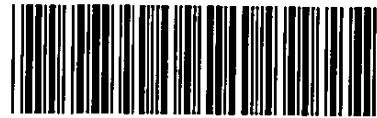


COMPANY REGISTRATION NUMBER 697641

TU FUND MANAGERS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2011

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TU FUND MANAGERS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

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TU FUND MANAGERS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

The Lord Christopher, CBE
M Cornwall-Jones, OBE
The Baroness Prosser, OBE
D Sachon
P Noon
J Hannett
J Nelson
M Lawson
L Harrison

Company secretary

M Colverd

Registered Office

Congress House
Great Russell Street
London
England
WC1B 3LQ

Auditor

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

Bankers

Lloyds TSB Plc
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Regulatory Authority

Financial Services Authority
25 The Colonnade
Canary Wharf
London
E14 5HS

TU FUND MANAGERS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year continued to be the management of two unit trusts. The group comprises TU Fund Managers Limited and its subsidiary TU Additions Limited. Both companies are authorised and regulated by the Financial Services Authority.

Notwithstanding market volatility during the financial year and regular withdrawals by unitholders, funds under management remained stable at £75.4m (2010: £75.2m) and the year end financial position of the group was satisfactory. The directors do not anticipate any changes to the group's principal activity in the foreseeable future.

The group loss before tax and gift aid payment for the financial year was £53,970 (2010: loss £31,416). The loss was greater than expected due to the compensation scheme levy of £27,000 charged unexpectedly by the Financial Services Authority. A gift aid payment of £20,000 was approved for payment to the TUUT Charitable Trust, the parent company of TU Fund Managers Limited (2010: £nil).

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.

RESULTS AND DIVIDENDS

The group loss for the year after tax amounted to £51,472. The directors have not recommended a dividend.

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.

In respect of bank balances the liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the group's operations. The group 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 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.

TU FUND MANAGERS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

DIRECTORS

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

The Lord Christopher, CBE
M Cornwall-Jones, OBE
The Baroness Prosser, OBE
D Sachon
P Noon
J Hannett
J Nelson
L Bayliss
M Lawson
L Harrison

(resigned 18 January 2011)

The members of board committees were as follows

Executive Committee The Lord Christopher CBE, M Cornwall-Jones OBE, The Baroness Prosser OBE & D Sachon, M Colverd

Investment Committee M Cornwall-Jones OBE, L Harrison & M Colverd

Risk & Compliance Committee D Sachon & M Lawson

RETIREMENT OF DIRECTORS

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

D Sachon
P Noon
M Lawson

DIRECTORS' INSURANCE

As permitted by the Companies Act 2006 the company has maintained insurance cover for the Directors against liabilities in relation to the company

POLICY ON THE PAYMENT OF CREDITORS

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 16 days (2010 72 days)

DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently,

TU FUND MANAGERS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

- 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 group will continue in business

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

In so far as the directors are aware

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

DONATIONS

During the year the company made the following contributions

| | 2011 £ | 2010 £ |
|------------|------------|-------------|
| Charitable | <u>210</u> | <u>£480</u> |

AUDITOR

Shipleys LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Congress House
Great Russell Street
London
England
WC1B 3LQ

Signed by order of the directors



M COLVERD
Company Secretary

Approved by the directors on 7 July 2011

TU FUND MANAGERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF TU FUND MANAGERS LIMITED

YEAR ENDED 31 MARCH 2011

We have audited the group and parent company financial statements ("the financial statements") of TU Fund Managers Limited for the year ended 31 March 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholder, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2011 and of the group's result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TU FUND MANAGERS LIMITED


INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF TU FUND MANAGERS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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
- 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



GUY FISHER (Senior Statutory
Auditor)
For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditor

10 Orange Street
Haymarket
London
WC2H 7DQ

7 July 2011

TU FUND MANAGERS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2011

| | Note | 2011 £ | 2010 £ |
|--|-----------|------------------|------------------|
| GROUP TURNOVER | 2 | 824,064 | 691,561 |
| Administrative expenses | | (889,739) | (752,142) |
| Other operating income | 3 | 8,842 | 14,324 |
| OPERATING (LOSS) | 4 | (56,833) | (46,257) |
| Gift aid | 7 | (20,000) | — |
| | | (76,833) | (46,257) |
| Interest receivable | | 5,793 | 16,814 |
| Interest payable and similar charges | 8 | (2,930) | (1,973) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (73,970) | (31,416) |
| Tax on loss on ordinary activities | 9 | 22,498 | 4,383 |
| LOSS FOR THE FINANCIAL YEAR | 10 | £(51,472) | £(27,033) |

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 12 to 20 form part of these financial statements.

