

# **TU FUND MANAGERS LIMITED**

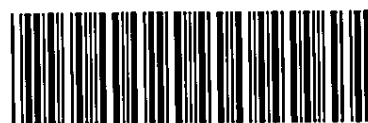
## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31 MARCH 2008**

**Company Registration Number: 697641**

**FSA Registration Number: 122346**

**SATURDAY**



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# **T U FUND MANAGERS LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2008**

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**T U FUND MANAGERS LIMITED**  
**Report of the Directors for the year ended 31 March 2008**

The directors submit their report together with the audited financial statements of the company for the year ended 31 March 2008

**1. Principal activities and Business Review**

The principal activity of the company continued to be the management of Unit Trusts During the year funds under management decreased by 17% to £84m (2007 £101m) The company is authorised and regulated by the Financial Services Authority

The year end financial position of the company was satisfactory and the directors anticipate no changes to the company's principal activity in the foreseeable future

**2. Results**

Turnover decreased by £42,615 to £946,263 (2007 £988,878)

The company made a profit before tax and gift aid payment for the financial year of £92,450 (2007 £152,643) During the year a donation of £97,305 (2007 £123,427) was approved for payment to the TUUT Charitable Trust, the parent company of TU Fund Managers Limited

The directors do not recommend the payment of a dividend (2007: nil) The loss after tax for the financial year of £4,855 (2007 profit £29,216) will be transferred to reserves

**3. Directors**

The persons who were directors of the company during the year and to the date of this report were -

The Lord Christopher, CBE (Chairman)  
Mark Cornwall-Jones, OBE  
Andrew Cunningham  
Alan Tuffin, CBE

The Baroness Prosser, OBE  
David Sachon

Paul Noon  
John Hannett  
Jeremy Nelson  
David Kiddie

The directors due to retire by rotation are Andrew Cunningham, Jeremy Nelson and The baroness Prosser, OBE and being eligible they offer themselves for re-election

**T U FUND MANAGERS LIMITED**  
**Report of the Directors for the year ended 31 March 2008 – (continued)**

The company is a wholly owned subsidiary of the TUUT Charitable Trust the consolidated accounts of which are publicly available Accordingly the Company has taken advantage of the exemption in FRS8 from disclosing transactions within the Group None of the directors holds any beneficial interest in the parent charity

**4. Donations**

During the year, the company did not make any political donations (2007 £nil)

**5. Auditors**

Shipleys LLP has indicated its willingness to remain in office and in accordance with section 384 of the Companies Act 1989, a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

**6. Statement of Directors' Responsibilities**

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 these financial statements, the directors are required to

select suitable accounting policies as described on pages 12 to 14 and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that 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 1985. 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

**T U FUND MANAGERS LIMITED**  
**Report of the Directors for the year ended 31 March 2008 – (continued)**

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

**7. Insurance**

As permitted by the Companies Act 1985 the Company has maintained insurance cover for the Directors against liabilities in relation to the Company

**8. Financial Risk Management Objectives and Policies**

The Company'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 Company's operations

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

In respect of bank balances the liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the Company's operations. The Company makes use of money market facilities where funds are available

Trade debtors are managed in respect of credit and cash flow risk by ensuring that management fees are collected within 30 days of due date

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

The Company believes it has an adequate spread of risk for the continuance of trading

**9. Supplier Payment Policy**

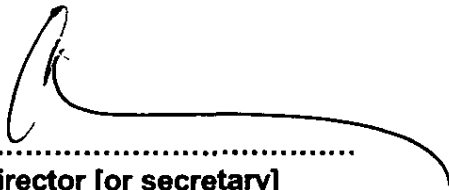
The Company's policy is to agree terms with individual suppliers and to abide by those terms. The average number of creditor days outstanding at the year end amounted to 25 days (2007: 11 days)

**T U FUND MANAGERS LIMITED**  
**Report of the Directors for the year ended 31 March 2008 – (continued)**

**10.   Key Performance Indicators**

We consider that our 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 for the year have been reported above. Funds under management have decreased by £17m from £101m to £84m.

