as those of all UK Companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006.

Directors of the Company and Group must act in a way they consider in good faith, would be most likely to promote the success of the Company for the benefit of its ultimate sole shareholder, The T.U.U.T. Charitable Trust. As part of their induction, new Directors are briefed on their duties by the Compliance Officer.

OUR PEOPLE

The Group and Company is committed to being a responsible business. Our business is aligned with the expectations of our people (employees, directors and consultants) and as such, regular communications both formal and informal are held.

BUSINESS RELATIONSHIPS

We understand the importance of developing and maintaining good client relationships which can be demonstrated by the loyalty of our well established client base. We also value our suppliers and maintain regular dialogue as business needs change.

COMMUNITY, ENVIRONMENT AND ENGAGEMENT WITH OUT SHAREHOLDER

The Company is wholly owned by The T.U.U.T. Charitable Trust. As such all management profits are gifted annually to the charity. Our aim is to support the most vulnerable in society by making donations to registered charities that bring a meaningful contribution to the people helped. This has included national and local campaigns, such as food banks and educational support for the disadvantaged as well as global campaigns following the devastating impact of national disasters or conflicts.

The Chairman and General Manager of the Company regularly attend the charity's trustees meetings to report on business activity and how this influences our ability to meet regular gift aid commitments.

FUTURE OUTLOOK

The Group continues to focus on developing new business opportunities in its niche market. However, during the current pandemic, the key focus has been to maintain regular contact with clients as many seek reassurance during the current uncertainty.
1/7/2020

This report was approved by the board of directors on and signed on behalf of the board by:

M Colverd

M Colverd
Company Secretary

TU Fund Managers Limited

Directors' Report

Year ended 31 March 2020

The directors present their report and the audited financial statements of the Group for the year ended 31 March 2020.

Directors

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

The Baroness Prosser, OBE
P Noon, OBE
C Carberry, CBE
D Sachon - Chairman
G Nichols
J Whelan
J Hannett
L Harrison
M Lawson
W S Kenny (appointed 15 December 2019)

Dividends

The directors do not recommend the payment of a dividend.

Events after the end of the reporting period

Other than the current Covid-19 pandemic affecting business globally and for which the impact of this has been addressed in the strategic report and going concern policy below, there have been no significant events affecting the Group or Company since the year end.

Going concern

The directors have undertaken a rigorous assessment of whether the Group and Company were a going concern when the accounts were prepared, considering all available information about the future, covering a period of 12 months from the date of the approval of the accounts. The directors have given due consideration to the current Covid-19 pandemic which is discussed in more detail in the strategic report and note 3 to these financial statements. The directors are not aware of any material uncertainty arising from their assessment that would cast doubt on the Group and Company's ability to continue as a going concern.

Disclosure of information in the strategic report

The business review, principal risks and uncertainties and the financial key performance indicators are covered in the strategic report.

Directors' responsibilities statement

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 group and the company and the profit or loss of the group for that period.

TU Fund Managers Limited

Directors' Report *(continued)*

Year ended 31 March 2020

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

1/7/2020

This report was approved by the board of directors on and signed on behalf of the board by:



M Colverd
Company Secretary

Registered office:
Congress House
Great Russell Street
London
United Kingdom
WC1B 3LQ

TU Fund Managers Limited

Independent Auditor's Report to the Members of TU Fund Managers Limited

Year ended 31 March 2020

Opinion

We have audited the financial statements of TU Fund Managers Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's loss 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 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group and Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
-

TU Fund Managers Limited

Independent Auditor's Report to the Members of TU Fund Managers Limited *(continued)*

Year ended 31 March 2020

Conclusions relating to going concern *(continued)*

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and Company will continue in operation.

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 directors are 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 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
-

TU Fund Managers Limited

Independent Auditor's Report to the Members of TU Fund Managers Limited *(continued)*

Year ended 31 March 2020

Matters on which we are required to report by exception *(continued)*

- the parent company 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.

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 group's and the parent 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 group or the parent 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.

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 group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' 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's or the parent 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 parent company to cease to continue as a going concern.
-

TU Fund Managers Limited

Independent Auditor's Report to the Members of TU Fund Managers Limited *(continued)*

Year ended 31 March 2020

Auditor's responsibilities for the audit of the financial statements *(continued)*

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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.