TU FUND MANAGERS LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2011

| | 2011 £ | 2010 £ |
|--|-----------------------|------------------------|
| Loss for the financial year attributable to the shareholder of the parent company | (51,472) | (27,033) |
| Unrealised profit on revaluation of Investments brought forward | 69,993 | 220,025 |
| Total gains and losses recognised since the last annual report | <u>£18,521</u> | <u>£192,992</u> |

The notes on pages 12 to 20 form part of these financial statements.

TU FUND MANAGERS LIMITED

GROUP BALANCE SHEET

31 MARCH 2011

| | Note | 2011 £ | 2010 £ |
|---|------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 7,260 | 9,459 |
| Investments | 12 | 876,642 | 680,450 |
| | | <u>883,902</u> | <u>689,909</u> |
| CURRENT ASSETS | | | |
| Debtors | 13 | 373,371 | 88,876 |
| Cash at bank and in hand | | 915,383 | 1,114,438 |
| | | <u>1,288,754</u> | <u>1,203,314</u> |
| CREDITORS: Amounts falling due within one year | 15 | <u>(532,901)</u> | <u>(271,989)</u> |
| NET CURRENT ASSETS | | <u>755,853</u> | <u>931,325</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>£1,639,755</u> | <u>£1,621,234</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 18 | 150,000 | 150,000 |
| Revaluation reserve | 19 | 26,556 | (43,437) |
| Profit and loss account | 19 | 1,463,199 | 1,514,671 |
| SHAREHOLDER'S FUNDS | 20 | <u>£1,639,755</u> | <u>£1,621,234</u> |

These financial statements were approved by the directors and authorised for issue on 7 July 2011 and are signed on their behalf by



The Lord Christopher, CBE
Chairman

Company Registration Number 697641

The notes on pages 12 to 20 form part of these financial statements.

TU FUND MANAGERS LIMITED

BALANCE SHEET

31 MARCH 2011

| | Note | 2011 £ | £ | 2010 £ |
|---|------|------------------|-------------------|-------------------|
| FIXED ASSETS | | | | |
| Tangible assets | 11 | | 7,260 | 9,459 |
| Investments | 12 | | <u>906,510</u> | <u>713,961</u> |
| | | | <u>913,770</u> | <u>723,420</u> |
| CURRENT ASSETS | | | | |
| Debtors | 13 | 451,572 | | 155,365 |
| Cash at bank and in hand | | <u>804,079</u> | | <u>1,014,438</u> |
| | | 1,255,651 | | 1,169,803 |
| CREDITORS: Amounts falling due within one year | 15 | <u>(529,666)</u> | | <u>(271,989)</u> |
| NET CURRENT ASSETS | | | <u>725,985</u> | <u>897,814</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>£1,639,755</u> | <u>£1,621,234</u> |
| CAPITAL AND RESERVES | | | | |
| Called-up equity share capital | 18 | | 150,000 | 150,000 |
| Revaluation reserve | 19 | | 6,424 | (59,926) |
| Profit and loss account | 19 | | <u>1,483,331</u> | <u>1,531,160</u> |
| SHAREHOLDER'S FUNDS | | | <u>£1,639,755</u> | <u>£1,621,234</u> |

These financial statements were approved by the directors and authorised for issue on 7 July 2011 and are signed on their behalf by


The Lord Christopher, CBE
Chairman

Company Registration Number 697641

The notes on pages 12 to 20 form part of these financial statements.

TU FUND MANAGERS LIMITED

GROUP CASH FLOW

YEAR ENDED 31 MARCH 2011

| | 2011 £ | 2010 £ |
|--|--------------------------|-------------------------|
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | (75,720) | 2,552 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | |
| Interest received | 5,793 | 16,814 |
| Interest and charges paid | <u>(2,930)</u> | <u>(1,973)</u> |
| NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 2,863 | 14,841 |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | |
| Acquisition of investments | (126,198) | (834) |
| Payment to acquire other current asset investments | <u>-</u> | <u>8,496</u> |
| NET CASH INFLOW/(OUTFLOW) FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | (126,198) | 7,662 |
| GIFT AID PAID | - | (56,080) |
| DECREASE IN CASH | <u>£(199,055)</u> | <u>£(31,025)</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | | |
| | 2011 £ | 2010 £ |
| Operating (loss)/profit | (56,833) | (46,257) |
| Depreciation | 2,198 | 2,198 |
| (Increase)/decrease in debtors | (261,997) | (26,499) |
| Increase/(decrease) in creditors | 260,912 | 73,110 |
| Gift aid | <u>(20,000)</u> | <u>-</u> |
| Net cash inflow/(outflow) from operating activities | <u>£(75,720)</u> | <u>£2,552</u> |
| RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS | | |
| | 2011 £ | 2010 £ |
| Decrease in cash in the period | (199,055) | (31,025) |
| Movement in net funds in the period | <u>(199,055)</u> | <u>(31,025)</u> |
| Net funds at 1 April 2010 | 21 1,114,438 | 1,145,463 |
| Net funds at 31 March 2011 | 21 <u>£915,383</u> | <u>£1,114,438</u> |

