

TIDDINGTON FINANCE LIMITED

ANNUAL REPORT

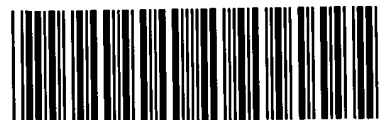
FOR THE YEAR ENDED 31 DECEMBER 2016

Registered Number: 01630296

Registered Office:

Tiddington Road
Stratford-upon-Avon
Warwickshire
CV37 7BJ

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TIDDINGTON FINANCE LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016

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TIDDINGTON FINANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and audited financial statements of Tiddington Finance Limited ("the Company") for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the arrangement of loans.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account for the year is set out on page 8. Given the straightforward nature of the Company, the directors are of the opinion that the key performance indicator for the business is net interest income. Net interest receivable for the year was £14,864 (2015: £31,851).

During the year, NFU Mutual Finance Limited repaid the remainder of the loan in full. A total of £35.0m (2015: £34.5m) has now been repaid. This has resulted in a decrease in gross interest income on the prior year. The impact of the fall in gross income in the year has been more than offset by a decrease in loan interest payable, from £2,411 in 2015 to £nil in 2016, to the ultimate parent company, The National Farmers Union Mutual Insurance Society Limited.

The profit before taxation was recorded at £11,174 (2015: £28,251). The Company is now closed to new business, and its activities are not expected to change within 12 months of the date the financial statements are approved.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2015: nil). The total profit for the financial year of £8,818 will be transferred to reserves (2015: £22,338).

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and financial liabilities. In particular, the key risks relate to cash flow risk, interest rate risk and credit risk.

Cash flow Risk

The risk is that current assets are insufficient to meet obligations to third party creditors. This position is managed by ensuring that sufficient money can be called off short term deposit to cover the projected cash flows when they fall due.

Interest Rate Risk

There is a risk that interest rates may fall resulting in reduced income on fixed term cash deposits. The term of deposits made is regularly reviewed to minimise the impact this may have.

Credit Risk

There is a risk that a counterparty will be unable to pay amounts in full when due. The key area where the Company is exposed is related to loans to Group Undertakings. There is a risk that interest or principal will not be returned on the firm's cash deposits placed with financial institutions. This is considered a low risk owing to the capital and client money regimes to which the institutions selected are subject.

TIDDINGTON FINANCE LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

GOING CONCERN

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The directors during the year and up to the date of signing the financial statements were as follows:

K Arif, B.Soc.Sc. (Hons), F.I.A

R W Torrance, B.A. CA

Retired 31 March 2017

R Morley

Appointed 31 March 2017

The Company Secretary during the year and up to the date of signing the financial statements was:

J D Creechan

The parent company has put in place deeds of indemnity for the benefit of the Directors and Company Secretary of the parent company and of its associated companies. The deeds of indemnity are qualifying third party indemnity provisions in accordance with the Companies Act 2006. The qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

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

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) the director has taken all the steps that they ought to have taken as a director in order to make them-self aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board



K Arif
Director

27 April 2017

TIDDINGTON FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the

UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 of the profit or loss of the group and the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



K Arif
Director

27 April 2017

TIDDINGTON FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIDDINGTON FINANCE LIMITED

Report on the financial statements

Our opinion

In our opinion, Tiddington Finance Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

TIDDINGTON FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIDDINGTON FINANCE LIMITED (Continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

TIDDINGTON FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIDDINGTON FINANCE LIMITED (Continued)

What an audit of financial statements involves

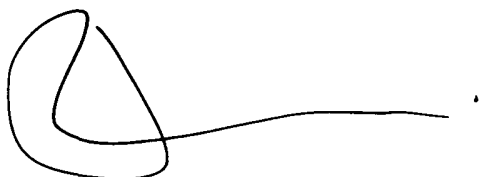
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Joanne Leeson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
27 April 2017

TIDDINGTON FINANCE LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> £	<u>2015</u> £
Administrative Expenses		<u>(3,690)</u>	<u>(3,600)</u>
Interest Receivable and similar income	3	14,864	34,262
Interest Payable and similar expenses	5	<u>-</u>	<u>(2,411)</u>
Net Interest Receivable		14,864	31,851
 PROFIT BEFORE TAXATION	6	<u>11,174</u>	<u>28,251</u>
Tax on profit	7	<u>(2,356)</u>	<u>(5,913)</u>
 PROFIT FOR FINANCIAL YEAR		<u>8,818</u>	<u>22,338</u>

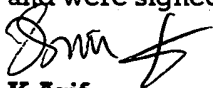
The Company has no recognised gains and losses other than in the profit above, and therefore no separate Statement of Other Comprehensive Income has been presented.