Robert Wood (Senior Statutory Auditor)

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

2/7/2020

TU Fund Managers Limited
Consolidated Statement of Comprehensive Income
Year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	5	429,797	383,749
Gross profit		<u>429,797</u>	<u>383,749</u>
Administrative expenses		(332,394)	(313,525)
Operating loss		<u>(97,403)</u>	<u>(70,224)</u>
Income from other fixed asset investments		12,280	13,824
Gift aid		(150,000)	(210,000)
Loss before taxation		<u>(40,317)</u>	<u>(125,952)</u>
Tax on loss	9	-	-
Loss for the financial year		<u>(40,317)</u>	<u>(125,952)</u>
Fair value movements on investments		34,528	91,425
Total comprehensive expense for the year		<u>(5,789)</u>	<u>(34,527)</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
31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	11	1,453,648	1,530,481
Current assets			
Debtors	12	70,370	63,060
Cash at bank and in hand		270,647	204,636
		<u>341,017</u>	<u>267,696</u>
Creditors: amounts falling due within one year	13	61,064	58,787
Net current assets		<u>279,953</u>	<u>208,909</u>
Total assets less current liabilities		<u>1,733,601</u>	<u>1,739,390</u>
Net assets		<u>1,733,601</u>	<u>1,739,390</u>
Capital and reserves			
Called up share capital	16	150,000	150,000
Profit and loss account	17	1,583,601	1,589,390
Shareholders' funds		<u>1,733,601</u>	<u>1,739,390</u>

These financial statements were approved by the board of directors and authorised for issue on 1/7/2020....., and are signed on behalf of the board by:

D Sachon

D Sachon - Chairman
 Director

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
31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	11	1,945,993	1,926,708
Current assets			
Debtors	12	52,246	51,745
Cash at bank and in hand		165,586	65,494
		<u>217,832</u>	<u>117,239</u>
Creditors: amounts falling due within one year	13	(430,224)	(304,557)
Net current liabilities		<u>(212,392)</u>	<u>(187,318)</u>
Total assets less current liabilities		1,733,601	1,739,390
Net assets		<u>1,733,601</u>	<u>1,739,390</u>
Capital and reserves			
Called up share capital	16	150,000	150,000
Profit and loss account	17	1,583,601	1,589,390
Shareholders' funds		<u>1,733,601</u>	<u>1,739,390</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 £40,317 (2019: £164,651).

These financial statements were approved by the board of directors and authorised for issue on 1/7/2020....., and are signed on behalf of the board by:



D Sachon - Chairman
 Director

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 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2018	150,000	1,623,917	1,773,917
Loss for the financial year		(125,952)	(125,952)
Other comprehensive income for the year:			
	-	91,425	91,425
Total comprehensive expense for the year	-	(34,527)	(34,527)
At 31 March 2019	150,000	1,589,390	1,739,390
Loss for the year		(40,317)	(40,317)
Other comprehensive income for the year:			
Fair value movement on investments	-	34,528	34,528
Total comprehensive expense for the year	-	(5,789)	(5,789)
At 31 March 2020	<u>150,000</u>	<u>1,583,601</u>	<u>1,733,601</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 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2018	150,000	1,623,917	1,773,917
Loss for the year		(164,651)	(164,651)
Other comprehensive income for the year:			
Fair value movement on investments	-	130,124	130,124
Total comprehensive income for the year	-	(34,527)	(34,527)
At 31 March 2019	150,000	1,589,390	1,739,390
Loss for the year		(40,317)	(40,317)
Other comprehensive income for the year:			
Fair value movement on investments	-	34,528	34,528
Total comprehensive income for the year	-	(5,789)	(5,789)
At 31 March 2020	<u>150,000</u>	<u>1,583,601</u>	<u>1,733,601</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 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(40,317)	(125,952)
<i>Adjustments for:</i>		
Accrued expenses	6,964	1,035
<i>Changes in:</i>		
Trade and other debtors	(7,310)	(48,256)
Trade and other creditors	(4,687)	(21,636)
Cash generated from operations	<u>(45,350)</u>	<u>(194,809)</u>
Net cash used in operating activities	<u>(45,350)</u>	<u>(194,809)</u>
Cash flows from investing activities		
Purchases of other investments	(5,613)	(4,034)
Proceeds from sale of other investments	116,974	110,097
Net cash from investing activities	<u>111,361</u>	<u>106,063</u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	—	50,000
Net cash from financing activities	<u>—</u>	<u>50,000</u>
Net increase/(decrease) in cash and cash equivalents	66,011	(38,746)
Cash and cash equivalents at beginning of year	204,636	243,382
Cash and cash equivalents at end of year	<u>270,647</u>	<u>204,636</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 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office and principal place of business is Congress House, Great Russell Street, London, WC1B 3LQ, United Kingdom.

