

COMPANY REGISTRATION NUMBER: 00697641

TU Fund Managers Limited
Financial Statements
31 March 2023



TU Fund Managers Limited

Financial Statements

Year ended 31 March 2023

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TU Fund Managers Limited

Officers and Professional Advisers

The board of directors

The Baroness Prosser, OBE
P Noon, OBE (Chairman)
C Carberry, CBE
G Nichols
J Whelan
J Hannett
L Harrison
M Lawson
W Kenny

Company secretary

M Colverd

Registered office

Congress House
Great Russell Street
London
United Kingdom
WC1B 3LQ

Auditor

Shipleys LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

TU Fund Managers Limited

Strategic Report

Year ended 31 March 2023

The directors have pleasure in presenting their strategic report and the audited financial statements of the Group for the year ended 31 March 2023.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the group during the year was the promotion of investments via our subsidiary within the group, TU Financial Management Services Ltd, which is authorised and regulated by the Financial Conduct Authority.

PERFORMANCE REVIEW

The group profit before tax and gift aid payment for the financial year was £101,252 (2022: £246,730). A gift aid payment of £500,000 was approved for payment to the TUUT Charitable Trust, the parent company of TU Fund Managers Limited (2022: £200,000).

The directors consider the key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, profitability and funds under management. The results and the change in funds under management have been reported above.

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise authorised unit trust investments, bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for and to finance the group's operations.

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

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

All other risks have either been assessed as "medium" or "low" and remain stable. It should be specifically noted that the Firm's operational resilience has not been materially impacted by the current Ukraine Crisis. All the Firm's risks continue to be closely monitored by the Board.

A further issue which emerged during the financial year related to proposals from IFSL, made in the light of tightening regulatory requirements, to reduce the Annual Management Charge for retail investors which would have a significant impact on TUFM income. Discussions with IFSL were continuing at the end of the year. An agreement was reached in respect of this in May and endorsed by the Board on 9 June 2023.

INTEREST RATE RISK

The Group does not have any significant exposure to interest rate risk.

TU Fund Managers Limited

Strategic Report

Year ended 31 March 2023

CREDIT RISK

The Group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The Group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

LIQUIDITY RISK

Liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the company's operations. The Group makes use of money market facilities where funds are available.

CURRENCY RISK

Due to the nature of the financial instruments used by the Group there is no exposure to price or currency risk.

The Group's Risk & Compliance Committee consider the wider business risk facing the group as well as the financial risks arising in the normal course of business and sets policies for managing each of these risks to minimise potential adverse effects on the group's performance.

DIRECTORS DUTIES, GOVERNANCE REPORT

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

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

OUR PEOPLE

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

BUSINESS RELATIONSHIPS

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

COMMUNITY, ENVIRONMENT AND ENGAGEMENT WITH OUR SHAREHOLDER

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

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

FUTURE DEVELOPMENTS

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

TU Fund Managers Limited

Strategic Report *(continued)*

Year ended 31 March 2023

This report was approved by the board of directors on 12 July 2023 and signed on behalf of the board by:

Paul Noon

P Noon, OBE
Director

M Colverd

M Colverd
Company Secretary

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

TU Fund Managers Limited

Directors' Report

Year ended 31 March 2023

The directors present their report and the financial statements of the group for the year ended 31 March 2023.

Directors

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

The Baroness Prosser, OBE

P Noon, OBE (Chairman)

C Carberry, CBE

G Nichols

J Whelan

J Hannett

L Harrison

M Lawson

W Kenny

D Sachon - Chairman (Resigned 10 June 2022)

D Kiddie (Resigned 1 February 2023)

Dividends

The directors do not recommend the payment of a dividend.

Events after the end of the reporting period

There have been no significant events affecting the Group or Company since the year end.

Going concern

The directors have reviewed the forecasts for the Group and Company and have a reasonable expectation that the Group and Company has adequate resources to continue as a going concern for the foreseeable future, being at least twelve months from the date these financial statements have been approved. The Group and company therefore continue to adopt the going concern basis in preparing its financial statements.