**BY ORDER OF THE BOARD**



.....  
**Director [or secretary]**

**Date:**

**Registered Office:**    Congress House, Great Russell Street, London, WC1B 3LQ

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TU FUND MANAGERS LIMITED**

We have audited the financial statements of TU Fund Managers Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

## **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TU FUND MANAGERS LIMITED – (continued)**

## **OPINION**

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements



**Shipley LLP**  
**Registered Auditors and Chartered Accountants**

**10 Orange Street**  
**Haymarket**  
**London**  
**WC2H 7DQ**

Date:

*30 July 2008*



## TU FUND MANAGERS LIMITED

### Profit and loss account for the year ended 31 March 2008

|  | Notes   | 2008<br>£      | 2007<br>£      |
|--|---------|----------------|----------------|
| Turnover   | 1(a),2  | 946,263        | 988,878        |
| Administrative expenses                                    | 1(c)    | (951,419)      | (933,345)      |
| <b>Operating Profit/ (Loss)</b>                            | 3       | <b>(5,156)</b> | <b>55,533</b>  |
| Other interest receivable and similar income               | 4       | 100,955        | 77,525         |
| Other interest payable and similar charges                 | 5       | (3,349)        | (2,921)        |
| Profit / (loss) on sale of investment                      |         | -              | 22,506         |
| <b>Profit on ordinary activities before taxation</b>       |         | <b>92,450</b>  | <b>152,643</b> |
| Gift Aid Payment   |         | (97,305)       | (123,427)      |
| Tax charge on profit on ordinary activities                | 1(e), 8 | -              | -              |
| <b>Profit/(loss) on ordinary activities after taxation</b> |         | <b>(4,855)</b> | <b>29,216</b>  |

All results are in respect of continuing activities

The notes on pages 11 to 21 form part of these financial statements

**TU FUND MANAGERS LIMITED**  
**Statement of Total Recognised Gains and Losses**  
**for the Year Ended 31 March 2008**

|  | <b>Notes</b> | <b>2008<br/>£</b>      | <b>2007<br/>£</b>    |
|--|--------------|------------------------|----------------------|
| Profit/ (loss) for the year                                | 15           | (4,855)                | 29,216               |
| Fair value movement on<br>available-for-sale assets        | 15           | (52,267)               | 32,782               |
| <b>Total Recognised Income/ (Expense)<br/>for the Year</b> | 15           | <b><u>(57,122)</u></b> | <b><u>61,998</u></b> |

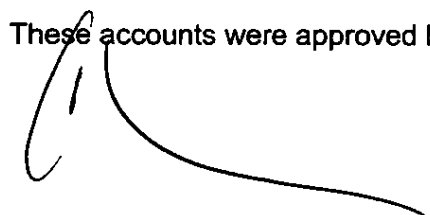
The notes on pages 11 to 21 form part of these financial statements

# TU FUND MANAGERS LIMITED

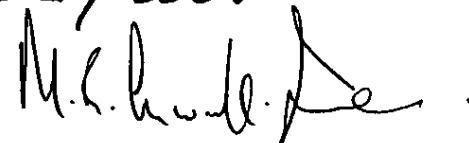
## Balance Sheet - as at 31 March 2008

|  | Notes   | 2008<br>£        | 2007<br>£        |
|--|---------|------------------|------------------|
| <b>Fixed Assets</b>                          |         |                  |                  |
| Tangible                                     | 9       | 12,497           | 12,712           |
| Investments held at Fair Value               | 1(d),10 | 653,375          | 947,201          |
| <b>Total Fixed Assets</b>                    |         | <b>665,872</b>   | <b>959,913</b>   |
| <b>Current Assets</b>                        |         |                  |                  |
| Debtors                                      | 11      | 95,047           | 193,041          |
| Investments held at Fair Value               | 1(b)    | 31,287           | 26,977           |
| Cash at bank and in hand                     |         | 1,296,008        | 3,375,380        |
|  |         | <b>1,422,342</b> | <b>3,595,398</b> |
| <b>Less: Creditors</b>                       |         |                  |                  |
| - Amounts falling due within one year        | 12      | (415,995)        | (2,825,973)      |
| <b>Net Current Assets</b>                    |         | <b>1,006,347</b> | <b>769,425</b>   |
| <b>Total Assets less Current Liabilities</b> |         | <b>1,672,219</b> | <b>1,729,338</b> |
| <b>Capital &amp; Reserves</b>                |         |                  |                  |
| Called up and fully paid share capital       | 13      | 150,000          | 150,000          |
| Profit and loss reserve                      | 14      | 1,522,219        | 1,579,338        |
| <b>Equity shareholder's funds</b>            | 15      | <b>1,672,219</b> | <b>1,729,338</b> |

