

N.F.U. MUTUAL UNIT MANAGERS LIMITED

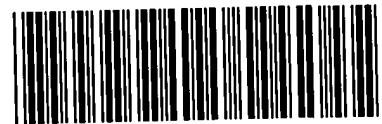
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

Registered Number: 01837277

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

WEDNESDAY



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06/06/2018

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COMPANIES HOUSE

N.F.U. MUTUAL UNIT MANAGERS LIMITED

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N.F.U. MUTUAL UNIT MANAGERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

REVIEW OF THE BUSINESS

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

In 2017 N.F.U. Mutual Unit Managers Limited (MUMCO) recorded a profit after tax for the financial year of £2,147,448 (2016 loss: (£1,244,775)).

The improved result has been driven by higher levels of annual management charge as a result of strong sales and market performance coupled with lower levels of cost recharged from the Parent company.

Balance sheet position

The Balance Sheet remains healthy with net assets of £17,023,329 (2016: £14,875,881). 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>2017</u>	<u>2016</u>
	£	£
Profit/(Loss) after taxation	2,147,448	(1,244,775)
Total purchases	245,652,051	136,963,545
Net purchases (less repurchases)	156,745,362	51,056,639
Total funds under management (fee generating)	944,436,371	802,691,659
- Class A, B & C shares		

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 2018. 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 2017

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 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 2018 it is planned that the Company will transfer its transaction accounting business to NFU Mutual Select Investments Limited, thereafter conducting solely institutional transactions. The financial effects of this transition will be a significant reduction in turnover and expenditure. The Company is planning to convert its Portfolio OEIC from a Non Undertakings for Collective Investment in Transferable Securities (Non-UCITS) retail scheme into a UCIT's scheme and launch six new Multi Asset Investment funds to enhance its investment proposition.

On behalf of the Board



K. Arif
Director
23 April 2018

N.F.U. MUTUAL UNIT MANAGERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the promotion and management of two third party Open Ended Investment Companies (OEICs), containing 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 (2016: £nil). The profit after tax for the financial year was £2,147,448 (2016 loss: £1,244,775) 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:

K. Arif

P. A. Glover

T. McKeon – resigned 7 April 2017

A.C. Mason

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.

N.F.U. MUTUAL UNIT MANAGERS LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

INFORMATION GIVEN TO AUDITORS

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

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

INDEPENDENT AUDITORS

Following a competitive tender process, the Directors (following a recommendation from the Group's Audit Committee) have recommended that Deloitte LLP be appointed as the Group's auditors with effect from June 2018. Resolutions concerning Deloitte's appointment and authorising the Directors to set their remuneration will be proposed at a forthcoming General Meeting of the company.

On behalf of the Board



K. Arif
Director
23 April 2018

N.F.U. MUTUAL UNIT MANAGERS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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).

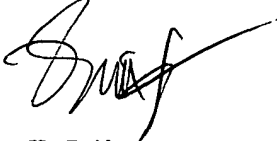
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- 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



K. Arif
Director

23 April 2018

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, N.F.U. Mutual Unit Managers Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Equity; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs UK") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

N.F.U. MUTUAL UNIT MANAGERS LIMITED

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

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

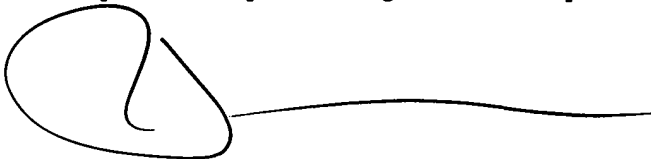
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Joanne Leeson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, Bristol
23 April 2018

N.F.U. MUTUAL UNIT MANAGERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Note</u>	<u>2017</u> £	<u>2016</u> £
TURNOVER	4	9,334,454	8,066,611
Administrative expenses		(6,709,949)	(9,673,601)
OPERATING PROFIT/(LOSS)		<u>2,624,505</u>	<u>(1,606,990)</u>
Interest receivable and similar income	5	34,760	51,147
PROFIT/(LOSS) BEFORE TAXATION	6	<u>2,659,265</u>	<u>(1,555,843)</u>
Tax on profit / (loss)	7	(511,817)	311,068
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>2,147,448</u>	<u>(1,244,775)</u>

The Company has no other comprehensive income other than in the profit 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 2017