Disclosure of information in the strategic report

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

Greenhouse gas emissions and energy consumption

The Company and Group is exempt from the requirements on disclosing its annual quantity of emissions and energy consumption for which it is responsible.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

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

TU Fund Managers Limited

Directors' Report *(continued)*

Year ended 31 March 2023

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

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

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

Auditor

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

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

This report was approved by the board of directors on 12 July 2023 and signed on behalf of the board by:

Paul Noon

P Noon, OBE
Director

M Colverd

M Colverd
Company Secretary

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

TU Fund Managers Limited

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

Year ended 31 March 2023

Opinion

We have audited the financial statements of TU Fund Managers Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

TU Fund Managers Limited

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

(continued)

Year ended 31 March 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- 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.

TU Fund Managers Limited

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

(continued)

Year ended 31 March 2023

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

TU Fund Managers Limited

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

(continued)

Year ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006) and the relevant tax and other compliance regulations in the jurisdictions in which the Company operates.
- We understood how the Company is complying with those frameworks by making enquiries on management, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, papers provided to the finance department, discussion with the finance department and management and any correspondence received from regulatory and legal bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by enquiring with management and the finance department, during the planning and execution phase of our audit. We considered the programs and controls that the group and the company have established to address risks identified, or that otherwise prevent, deter and detect fraud and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk including revenue recognition as discussed above. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of the finance team and management; and focused testing.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

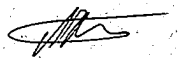
Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

TU Fund Managers Limited

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

Year ended 31 March 2023



Robert Wood (Senior Statutory Auditor)

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

12 July 2023

TU Fund Managers Limited
Consolidated Statement of Comprehensive Income
Year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	5	463,791	502,367
Gross profit		<u>463,791</u>	<u>502,367</u>
Administrative expenses		(868,201)	(554,153)
Operating loss	6	(404,410)	(51,786)
Income from other fixed asset investments		2,612	5,056
Other interest receivable and similar income	10	546	–
Loss before taxation		(401,252)	(46,730)
Tax on loss	11	–	–
Loss for the financial year		<u>(401,252)</u>	<u>(46,730)</u>
Fair value movements on investments		(11,876)	44,000
Total comprehensive income for the year		<u>(413,128)</u>	<u>(2,730)</u>

All the activities of the group are from continuing operations.

The notes on pages 18 to 27 form part of these financial statements.

TU Fund Managers Limited
Consolidated Statement of Financial Position
31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	7,404	–
Investments	13	1,104,576	1,577,411
		<u>1,111,980</u>	<u>1,577,411</u>
Current assets			
Debtors	14	62,920	70,140
Cash at bank and in hand		415,210	338,139
		<u>478,130</u>	<u>408,279</u>
Creditors: amounts falling due within one year	15	(101,230)	(83,682)
Net current assets		<u>376,900</u>	<u>324,597</u>
Total assets less current liabilities		<u>1,488,880</u>	<u>1,902,008</u>
Net assets		<u>1,488,880</u>	<u>1,902,008</u>
Capital and reserves			
Called up share capital	18	150,000	150,000
Profit and loss account	19	1,338,880	1,752,008
Shareholders funds		<u>1,488,880</u>	<u>1,902,008</u>

These financial statements were approved by the board of directors and authorised for issue on 12 July 2023, and are signed on behalf of the board by:

Paul Noon

P Noon, OBE (Chairman)
 Director

Company registration number: 00697641

The notes on pages 18 to 27 form part of these financial statements.

TU Fund Managers Limited
Company Statement of Financial Position
31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	13	2,027,257	2,377,639
Current assets			
Debtors	14	50,000	50,000
Cash at bank and in hand		207,914	157,000
		<u>257,914</u>	<u>207,000</u>
Creditors: amounts falling due within one year	15	(796,292)	(682,632)
Net current liabilities		<u>(538,378)</u>	<u>(475,632)</u>
Total assets less current liabilities		<u>1,488,879</u>	<u>1,902,007</u>
Net assets		<u>1,488,879</u>	<u>1,902,007</u>
Capital and reserves			
Called up share capital	18	150,000	150,000
Profit and loss account	19	1,338,879	1,752,007
Shareholders funds		<u>1,488,879</u>	<u>1,902,007</u>

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account. The loss for the financial year of the parent company was £523,705 (2022: £231,389).