These accounts were approved by the Board on



**The Lord Christopher CBE  
(Chairman)**

30 July 2008  


**Mark Cornwall-Jones  
(Vice Chairman)**

The notes on pages 11 to 21 form part of these financial statements

# TU FUND MANAGERS LIMITED

## Cash flow statement for the year ended 31 March 2008

|   | Notes | 2008<br>£               | 2007<br>£               |
|---|-------|-------------------------|-------------------------|
| <b>Net Cash (Outflow)/ Inflow from Operating Activities</b> | 17    | (2,282,187)             | 2,380,389               |
| <b>Returns on Investments and Servicing of Finance</b>      |       |                         |                         |
| Interest received   |       | 80,858                  | 55,094                  |
| Interest paid   |       | (3,349)                 | (2,921)                 |
| Dividends received  |       | 21,657                  | 20,223                  |
|   |       | 99,166                  | 72,396                  |
| <b>Taxation</b>   |       | -                       | -                       |
| <b>Capital Expenditure</b>                                  |       |                         |                         |
| Payments to acquire tangible fixed assets                   |       | (8,616)                 | (14,430)                |
| Acquisitions of fixed asset investments                     |       | -                       | (29,500)                |
| Disposals of fixed asset investments                        |       | 240,000                 | 29,500                  |
|   |       | 231,384                 | (14,430)                |
| <b>Cash (Outflow)/ Inflow Before Financing</b>              |       | (1,951,637)             | 2,438,355               |
| <b>Financing</b>  |       |                         |                         |
| Gift aid payments   |       | (123,427)               | (50,000)                |
| (Purchase)/Sale of units in manager's box                   |       | (4,308)                 | (1,220)                 |
|   |       | (127,735)               | (51,220)                |
| <b>(Decrease)/ Increase in Cash</b>                         |       | <u>(2,079,372)</u>      | <u>2,387,135</u>        |
| <b>Reconciliation of Cash flow to Movement in Net Funds</b> |       |                         |                         |
| (Decrease)/Increase in cash in the year                     |       | (2,079,372)             | 2,387,135               |
| Cash outflow from liquid resources                          |       | (4,308)                 | (1,220)                 |
| Movement in value of liquid resources                       |       | 8,618                   | 3,790                   |
| Net funds at 1 April 2007                                   |       | 3,402,357               | 1,012,652               |
| <b>Net funds at 31 March 2008</b>                           |       | <u><u>1,327,295</u></u> | <u><u>3,402,357</u></u> |

The notes on pages 11 to 21 form part of these financial statements

# TU FUND MANAGERS LIMITED

## Notes to the financial statements for the year ended 31 March 2008

### 1. Principal Accounting Policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, in compliance with the Companies Act 1985 and in accordance with applicable accounting standards

In preparing the financial statements for the current year the Company has adopted the following Financial Reporting Standards -

- FRS 25 'Financial Instruments Disclosure and Presentation (IAS 32)'
- FRS 26 'Financial Instruments Measurement (IAS 39)'

#### (a) Turnover

Turnover comprises sales of units (including sales of repurchased units), net of the cost of units sold and any related discounts, and management fees receivable from the unit trusts

#### (b) Current Asset Investments

Units held in the manager's box pending resale to unitholders or cancellation are valued at bid price

#### (c) Administrative Expenses

Administrative expenses include irrecoverable value added tax

#### (d) Financial Instruments – FRS26

##### *Investments*

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss account when the investment is derecognised, or impaired, as well as through the amortisation process.