TIDDINGTON FINANCE LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> £	<u>2015</u> £
<u>ASSETS</u>			
Debtors	8	3,884	4,930
Amounts owed by group undertakings		4,500,000	4,000,000
Loans to group undertakings	9	-	500,000
Prepayments and Accrued Income	11	573	1,958
Cash at bank and in hand		99,442	159,308
Total Assets		<u>4,603,899</u>	<u>4,666,196</u>
<u>LIABILITIES</u>			
Trade creditors		(2,388)	(2,388)
Amounts owed to group undertakings	12	(7,286)	(75,169)
Other creditors including taxation and social security	13	<u>(1,310)</u>	<u>(4,542)</u>
Total Liabilities		(10,984)	(82,099)
<u>NET ASSETS</u>		<u>4,592,915</u>	<u>4,584,097</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	14	100	100
Profit and loss account		<u>4,592,815</u>	<u>4,583,997</u>
TOTAL SHAREHOLDERS' FUNDS		<u>4,592,915</u>	<u>4,584,097</u>

The notes on pages 11-16 are an integral part of the financial statements

The financial statements on pages 8-16 were approved by the board of directors on 27 April 2017 and were signed on its behalf by:



K Arif

DIRECTOR

27 April 2017

Company Number: 01630296

TIDDINGTON FINANCE LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Called up</u> <u>Share Capital</u>	<u>Retained</u> <u>Earnings</u>	<u>Total</u> <u>Shareholders'</u> <u>Funds 2016</u>	<u>Total</u> <u>Shareholders'</u> <u>Funds 2015</u>
	£	£	£	£
Balance at 1 January	100	4,583,997	4,584,097	4,561,759
<i>Profit for the financial year</i>	-	8,818	8,818	22,338
<i>Other comprehensive income</i>	-	-	-	-
<i>Dividends</i>	-	-	-	-
Balance at 31 December	-	4,592,815	4,592,915	4,584,097

Retained earnings represent accumulated comprehensive income for the year and prior periods.

TIDDINGTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 ACCOUNTING POLICIES

Tiddington Finance limited is a private limited company in the United Kingdom. The registered address is: Tiddington Road, Stratford-upon-Avon, CV37 7BJ.

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in compliance with the Companies Act 2006 and applicable accounting standards and accounting policies in the United Kingdom, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102)'. Accounting policies have been applied consistently to all years presented unless otherwise stated.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

a) **New Accounting Standards**

No new accounting standards were adopted during the year.

b) **Interest Receivable**

Interest income represents income from loan interest, which is recognised on an accruals basis.

c) **Interest Payable**

Interest payable on the loan from the Ultimate Parent Company is calculated on a monthly basis at a rate equivalent to 1% above the London Interbank Offered Rate (LIBOR).

d) **Deferred taxation**

Deferred taxation is calculated on the liability method and consists of the estimated taxation, or relief from taxation, which is expected to arise in the foreseeable future from material timing differences. Deferred tax assets are recognised to the extent that it is more likely than not that the timing difference will crystallise. Deferred tax is not discounted and is calculated at the rates at which it is expected that the tax will arise. Movements in this taxation provision are charged to the Profit and Loss Account.

e) **Cash at bank and in hand**

Cash and cash equivalents includes cash in hand, deposits held at call with banks.

f) **Other Investments**

Other investments represent deposits with qualifying financial institutions subject to time restrictions or penalties for early withdrawal.

g) **Loans and advances to related parties**

Loans and advances include loans and advances to NFU Mutual Finance Limited (a joint venture company of the ultimate parent company). Loans and advances are initially recognised when cash is advanced to the borrower at fair value and is subsequently reviewed for impairment.

TIDDINGTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 ACCOUNTING POLICIES (Continued)

h) **Amounts owed to group undertakings**

Amounts owed to group undertakings are recognised at the fair value of consideration received.

i) **Current Tax**

The current tax is the amount recognised as payable relating to activities in the current year based on a tax rate of 20.0% (2015: 20.25%).

2 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, The National Farmers Union Mutual Insurance Society Limited, includes the company's cash flows in its own consolidated financial statements. The National Farmers Union Mutual Insurance Society's consolidated financial statements are publicly available.

The Company is also exempt under the terms of Financial Reporting Standard 102 section 1.12(e) from disclosing related party transactions with wholly owned subsidiaries that are part of The National Farmers Union Mutual Insurance Society ("NFUMIS") Group.

The Company has entered into transactions with NFU Mutual Finance Limited ("Mutual Finance") in the year. Mutual Finance is a joint venture between NFUMIS and Bank of Scotland plc, with 50% of the share capital being held by NFUMIS. Therefore, the Company is unable to claim the exemption from disclosing transactions with Mutual Finance.

The principal activity of NFU Mutual Finance Limited is the provision of finance to commercial customers in the agricultural sector by means of loan facilities and instalment credit.

	<u>2016</u>	<u>2015</u>
	£	£
<u>Transactions during the year</u>		
Interest receivable from NFU Mutual Finance Limited	2,471	16,573
Loan repayments	500,000	1,000,000
<u>Amounts outstanding</u>		
Loan to NFU Mutual Finance Limited	-	500,000

TIDDINGTON FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2016**

3	<u>INTEREST RECEIVABLE AND SIMILAR INCOME</u>	<u>2016</u>	<u>2015</u>
		£	£
	Bank Deposit Interest	12,393	18,943
	Loan Interest	<u>2,471</u>	<u>15,319</u>
		<u><u>14,864</u></u>	<u><u>34,262</u></u>

Loan interest represents interest receivable from NFU Mutual Finance Limited on the loan made to them. The amount outstanding at 31 December 2016 was nil (2015: £500,000). Interest is receivable on the loan at normal commercial rates.