These financial statements were approved by the board of directors and authorised for issue on 12 July 2023, and are signed on behalf of the board by:

Paul Noon

P Noon, OBE (Chairman)
 Director

Company registration number: 00697641

The notes on pages 18 to 27 form part of these financial statements.

TU Fund Managers Limited
Consolidated Statement of Changes in Equity
Year ended 31 March 2023

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2021	150,000	1,754,738	1,904,738
Loss for the year		(46,730)	(46,730)
Other comprehensive income for the year:			
Fair value movements on investments	—	44,000	44,000
Total comprehensive income for the year	—	(2,730)	(2,730)
At 31 March 2022	150,000	1,752,008	1,902,008
Loss for the year		(401,252)	(401,252)
Other comprehensive income for the year:			
Fair value movements on investments	—	(11,876)	(11,876)
Total comprehensive income for the year	—	(413,128)	(413,128)
At 31 March 2023	<u>150,000</u>	<u>1,338,880</u>	<u>1,488,880</u>

The notes on pages 18 to 27 form part of these financial statements.

TU Fund Managers Limited
Company Statement of Changes in Equity
Year ended 31 March 2023

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2021	150,000	1,754,737	1,904,737
Loss for the year		(231,389)	(231,389)
Other comprehensive income for the year:			
Fair value movements on investments	—	228,659	228,659
Total comprehensive income for the year	—	(2,730)	(2,730)
At 31 March 2022	150,000	1,752,007	1,902,007
Loss for the year		(523,705)	(523,705)
Other comprehensive income for the year:			
Fair value movements on investments	—	110,577	110,577
Total comprehensive income for the year	—	(413,128)	(413,128)
At 31 March 2023	<u>150,000</u>	<u>1,338,879</u>	<u>1,488,879</u>

The notes on pages 18 to 27 form part of these financial statements.

TU Fund Managers Limited
Consolidated Statement of Cash Flows
Year ended 31 March 2023

	2023	2022
	£	£
Cash flows from operating activities		
Loss for the financial year	(401,252)	(46,730)
<i>Adjustments for:</i>		
Depreciation of tangible assets	475	–
Other interest receivable and similar income	(546)	–
Accrued (income)/expenses	(1,376)	16,332
<i>Changes in:</i>		
Trade and other debtors	7,220	(817)
Trade and other creditors	18,924	(5,921)
Cash generated from operations	(376,555)	(37,136)
Interest received	546	–
Net cash used in operating activities	<u>(376,009)</u>	<u>(37,136)</u>
Cash flows from investing activities		
Purchase of tangible assets	(7,879)	–
Purchases of other investments	–	(1,707)
Proceeds from sale of other investments	460,959	49,441
Net cash from investing activities	<u>453,080</u>	<u>47,734</u>
Net increase in cash and cash equivalents	77,071	10,598
Cash and cash equivalents at beginning of year	338,139	327,541
Cash and cash equivalents at end of year	<u>415,210</u>	<u>338,139</u>

The notes on pages 18 to 27 form part of these financial statements.

TU Fund Managers Limited

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

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

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

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

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

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

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

Going concern

The directors have considered forecast financial performance, recoverability of assets and financial viability for a period extending at least 12 months from the date of approval of these financial statements. Based on this review, the directors have a reasonable expectation that the Group and Company has adequate resources to continue as a going concern for the foreseeable future, being at least twelve months from the date these financial statements have been approved. The Group and company therefore continue to adopt the going concern basis in preparing its financial statements.