## **TU FUND MANAGERS LIMITED**

### **Notes to the financial statements for the year ended 31 March 2007 (continued)**

**(d) Financial instruments – FRS26 (continued)**

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date

**(e) Deferred Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

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

Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

**(f) Fixed assets and Depreciation**

Fixed assets are initially recorded at cost. Depreciation is provided on a straight-line basis to write off the cost of tangible fixed assets over their estimated useful lives

|   |            |
|---|------------|
| Office machinery                        | 36 months  |
| Office furniture, fixtures and fittings | 120 months |

**(g) Operating leases**

Costs in respect of operating leases are charged on a straight-line basis over the lease term

## TU FUND MANAGERS LIMITED

Notes to the financial statements for the year ended 31 March 2007(continued)

(h) **Pensions**

The company operates a defined contribution pension scheme for the employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. Costs charged against profits and represent the amount of the contributions payable to the scheme in respect of the accounting period.

(i) **Liquid assets**

Cash on deposit which can be accessed within 24 hours and current asset investments are classified as liquid resources.

(j) **Related Parties**

The Company is a wholly owned subsidiary of the TUUT Charitable Trust, the accounts of which are publicly available at the registered office of TU Fund Managers Ltd. Accordingly, the Company has taken advantage of the exemption in FRS 8 from disclosing transactions within the group.

2. **Turnover**

The turnover of the company for the year was derived from its principal activity wholly undertaken in the United Kingdom.

3. **Operating Profit**

Operating profit is stated after charging

|   | 2008<br>£ | 2007<br>£ |
|---|-----------|-----------|
| Directors emoluments                          | 83,963    | 75,725    |
| Depreciation of owned fixed assets            | 8,831     | 4,139     |
| Auditors' remuneration - as auditors          | 22,538    | 21,529    |
| - for other services                          | -         | 6,450     |
| Operating lease payments – land and buildings | 23,000    | 22,539    |
|   | <hr/>     | <hr/>     |

# TU FUND MANAGERS LIMITED

Notes to the financial statements for the year ended 31 March 2008(continued)

## 4. Other Interest Receivable and Similar Income

|   | 2008           | 2007          |
|---|----------------|---------------|
|   | £              | £             |
| Income from listed investments            | 21,658         | 21,945        |
| Bank interest receivable and other income | 79,297         | 55,580        |
|   | <u>100,955</u> | <u>77,525</u> |

## 5. Other Interest Payable and Similar Charges

|                                   | 2008         | 2007         |
|-----------------------------------|--------------|--------------|
|                                   | £            | £            |
| Bank interest and charges payable | 3,349        | 2,921        |
|                                   | <u>3,349</u> | <u>2,921</u> |

## 6. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to

|                                | 2008     | 2007     |
|--------------------------------|----------|----------|
| Number of management staff     | 2        | 2        |
| Number of administration staff | 2        | 2        |
|                                | <u>2</u> | <u>2</u> |

The aggregate payroll costs of the above were as follows

|                       | 2008           | 2007           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Salaries              | 224,535        | 164,517        |
| Social security costs | 29,021         | 25,193         |
| Pension costs         | 10,481         | 6,819          |
|                       | <u>264,037</u> | <u>196,529</u> |



## TU FUND MANAGERS LIMITED

Notes to the financial statements for the year ended 31 March 2008(continued)

### 7. Directors' Emoluments

Directors' emoluments in respect of qualifying services were -

|   | 2008              | 2007              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| Fees for management                           | 76,500            | 67,647            |
| Payable to third parties                      | 7,463             | 8,078             |
|   | <u>83,963</u>     | <u>75,725</u>     |
|   | <u>          </u> | <u>          </u> |
|   | 2008              | 2007              |
|   | £                 | £                 |
| Total emoluments of the highest paid director | 14,250            | 13,250            |
|   | <u>          </u> | <u>          </u> |

There were no pension contributions paid by the Company on behalf of the directors

## TU FUND MANAGERS LIMITED

### Notes to the financial statements for the year ended 31 March 2008 – (continued)

#### 8. Factors Affecting Current Tax Charge

The current tax charge for the year is lower than the standard rate of corporation tax in the UK 19%, (2007 19%) for smaller companies. The differences are explained below

|  | 2008<br>£     | 2007<br>£      |
|--|---------------|----------------|
| <b>Profit on ordinary activities before tax</b>                                  | <b>92,450</b> | <b>152,643</b> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | 17,566        | 29,002         |
| <i>Effects of</i>  |               |                |
| Expenses not deductible for tax purposes   | 3,531         | 1,615          |
| Depreciation in excess of capital allowances                                     | (5)           | (686)          |
| Adjustments in respect of prior periods  | -             | -              |
| Gain on sale of shares not taxed   | -             | -              |
| Starting rate relief   | -             | -              |
| Gift aid   | (18,488)      | (23,451)       |
| Use of losses  | -             | (3,731)        |
| Excess profits not chargeable to Corporation Tax                                 | (2,604)       | (2,749)        |
|  | -             | -              |