2. 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'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

In preparing the consolidated financial statements, advantage has been taken of the disclosure exemption available in FRS 102 not to disclose related party transactions between wholly owned parts of the group.

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

Going concern

The directors have reviewed the forecasts for the Group and Company and have a reasonable expectation that the Group and Company have adequate resources to continue as a going concern for the foreseeable future, being at least twelve months from the date these financial statements have been approved. The directors have considered and will continue to monitor the threat and implications of the COVID-19 pandemic but it is too early to fully understand the impact that the virus will have on our business sector and the wider macro-economic environment. However, based on a review of the activities of the Group and Company, the current working capital position of the Group and Company and the ability to reduce certain costs in the short term, the directors currently believe that this risk can be managed for the year ahead. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

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

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained.

Judgements and key sources of estimation uncertainty

The preparation of financial statements under FRS 102 requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. 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. The estimates and assumptions which have a risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Management recharges

The Management recharge is determined by the allocation of the total of director fees and wages and salaries expenses incurred in the period by TU Fund Managers Limited, by 95%, and recharging that amount to TU Financial Management Services Ltd. This is based on trading activity levels in the respective companies and hours spent by employees and directors undertaking services for these entities.

Revenue recognition

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 is stated net of VAT and trade discounts.

Turnover from sponsorship fees and commissions is generally recognised as income in the period in which the performance obligation has been satisfied.

TU Fund Managers Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2020

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on straight-line basis over the lease term.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Fixtures and fittings	-	10 years straight line
Equipment	-	3 years straight line

Investments

Fixed asset investments represent investments in funds and are initially recorded at cost, and subsequently at fair value with changes in fair value being recognised in other comprehensive income.

Subsidiary investments are initially recorded at cost, and subsequently at fair value with changes in fair value being recognised in other comprehensive income.

TU Fund Managers Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2020

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting 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 and other 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 and other payables

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. 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 £150,000 (2019: £210,000) for gift aid payments in the year.

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

5. Turnover

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom:

	2020	2019
	£	£
United Kingdom	<u>429,797</u>	<u>383,749</u>

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>4,335</u>	<u>4,335</u>

Fees payable to the company's auditor and its associates for other services:

Audit of the financial statements of associates	6,885	6,885
Taxation compliance services	1,530	1,530
Other non-audit services	1,530	1,530
	<u>9,945</u>	<u>9,945</u>

7. Staff costs

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

	2020	2019
	No.	No.
Management staff	<u>1</u>	<u>1</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	160,479	158,494
Social security costs	13,677	13,298
Other pension costs	21,620	18,614
	<u>195,776</u>	<u>190,406</u>

This figure includes directors fees paid through the TU Fund Managers Limited's payroll.

TU Fund Managers Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2020

8. Directors' and key management personnel remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020 £	2019 £
Remuneration	55,479	56,494
Company contributions to defined contribution pension plans	21,620	18,614
Sums paid to third parties in respect of directors' services	105,000	102,000
	<u>182,099</u>	<u>177,108</u>

This figure includes directors fees paid through the TU Fund Managers Limited's payroll.

9. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is the same as (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 38%).