	<u>Note</u>	<u>2017</u> £	<u>2016</u> £
<u>CURRENT ASSETS</u>			
Debtors	8	2,510,293	2,291,694
Deposits with credit institutions		21,000,000	15,000,000
Cash at bank and in hand		<u>272,427</u>	<u>7,196,394</u>
		23,782,720	24,488,088
Creditors: Amounts falling due within one year	9	<u>(6,759,391)</u>	<u>(9,612,207)</u>
NET ASSETS		<u>17,023,329</u>	<u>14,875,881</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>(11,781,651)</u>	<u>(13,929,099)</u>
TOTAL EQUITY		<u>17,023,329</u>	<u>14,875,881</u>

The financial statements on pages 10 to 18 were approved and authorised for issue by the board of directors on 23 April 2018 and were signed on its behalf by:



K. Arif
DIRECTOR

23 April 2018

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 2017

	<u>Called Up Share Capital</u> £	<u>Share Premium Account</u> £	<u>Accumulated Losses</u> £	<u>Total Equity 2017</u> £	<u>Total Equity 2016</u> £
Balance at 1 January	566,666	28,238,314	(13,929,099)	14,875,881	16,120,656
<i>Profit/(Loss) for the financial year</i>	-	-	2,147,448	2,147,448	(1,244,775)
Balance at 31 December	566,666	28,238,314	(11,781,651)	17,023,329	14,875,881

N.F.U. MUTUAL UNIT MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 profit on ordinary activities before taxation in the year of £2,659,265 (2016: loss (£1,555,843) 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 and subsequently measured at amortised cost less provision or 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 2017

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 and subsequently measured at amortised cost.

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 2017

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 nine (2016: nine) Open Ended Investment Company (OEIC) funds within the two OEICs during the year, for which it received total management fees of £9,178,633 (2016: £7,888,191).

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>2017</u>	<u>2016</u>
	£	£
Amounts paid to the trustees for creation of shares.	<u>219,613,785</u>	<u>117,892,148</u>
The amounts outstanding at 31 December with open ended investment companies	<u>1,027,232</u>	<u>321,372</u>

3 DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

The directors received no emoluments for their services to the Company for year ended 31 December 2017 (2016: 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 (2016: nil). There were no employees during the year (2016: nil).

N.F.U. MUTUAL UNIT MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 TURNOVER

	<u>2017</u>	<u>2016</u>
	£	£
Turnover comprises the following:		
Dealing charges and other income	238,245	219,788
Management fee	9,178,633	7,888,191
Discount on initial charges	(82,424)	(41,368)
	<u>9,334,454</u>	<u>8,066,611</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 £245,652,051 (2016: £136,963,545).

All business is written in the U.K.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2017</u>	<u>2016</u>
	£	£
Deposit Interest	<u>34,760</u>	<u>51,147</u>

6 PROFIT / (LOSS) BEFORE TAXATION

	<u>2017</u>	<u>2016</u>
	£	£
The profit / (loss) is stated after charging:		
Fees payable to the company's auditors for the audit of N.F.U. Mutual Unit Managers Limited	10,506	10,250

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 2017

7 **TAX ON PROFIT / (LOSS)**

	<u>2017</u>	<u>2016</u>
	£	£
The taxation (debit) / credit on the profit / (loss) for the year:		
UK Corporation tax (charge) / credit	<u>(511,817)</u>	<u>311,068</u>
Total UK corporation tax (debit) / credit	<u>(511,817)</u>	<u>311,068</u>

The tax assessed for the year is the same as (2016: same as) the blended rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (2016:20%).

Since 1 April 2017 the UK Corporation Tax rate has been 19%. A blended rate of 19.25% applies for 2017 as the rate pre April 2017 was 20%. The rate for 2016 was 20%.

The differences are explained below:

	<u>2017</u>	<u>2016</u>
	£	£
Profit/(Loss) before taxation	<u>2,659,265</u>	<u>(1,555,843)</u>
Profit / (Loss) multiplied by blended rate of Corporation tax in UK 19.25% (2016: 20%)	<u>(511,817)</u>	<u>311,068</u>
Total tax (charge) / credit for the year	<u>(511,817)</u>	<u>311,068</u>

8 **DEBTORS**

	<u>2017</u>	<u>2016</u>
	£	£
Trade debtors	2,153,979	1,219,014
Amounts owed from group undertakings	-	311,168
Prepayments and accrued income	<u>356,314</u>	<u>761,512</u>
	<u>2,510,293</u>	<u>2,291,694</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 2017

9 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2017</u>	<u>2016</u>
	£	£
Trade creditors	1,106,642	930,318
Amounts owed to group undertakings	4,515,096	7,895,053
Corporation Tax	511,817	-
Accruals and deferred income	625,836	786,836
	<u>6,759,391</u>	<u>9,612,207</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>2017</u>	<u>2016</u>
	£	£
566,666 (2016: 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