# TU FUND MANAGERS LIMITED

Notes to the financial statements for the year ended 31 March 2008 – (continued)

## 9. Tangible Fixed Assets

|                                | Fixtures<br>and Fittings | Office<br>Machinery | Office<br>Furniture | Total         |
|--------------------------------|--------------------------|---------------------|---------------------|---------------|
|                                | £                        | £                   | £                   | £             |
| Cost                           |                          |                     |                     |               |
| At 1 April 2007                | 12,702                   | 26,079              | 26,148              | 64,929        |
| Additions                      | 6,742                    | -                   | 1,874               | 8,616         |
| Cost at 31 March 2008          | 19,444                   | 26,079              | 28,022              | 73,545        |
| Depreciation                   |                          |                     |                     |               |
| At 1 April 2007                | 12,702                   | 13,367              | 26,148              | 52,217        |
| Provided in the year           | 112                      | 8,688               | 31                  | 8,831         |
| Depreciation at 31 March 2008  | 12,814                   | 22,055              | 26,179              | 61,048        |
| <b><u>Net book values:</u></b> |                          |                     |                     |               |
| <b>31 March 2008</b>           | <b>6,630</b>             | <b>4,024</b>        | <b>1,843</b>        | <b>12,497</b> |
| 31 March 2007                  | -                        | 12,712              | -                   | 12,712        |

## 10. Fixed Asset Investments

|                           | 2008<br>£ | 2007<br>£ |
|---------------------------|-----------|-----------|
| Available for sale assets | 653,375   | 705,640   |
| Held as maturing assets   | -         | 241,561   |
|                           | 653,375   | 947,201   |

## TU FUND MANAGERS LIMITED

Notes to the financial statements for the year ended 31 March 2008 - (continued)

### 10. Fixed Asset Investments (continued)

In accordance with FRS26 the current year values are at the relevant market price

|                                    | 2008<br>£ | 2007<br>£ |
|------------------------------------|-----------|-----------|
| Market value of listed investments | 653,375   | 947,201   |

### 11. Debtors

|                                | 2008<br>£     | 2007<br>£      |
|--------------------------------|---------------|----------------|
| Trade debtors                  | 78,144        | 178,473        |
| Other debtors                  | 4,114         | 2,496          |
| Prepayments and accrued income | 12,789        | 12,072         |
|                                | <u>95,047</u> | <u>193,041</u> |

### 12. Creditors

|                                  | 2008<br>£      | 2007<br>£        |
|----------------------------------|----------------|------------------|
| Trade creditors                  | 89,494         | 2,472,277        |
| Amount due to parent undertaking | 97,305         | 123,427          |
| Other creditors                  | 80,730         | 46,291           |
| Accruals and deferred income     | 148,466        | 183,978          |
|                                  | <u>415,995</u> | <u>2,825,973</u> |

## TU FUND MANAGERS LIMITED

Notes to the financial statements for the year ended 31 March 2008 - (continued)

### 13. Share Capital

|  | 2008<br>£      | 2007<br>£      |
|--|----------------|----------------|
| Authorised, allotted, called-up and fully paid<br>150,000 ordinary shares of £1 each | 150,000        | 150,000        |
|  | <u>150,000</u> | <u>150,000</u> |

### 14. Profit and Loss Account

|   | 2008<br>£               | 2007<br>£               |
|---|-------------------------|-------------------------|
| Balance brought forward as previously reported            | 1,579,338               | 1,274,635               |
| Adjustment to opening net assets in relation to<br>FRS 26 | -                       | 242,705                 |
| Balance brought forward restated                          | <u>1,579,338</u>        | <u>1,517,340</u>        |
| Profit /(Loss) on ordinary activities after taxation      | (4,855)                 | 29,216                  |
| Fair value movement                                       | (52,264)                | 32,782                  |
| <b>Balance carried forward</b>                            | <u><b>1,522,219</b></u> | <u><b>1,579,338</b></u> |