The notes on pages 12 to 20 form part of these financial statements

TU FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Related parties transactions

The company is a wholly owned subsidiary of TUUT Charitable Trust. As the Trust does not produce consolidated financial statements, the company has not taken advantage of the exemption in FRS 8 from disclosing transactions with members of the group.

Turnover

The turnover shown in the profit and loss account represents net initial charges in the unit trusts plus annual management fees charged thereto.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

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

Operating lease agreements

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

Pension costs

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

TU FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

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 that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

Financial instruments

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

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

2 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

| | 2011 | 2010 |
|----------------|-----------------------|-----------------------|
| | £ | £ |
| United Kingdom | <u>824,064</u> | <u>691,561</u> |

TU FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

3. OTHER OPERATING INCOME

| | 2011 | 2010 |
|------------------------|---------------------|----------------------|
| | £ | £ |
| Other operating income | <u>8,842</u> | <u>14,324</u> |

The other operating income relates to distributions received from fixed asset investments held in unit trusts

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

| | 2011 | 2010 |
|--|---------------------|--------------|
| | £ | £ |
| Depreciation of owned fixed assets | 2,198 | 2,198 |
| Operating lease costs | 26,169 | 26,595 |
| Auditor's remuneration - audit of the financial statements | 26,440 | 25,828 |
| Auditor's remuneration - other fees | <u>2,938</u> | <u>1,600</u> |

| | 2011 | 2010 |
|--|----------------------|---------------|
| | £ | £ |
| Auditor's remuneration - audit of the financial statements | <u>26,440</u> | <u>25,828</u> |

Auditor's remuneration - other fees

| | | |
|---------------------|---------------------|----------|
| - Taxation services | 1,763 | 1,600 |
| - Other | <u>1,175</u> | <u>-</u> |

5. PARTICULARS OF EMPLOYEES

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

| | 2011 | 2010 |
|--------------------------------|-----------------|-------------|
| | No | No |
| Number of administrative staff | 2 | 2 |
| Number of management staff | 2 | 2 |
| | <u>4</u> | <u>4</u> |

The aggregate payroll costs of the above were

| | 2011 | 2010 |
|-----------------------|------------------------|-----------------|
| | £ | £ |
| Wages and salaries | 215,466 | 214,306 |
| Social security costs | 24,339 | 24,912 |
| Other pension costs | <u>10,127</u> | <u>10,346</u> |
| | <u>£249,932</u> | <u>£249,564</u> |

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 £10,127 (2010 £10,346). Contributions totalling £4,944 (2010 £1,921) were due to the pension fund at the year end and are included in creditors.

TU FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

| | 2011 £ | 2010 £ |
|-------------------------|---------------|-----------|
| Remuneration receivable | <u>39,225</u> | <u>—</u> |

7. GIFT AID

Gift aid payments relate to amounts donated to the TUUT Charitable Trust, a charity registered in England

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2011 £ | 2010 £ |
|-----------------------------------|--------------|--------------|
| Interest payable and bank charges | <u>2,914</u> | <u>1,973</u> |

9. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

| | 2011 £ | 2010 £ |
|--|-----------------|----------------|
| Deferred tax | | |
| Origination and reversal of timing differences | <u>(22,498)</u> | <u>(4,383)</u> |

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2010 - 21%)

| | 2011 £ | 2010 £ |
|---|-----------------|-----------------|
| Loss on ordinary activities before taxation | <u>(73,970)</u> | <u>(31,416)</u> |
| Loss on ordinary activities by rate of tax | <u>(15,534)</u> | <u>(6,597)</u> |
| Expenses not deductible for tax purposes | 2,751 | 2,582 |
| Capital allowances for period in excess of depreciation | (100) | (578) |
| Unrelieved tax losses | 14,565 | 7,601 |
| Exempt UK dividend income | <u>(1,682)</u> | <u>(3,008)</u> |
| Total current tax | <u>—</u> | <u>—</u> |

10. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(47,829) - (2010 - £(10,544))

TU FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

11. TANGIBLE FIXED ASSETS

| Group | Fixtures & Fittings £ | Office Equipment £ | Total £ |
|-----------------------------------|--|-----------------------------------|--------------------|
| COST OR VALUATION | | | |
| At 1 April 2010 and 31 March 2011 | <u>48,339</u> | <u>29,747</u> | <u>78,086</u> |
| DEPRECIATION | | | |
| At 1 April 2010 | 40,884 | 27,744 | 68,628 |
| Charge for the year | <u>948</u> | <u>1,250</u> | <u>2,198</u> |
| At 31 March 2010 | <u>41,832</u> | <u>28,994</u> | <u>70,826</u> |
| NET BOOK VALUE | | | |
| At 31 March 2011 | <u>6,507</u> | <u>753</u> | <u>7,260</u> |
| At 31 March 2010 | <u>7,456</u> | <u>2,003</u> | <u>9,459</u> |
| Company | Fixtures & Fittings £ | Office Equipment £ | Total £ |
| COST OR VALUATION | | | |
| At 1 April 2010 and 31 March 2011 | <u>48,339</u> | <u>29,747</u> | <u>78,086</u> |
| DEPRECIATION | | | |
| At 1 April 2010 | 40,884 | 27,744 | 68,628 |
| Charge for the year | <u>948</u> | <u>1,250</u> | <u>2,198</u> |
| At 31 March 2011 | <u>41,832</u> | <u>28,994</u> | <u>70,826</u> |
| NET BOOK VALUE | | | |
| At 31 March 2011 | <u>6,507</u> | <u>753</u> | <u>7,260</u> |
| At 31 March 2010 | <u>7,456</u> | <u>2,003</u> | <u>9,459</u> |

12 INVESTMENTS

| Group | Total £ |
|--------------------------|----------------|
| COST OR VALUATION | |
| At 1 April 2010 | 680,450 |
| Additions | 126,199 |
| Revaluations | <u>69,993</u> |
| At 31 March 2011 | <u>876,642</u> |
| NET BOOK VALUE | |
| At 31 March 2011 | <u>876,642</u> |
| At 31 March 2010 | <u>680,450</u> |

TU FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

12. INVESTMENTS *(continue)*

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

Company

| | Group companies £ | Available for sale £ | Total £ |
|--------------------------|-------------------------|----------------------------|----------------|
| COST OR VALUATION | | | |
| At 1 April 2010 | 33,511 | 680,450 | 713,961 |
| Additions | - | 126,199 | 126,199 |
| Revaluations | (3,643) | 69,993 | 66,350 |
| At 31 March 2011 | <u>29,868</u> | <u>876,642</u> | <u>906,510</u> |
| NET BOOK VALUE | | | |
| At 31 March 2011 | <u>29,868</u> | <u>876,642</u> | <u>906,510</u> |
| At 31 March 2010 | <u>33,511</u> | <u>680,450</u> | <u>713,961</u> |

13. DEBTORS

| | Group 2011 £ | 2010 £ | Company 2011 £ | 2010 £ |
|------------------------------------|--------------------|----------------|----------------------|-----------------|
| Trade debtors | 338,558 | 61,517 | 338,558 | 61,517 |
| Amounts owed by group undertakings | - | - | 83,552 | 70,872 |
| Other debtors | 1,333 | 3,281 | 1,333 | 3,281 |
| Deferred taxation (Note 14) | 26,881 | 4,383 | 21,530 | - |
| Prepayments and accrued income | 6,599 | 19,695 | 6,599 | 19,695 |
| | <u>£373,371</u> | <u>£88,876</u> | <u>£451,572</u> | <u>£155,365</u> |

The amount owed by group undertakings includes £50,000 in respect of a subordinated loan. The loan is due for payment after 4 years and bears no interest.

14. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was

| | Group 2011 £ | 2010 £ | Company 2011 £ | 2010 £ |
|----------------------------------|--------------------|---------------|----------------------|-----------|
| At 1 April 2010 | 4,383 | - | - | - |
| Provision for year | 22,498 | 4,383 | 21,530 | - |
| Carried forward at 31 March 2011 | <u>£28,881</u> | <u>£4,383</u> | <u>£21,530</u> | <u>£-</u> |

TU FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

14. DEFERRED TAXATION *(continued)*

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

| Group | 2011 | | 2010 | |
|----------------------|---------------|------------|--------------|------------|
| | Provided | Unprovided | Provided | Unprovided |
| | £ | £ | £ | £ |
| Tax losses available | <u>28,881</u> | <u>-</u> | <u>4,383</u> | <u>-</u> |

15. CREDITORS: Amounts falling due within one year

| | Group | | Company | |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | £ | £ | £ | £ |
| Trade creditors | 369,831 | 98,536 | 369,831 | 98,536 |
| Gift Aid creditor | 20,000 | - | 20,000 | - |
| Other creditors | 12,283 | 42,099 | 12,283 | 42,099 |
| Accruals and deferred income | 130,787 | 131,354 | 127,552 | 131,354 |
| | <u>£532,901</u> | <u>£271,989</u> | <u>£529,666</u> | <u>£271,989</u> |

16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as set out below

| | Land and Buildings | | Other | |
|-------------------------------|--------------------|----------------|---------------|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| | £ | £ | £ | £ |
| Group | | | | |
| Operating leases which expire | | | | |
| Within 2 to 5 years | - | 27,025 | 4,396 | - |
| Over 5 years | 27,600 | - | - | - |
| | <u>£27,600</u> | <u>£27,025</u> | <u>£4,396</u> | <u>£-</u> |

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as set out below

| | Land and Buildings | | Other | |
|-------------------------------|--------------------|----------------|---------------|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| | £ | £ | £ | £ |
| Company | | | | |
| Operating leases which expire | | | | |
| Within 2 to 5 years | - | 27,025 | 4,396 | - |
| Over 5 years | 27,600 | - | - | - |
| | <u>£27,600</u> | <u>£27,025</u> | <u>£4,396</u> | <u>£-</u> |

TU FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

17. RELATED PARTY TRANSACTIONS

Transactions with unit trusts

The company acts as a manager for two authorised unit trusts (2010 two) The aggregate total of transactions for creations was £263,144 (2010 £763,938) and liquidations was £5,792,814 (2010 £5,844,394) 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 £791,323 (2010 £664,118) The amount outstanding at the year end in relation to annual management charge was £Nil (2010 £Nil) The company paid audit fees on behalf of the parent, TUUT Charitable Trust, of £4,935 (2010 £4,830)

Transactions with group company

The company paid expenses on behalf of the parent, the TUUT Charitable Trust of £4,935 (2010 £4,830)

18. SHARE CAPITAL

Allotted, called up and fully paid:

| | 2011 | | 2010 | |
|------------------------------------|----------------|-----------------|----------------|-----------------|
| | No | £ | No | £ |
| 150,000 Ordinary shares of £1 each | <u>150,000</u> | <u>£150,000</u> | <u>150,000</u> | <u>£150,000</u> |

19. RESERVES

| Group | Revaluation reserve £ | Profit and loss account £ |
|--|-----------------------------|---------------------------------|
| Balance brought forward | (43,437) | 1,514,671 |
| Loss for the year | — | (51,472) |
| Other gains and losses | | |
| - Revaluation of available for sale assets | 69,993 | — |
| Balance carried forward | <u>£26,556</u> | <u>£1,463,199</u> |

TU FUND MANAGERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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19. RESERVES *(continued)*

| Company | Revaluation reserve £ | Profit and loss account £ |
|--|--------------------------------------|--|
| Balance brought forward | (59,926) | 1,531,160 |
| Loss for the year | — | 47,829 |
| Other gains and losses | | |
| - Revaluation of available for sale assets | 66,350 | — |
| Balance carried forward | <u>£6,424</u> | <u>£1,483,331</u> |

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

| Group | 2011 £ | 2010 £ |
|---|-------------------|-------------------|
| Loss for the financial year | (51,472) | (27,033) |
| Other net recognised gains and losses | 69,993 | 220,025 |
| Net addition/(reduction) to shareholder's funds | 18,521 | 192,992 |
| Opening shareholder's funds | 1,621,234 | 1,428,242 |
| Closing shareholder's funds | <u>£1,639,755</u> | <u>£1,621,234</u> |

21. NOTES TO THE CASH FLOW STATEMENT

ANALYSIS OF CHANGES IN NET FUNDS

| Group | At 1 Apr 2010 £ | Cash flows £ | At 31 Mar 2011 £ |
|--------------------------|--------------------------------|-------------------------|---------------------------------|
| Net cash | | | |
| Cash in hand and at bank | 1,114,438 | 199,055 | 915,383 |
| Net funds | <u>£1,114,438</u> | <u>£199,055</u> | <u>£915,383</u> |

22 ULTIMATE PARENT COMPANY

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