Disclosure exemptions

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

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

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Consolidation

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

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

Judgements and key sources of estimation uncertainty

The preparation of financial statements under FRS 102 requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Management recharges

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

Revenue recognition

The turnover shown in the profit and loss account represents fund sponsorship fees, and commissions received for investment advice.

Turnover also represents amounts received and income earned which have yet to be received. Turnover is stated net of VAT and trade discounts.

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

Income tax

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

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Income tax *(continued)*

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

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

Operating leases

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

Tangible assets

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

Depreciation

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

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

Investments

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

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

Impairment of fixed assets

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

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments

Financial assets

Financial assets are recognised when the entity becomes a party to the contractual provisions of the financial instrument. The Company does not hold any third party financial assets.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment.

Trade payables

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

Defined contribution plans

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

4. Gift aid

Gift aid payments relate to amounts donated to the TUTU Charitable Trust, a charity registered in England. The directors have agreed to pay £500,000 (2022: £200,000) for gift aid payments in the year.

5. Turnover

Turnover arises from:

	2023	2022
	£	£
Sponsorship fees and commissions	<u>463,791</u>	<u>502,367</u>

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

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

6. Operating profit

Operating profit or loss is stated after charging:

	2023	2022
	£	£
Depreciation of tangible assets	475	–

7. Auditor's remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	4,335	4,335
Fees payable to the company's auditor and its associates for other services:		
Audit of the financial statements of associates	6,885	6,885
Taxation compliance services	1,530	1,530
Other non-audit services	6,494	6,494
	14,909	14,909

8. Staff costs

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

	2023	2022
	No.	No.
Management staff	1	1

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

	2023	2022
	£	£
Wages and salaries	176,078	170,150
Social security costs	15,081	13,886
Other pension costs	20,165	18,630
	211,324	202,666

9. Directors' and key management personnel remuneration

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

	2023	2022
	£	£
Remuneration	63,271	63,000
Company contributions to defined contribution pension plans	20,165	18,630
Sums paid to third parties in respect of directors' services	110,479	107,150
	193,915	188,780

Included in the amount above are directors fees totalling £63,271 for the year.

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Other interest receivable and similar income

	2023	2022
	£	£
Other interest receivable and similar income	546	–

11. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023	2022
	£	£
Loss on ordinary activities before taxation	(401,252)	(46,730)
Loss on ordinary activities by rate of tax	(76,238)	(8,878)
Effect of expenses not deductible for tax purposes	112	816
Effect of capital allowances and depreciation	(1,891)	–
Effect of revenue exempt from tax	(496)	(960)
Unutilised tax losses	5,873	9,022
Unutilised losses due to gift aid	72,640	–
Tax on loss	–	–

12. Tangible assets

Group	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 April 2022	28,895	33,594	62,489
Additions	–	7,879	7,879
At 31 March 2023	28,895	41,473	70,368
Depreciation			
At 1 April 2022	28,895	33,594	62,489
Charge for the year	–	475	475
At 31 March 2023	28,895	34,069	62,964
Carrying amount			
At 31 March 2023	–	7,404	7,404
At 31 March 2022	–	–	–

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

12. Tangible assets *(continued)*

Company	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 April 2022 and 31 March 2023	<u>28,895</u>	<u>33,594</u>	<u>62,489</u>
Depreciation			
At 1 April 2022 and 31 March 2023	<u>28,895</u>	<u>33,594</u>	<u>62,489</u>
Carrying amount			
At 31 March 2023	<u>—</u>	<u>—</u>	<u>—</u>
At 31 March 2022	<u>—</u>	<u>—</u>	<u>—</u>

13. Investments

Group	Other Investments £
Cost	
At 1 April 2022	1,577,411
Disposals	(460,959)
Revaluations	(11,876)
At 31 March 2023	<u>1,104,576</u>
Impairment	
At 1 April 2022 and 31 March 2023	<u>—</u>
Carrying amount	
At 31 March 2023	<u>1,104,576</u>
At 31 March 2022	<u>1,577,411</u>
Company	
	Other Shares in investments group other than undertakings loans £ £ Total £
Cost	
At 1 April 2022	800,228 1,577,411 2,377,639
Disposals	— (460,959) (460,959)
Revaluations	122,453 (11,876) 110,577
At 31 March 2023	<u>922,681</u> <u>1,104,576</u> <u>2,027,257</u>
Impairment	
At 1 April 2022 and 31 March 2023	— — —