4 DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

Services rendered by Directors employed within the Group, in respect of the company, are considered incidental to their role within the Group as a whole. Emoluments are therefore considered to be nil (2015: nil) in respect of these services. There were no employees during 2016 (2015: nil).

5	<u>INTEREST PAYABLE AND SIMILAR EXPENSES</u>	<u>2016</u>	<u>2015</u>
		£	£
	Loan interest payable to National Farmers Union Mutual Insurance Society Limited	<u>-</u>	<u>2,411</u>

6 PROFIT BEFORE TAXATION

	<u>2016</u>	<u>2015</u>
	£	£
The profit before taxation is stated after charging:		
Auditors' remuneration net of VAT	<u>3,075</u>	<u>3,000</u>
	<u><u>3,075</u></u>	<u><u>3,000</u></u>

TIDDINGTON FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2016**

7	<u>TAX ON PROFIT</u>	<u>2016</u>	<u>2015</u>
		£	£
	The taxation charge on profit for the financial year:		
	UK Corporation tax on the profit for the year at 20.0% (2015: 20.25%)	2,351	5,910
	Adjustments in respect of prior years	5	3
	Total taxation on profit	<u>2,356</u>	<u>5,913</u>
	The tax assessed for the year is higher (2015: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20.0% (2015: 20.25%).		
	<i>The differences are explained below:</i>	<u>2016</u>	<u>2015</u>
		£	£
	Profit before taxation	<u>11,174</u>	<u>28,251</u>
	Profit multiplied by standard rate of Corporation tax in UK 20.0% (2015: 20.25%)	2,235	5,719
	Re-measurement of Deferred Tax – Change in UK Tax Rate	117	218
	Marginal Relief	-	(27)
	Adjustments in respect of prior years	5	3
	(Under)/Over provision of current tax	(1)	-
	Total tax charge for the year	<u>2,356</u>	<u>5,913</u>
8	<u>DEBTORS</u>	<u>2016</u>	<u>2015</u>
		£	£
	Deferred tax asset (note 10)	<u>3,884</u>	<u>4,930</u>
		<u>3,884</u>	<u>4,930</u>

TIDDINGTON FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 DECEMBER 2016****9 LOANS TO GROUP UNDERTAKINGS**

	<u>2016</u>	<u>2015</u>
	£	£
Due from NFU Mutual Finance Limited (note 2)	-	500,000
	<u>-</u>	<u>500,000</u>

Loan due from NFU Mutual Finance Limited is unsecured and repayable in accordance with the terms set out in the funding contracts.

Interest is charged on the borrowings on a monthly basis at a rate equivalent to 1% above the LIBOR.

10 DEFERRED TAX ASSET

	<u>2016</u>	<u>2015</u>
	£	£
Balance brought forward	4,930	6,296
Charged to profit and loss account in respect of current year	(1,046)	(1,366)
	<u>-</u>	<u>-</u>
Balance carried forward	<u>3,884</u>	<u>4,930</u>
This balance relates to:		
Accelerated capital allowances	<u>3,884</u>	<u>4,930</u>

Deferred tax is calculated at the known future rate of corporation tax of 18.35% (2015: 20%)

11 PREPAYMENTS AND ACCRUED INCOME

	<u>2016</u>	<u>2015</u>
	£	£
Deposit Interest	573	1,958
	<u>573</u>	<u>1,958</u>

12 AMOUNTS OWED TO GROUP UNDERTAKINGS

	<u>2016</u>	<u>2015</u>
	£	£
The loan due to the ultimate parent company	-	71,569
Amounts due to Group undertakings	7,286	3,600
	<u>7,286</u>	<u>75,169</u>

During the year, the remainder of the loan was repaid in full to the parent company.

TIDDINGTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 **OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY**

	<u>2016</u>	<u>2015</u>
	£	£
Corporation tax	<u>1,310</u>	<u>4,542</u>
	<u>1,310</u>	<u>4,542</u>

14 **CALLED UP SHARE CAPITAL**

	<u>2016</u>	<u>2015</u>
	£	£
<u>Authorised:</u>		
100 (2015: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
<u>Allotted and fully paid:</u>		
100 (2015: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>

15 **ULTIMATE PARENT UNDERTAKING**

The immediate parent company is N.F.U. Mutual Management Company Limited, which is incorporated in England and Wales.

The Company's ultimate parent undertaking and controlling party is The National Farmers Union Mutual Insurance Society Limited, which is incorporated in England and Wales.

The National Farmers Union Mutual Insurance Society Limited is the only parent undertaking to consolidate these financial statements at 31 December 2016. The consolidated financial statements of The National Farmers Union Mutual Insurance Society Limited are available from the Secretary at the following address:

Tiddington Road,
Stratford-upon-Avon.
CV37 7BJ