	2020 £	2019 £
Loss on ordinary activities before taxation	(40,317)	(125,952)
Loss on ordinary activities by rate of tax	(7,660)	(23,931)
Effect of expenses not deductible for tax purposes	1,175	1,891
Effect of capital allowances and depreciation	(63)	(76)
Effect of revenue exempt from tax	(2,275)	24,743
Utilisation of brought forward tax losses & exempt UK dividend income	8,823	(2,627)
Tax on loss	<u>-</u>	<u>-</u>

10. Tangible assets

Group and company	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 April 2019 and 31 March 2020	<u>28,895</u>	<u>33,594</u>	<u>62,489</u>
Depreciation			
At 1 April 2019 and 31 March 2020	<u>28,895</u>	<u>33,594</u>	<u>62,489</u>
Carrying amount			
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>

TU Fund Managers Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2020

11. Investments

Group	Investments £
Cost	
At 1 April 2019	1,530,481
Additions	5,613
Disposals	(116,974)
Revaluations	34,528
At 31 March 2020	<u>1,453,648</u>
Impairment	
At 1 April 2019 and 31 March 2020	<u>–</u>
Carrying amount	
At 31 March 2020	<u>1,453,648</u>
At 31 March 2019	<u>1,530,481</u>

Company	Shares in group undertakings £	Investments £	Total £
Cost			
At 1 April 2018	396,227	1,530,481	1,926,708
Additions	–	5,613	5,613
Disposals	–	(116,974)	(116,974)
Revaluations	96,118	34,528	130,646
At 31 March 2019	<u>492,345</u>	<u>1,453,648</u>	<u>1,945,993</u>
Impairment			
At 1 April 2018 and 31 March 2019	<u>–</u>	<u>–</u>	<u>–</u>
Carrying amount			
At 31 March 2019	<u>492,345</u>	<u>1,453,648</u>	<u>1,945,993</u>
At 31 March 2018	<u>396,227</u>	<u>1,530,481</u>	<u>1,926,708</u>

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held
TU Financial Management Services Limited	Ordinary	100

TU Fund Managers Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2020

11. Investments *(continued)*

The registered office and principal place of business of TU Financial Management Services Limited is Congress House, Great Russell Street, London, England, WC1B 3LQ. The net assets as at 31 March 2020 amounted to £492,344 and the profit for the year totalled £96,117.

Parent company loss for the period

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent company for the period was £40,317 (2019: £164,651). The directors have approved the parent company statement of comprehensive income in statutory format.

12. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts owed by group undertakings	–	–	50,000	50,000
Prepayments and accrued income	12,990	11,422	–	–
Other debtors	57,380	51,638	2,246	1,745
	<u>70,370</u>	<u>63,060</u>	<u>52,246</u>	<u>51,745</u>

The amount owed by group undertakings includes £50,000 (2019: £50,000) in respect of a subordinated loan. The loan is due for payment within 1 year and bears no interest.

13. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	2,997	3,850	2,092	2,099
Amounts owed to group undertakings	–	–	386,340	261,077
Accruals and deferred income	44,853	37,889	28,578	24,333
Social security and other taxes	12,153	16,849	12,153	16,849
Other creditors	1,061	199	1,061	199
	<u>61,064</u>	<u>58,787</u>	<u>430,224</u>	<u>304,557</u>

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

14. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £21,620 (2019: £18,614). As at the reporting date £1,061 (2019: £nil) was due to the pension fund and is included within creditors.

TU Fund Managers Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2020

15. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets measured at fair value through profit or loss

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Financial assets measured at fair value through profit or loss	1,453,648	1,530,481	1,945,993	1,926,708

Financial assets that are debt instruments measured at amortised cost

	Group	
	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost	341,017	267,697

Financial liabilities measured at amortised cost

	Group	
	2020	2019
	£	£
Financial liabilities measured at amortised cost	48,911	41,940

16. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	150,000	150,000.00	150,000	150,000.00

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

17. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

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 £34,528 (2019: £91,425) and £96,118 (2019: £38,699) respectively. Of the fair value movements, those attributable to the subsidiary are not distributable, these amounts total £392,344 (2019: £346,227) respectively at the reporting date.

TU Fund Managers Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2020

18. Operating leases

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Land and buildings				
Not later than 1 year	22,925	45,600	-	-
Later than 1 year and not later than 5 years	42,608	133,950	-	-
	<u>65,533</u>	<u>179,550</u>	<u>-</u>	<u>-</u>

19. Other financial commitments

The Group and Company had no other commitments or contracts for capital expenditure in place as at the reporting date (2019: £nil).

20. Related party transactions

Company

No transactions were undertaken with related parties as such that 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.

21. Controlling party

The ultimate parent company is TUUT Charitable Trust, a charity registered with the Charities Commission in England with registered office address of Congress House, London, WC1B 3LQ.