### 15. Reconciliation of Movements in Shareholders' Funds

|  | 2008<br>£               | 2007<br>£               |
|--|-------------------------|-------------------------|
| Profit/(Loss) on ordinary activities after taxation        | (4,855)                 | 29,216                  |
| Fair value movement  | (52,264)                | 32,782                  |
| Net addition /(deduction) to/(from) shareholders'<br>Funds | <u>(57,119)</u>         | <u>61,998</u>           |
| Opening shareholders' funds                                | 1,729,338               | 1,424,635               |
| Adjustment in relation to FRS 26                           | -                       | 242,705                 |
| Closing shareholders' funds                                | <u><b>1,672,219</b></u> | <u><b>1,729,338</b></u> |

# TU FUND MANAGERS LIMITED

Notes to the financial statements for the year ended 31 March 2008 - (continued)

## 16. Commitments Under Operating Leases

At 31 March 2008 the Company had aggregate annual commitments under non-cancellable operating leases as set out below -

|   | <b>Land and buildings</b> |                      |
|---|---------------------------|----------------------|
|   | <b>2008</b>               | <b>2007</b>          |
|   | <b>£</b>                  | <b>£</b>             |
| Operating leases which expire within 1 year | <u><b>27,025</b></u>      | <u><b>27,025</b></u> |

## 17. Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities

|   | <b>2008</b>               | <b>2007</b>             |
|---|---------------------------|-------------------------|
|   | <b>£</b>                  | <b>£</b>                |
| Operating Profit/(Loss)                             | (5,156)                   | 55,533                  |
| Depreciation  | 8,831                     | 4,139                   |
| Decrease/(increase) in debtors                      | 97,994                    | 3,101,655               |
| (Decrease)/increase in creditors                    | (2,383,856)               | (780,938)               |
| Net cash Inflow/(Outflow) from operating activities | <u><b>(2,282,187)</b></u> | <u><b>2,380,389</b></u> |

## 18. Analysis of Changes in Net Funds

|                           | <b>At 1 April<br/>2007</b> | <b>Cash flows</b>         | <b>Change in<br/>value</b> | <b>At 31<br/>March 2008</b> |
|---------------------------|----------------------------|---------------------------|----------------------------|-----------------------------|
|                           | <b>£</b>                   | <b>£</b>                  | <b>£</b>                   | <b>£</b>                    |
| Net cash.                 |                            |                           |                            |                             |
| Cash in hand and at bank  | 3,375,380                  | (2,079,372)               | -                          | 1,296,008                   |
| Current asset investments | 26,977                     | (4,308)                   | 8,618                      | 31,287                      |
| Net funds                 | <u><b>3,402,357</b></u>    | <u><b>(2,083,680)</b></u> | <u><b>8,618</b></u>        | <u><b>1,327,295</b></u>     |

## **TU FUND MANAGERS LIMITED**

**Notes to the financial statements for the year ended 31 March 2008 - (continued)**

### **19. Related Party Transactions**

None of the directors received consultancy fees (2007 Nil) for services rendered to the company outside of the normal directorial services

The Company acts as a manager for two authorised unit trusts (2007 two) The aggregate total of transactions for creations was £1,136,898 (2007 £669,387) and liquidations was £8,860,408 (2007 £10,298,126) The assets of the trusts are held independently by the trustees, HSBC Bank Plc

The amounts received in respect of gross management charges for the unit trusts were £945,602 (2007 £960,044) The amount outstanding at the year end in relation to annual management charge was £Nil (2007 £Nil)

### **20. Pension Costs**

The Company operates a defined contribution pension scheme for its employees The pension cost charge represents contributions payable by the Company to the fund of £10,481 (2007 £6,819) Contributions totalling £Nil (2007 £1,785) were due to the pension fund at the year end and are included in creditors

### **21. Ultimate Controlling Party**

The ultimate parent undertaking is the T U U T Charitable Trust a charity registered in England Copies of their consolidated accounts are available on request from T U.U T Charitable Trust, Congress House, Great Russell Street, London, WC1B 3LQ