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

13. Investments *(continued)*

Company	Shares in group undertakings £	Other investments other than loans £	Total £
Carrying amount			
At 31 March 2023	<u>922,681</u>	<u>1,104,576</u>	<u>2,027,257</u>
At 31 March 2022	<u>800,228</u>	<u>1,577,411</u>	<u>2,377,639</u>

Subsidiaries, associates and other investments

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

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

The registered office and principal place of business of TU Financial Management Services Limited is Congress House, Great Russell Street, London, England, WC1B 3LQ. The principle activity of the subsidiary was the provision of investment advice.

14. Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts owed by group undertakings	–	–	50,000	50,000
Prepayments and accrued income	1,780	9,304	–	–
Other debtors	61,140	60,836	–	–
	<u>62,920</u>	<u>70,140</u>	<u>50,000</u>	<u>50,000</u>

The amount owed by group undertakings includes £50,000 (2022: £50,000) in respect of a subordinated loan. The loan is due for payment within 1 year and bears no interest.

15. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	19,866	2,629	15,234	904
Amounts owed to group undertakings	–	–	713,897	614,879
Accruals and deferred income	66,396	67,772	52,193	53,568
Social security and other taxes	11,841	12,339	11,841	12,339
Other creditors	3,127	942	3,127	942
	<u>101,230</u>	<u>83,682</u>	<u>796,292</u>	<u>682,632</u>

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Creditors: amounts falling due within one year *(continued)*

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

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £20,165 (2022: £18,630).

As at the reporting date £587 (2022: £564) was due to the pension fund and is included within creditors.

17. Financial instruments

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

Financial assets measured at fair value through profit or loss

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Financial assets measured at fair value through profit or loss	<u>1,104,576</u>	<u>1,577,411</u>	<u>1,104,576</u>	<u>1,577,411</u>

Financial assets that are debt instruments measured at amortised cost

	Group	
	2023	2022
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>478,129</u>	<u>251,279</u>

Financial liabilities measured at amortised cost

	Group	
	2023	2022
	£	£
Financial liabilities measured at amortised cost	<u>89,370</u>	<u>65,929</u>

18. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

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

TU Fund Managers Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Reserves

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

Profit and loss account - This reserve records retained earnings and accumulated losses. At company level it includes fair value gains/(losses) on fixed asset investments and subsidiaries totalling (£11,876) (2022: £44,000) and £122,453 (2022: £184,659) respectively. Of the fair value movements, those attributable to the subsidiary are not distributable, these amounts total £872,681 (2022: £750,228) respectively at the reporting date.

20. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	<u>338,139</u>	<u>77,071</u>	<u>415,210</u>

21. Operating leases

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	24,300	20,145	–	–
Later than 1 year and not later than 5 years	<u>91,275</u>	<u>810</u>	<u>–</u>	<u>–</u>
	<u>115,575</u>	<u>20,955</u>	<u>–</u>	<u>–</u>

22. Other financial commitments

The Group and company had no other commitments or contracts for capital expenditure in place as at the reporting date (2022: £nil).

23. Related party transactions

During the year, Terra Firma Consulting Limited, a company controlled by a director, M Lawson, charged the group £27,300 in respect of professional compliance fees'. At the year end £13,650 was due to Terra Firma Consulting Limited'

Company

No transactions were undertaken with related parties as such that are required to be disclosed under Financial Reporting Standard 102: Section 33. The Company is taking advantage of the exemption in FRS 102, not to disclose transactions within the Group.

24. Controlling party

The ultimate parent company is TUUT Charitable Trust, a charity registered with the Charities Commission in England with registered office address of 2nd Floor, Congress House, London, WC1B 3LQ.