

TIDDINGTON INVESTMENTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2011

Registered Number: 1641937

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



TIDDINGTON INVESTMENTS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2011

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TIDDINGTON INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2011

The directors present their annual report and audited financial statements of Tiddington Investments Limited ("the Company") for the year ended 31st December 2011

PRINCIPAL ACTIVITIES

The principal activities of the Company are the holding of investments in fixed interest stock exchange securities and the receipt of interest thereon

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account for the year is set out on page 6. Given the straight forward nature of the Company, the directors are of the opinion that the key performance indicator for the Company is profit before tax. Profit before tax for the year was £260,980 (2010 £358,317)

The decrease in profit before tax in comparison to 2010 was driven by a loss of £93,320 recognised upon maturity of one of the index-linked gilts during the year. This loss resulted from the difference between the carrying value at the disposal date and the proceeds upon maturity.

The directors do not envisage a change in trading activities in the future.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2010 £nil)

The retained profit for the financial year of £167,090 (2010 £257,988) will be transferred to reserves.

In previous years, the Memorandum of Association required that any surplus arising on the realisation of assets to be treated as a capital surplus. This restriction has since been removed in the Articles, and for 2011 onwards the surplus arising on the realisation of assets is transferred to the Profit & Loss Reserve, rather than to the Capital Reserve. Further to this, the Capital Reserve has been closed, with the 2010 balance brought forward on the Capital reserve (£6,386,178) transferred to the Profit & Loss Reserve.

As a result, in 2011 £1,093,175 (2010 £nil) has been transferred from the Revaluation Reserve to the Profit & Loss Reserve and a loss of £93,320 has been recorded in the Profit and Loss Reserve, all relating to the net gain on the maturity of the indexed-linked gilt during the year.

FINANCIAL RISK MANAGEMENT

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

Market Risk

The Company's main assets are the fixed interest stocks held. There is a risk that the value of the investment can go down. The Company has sufficient reserves to ensure that a fall in value will not create a liquidity risk.

Interest Rate Risk

There is a risk that interest rates may go down. The term of deposits made is regularly reviewed to minimise the impact this may have.

Credit Risk

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 Company is subject.

TIDDINGTON INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2011

GOING CONCERN

After making enquiries, 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.

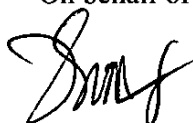
DIRECTORS

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

R Torrance BA, ACA
K Arif, BsocSc (Hons) FIA
P A Glover, BsocSc (Hons)

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.

On behalf of the Board



K Arif
Director

7/9/2012

TIDDINGTON INVESTMENTS LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

FOR THE YEAR ENDED 31ST DECEMBER 2011

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 prepared 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping 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.

Information Given To Auditors

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

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

(b) the director has taken all the steps that 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

7/9/2012

TIDDINGTON INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIDDINGTON INVESTMENTS LIMITED

We have audited the financial statements of Tiddington Investments Limited for the year ended 31st December 2011, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profit and Losses, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

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). 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.

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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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.

Opinion on other matter 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.

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, 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, 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.



Craig Gentle (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

07/09 2012

TIDDINGTON INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2011

	<u>Note</u>	<u>2011</u> £	<u>2010</u> £
<u>Continuing Operations</u>			
Interest Income		362,300	365,067
Loss recognised on maturity of investments		(93,320)	-
Administrative expenses		<u>(8,000)</u>	<u>(6,750)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	260,980	358,317
Tax on profit on ordinary activities	5	<u>(93,890)</u>	<u>(100,329)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>167,090</u>	<u>257,988</u>
		<u>2011</u> £	<u>2010</u> £

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the financial year	167,090	257,988
Surplus on revaluation of investments	1,123,624	897,583
Taxation charge on unrealised surplus on revaluation of investments	(135,235)	(79,332)
Taxation credit on realised loss on maturity of investments	<u>24,730</u>	<u>-</u>
Total recognised gains for the year	<u>1,180,209</u>	<u>1,076,239</u>
	<u>2011</u> £	<u>2010</u> £

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Reported profit on ordinary activities before taxation	260,980	358,317
Revaluation Surplus on matured investment	<u>1,093,175</u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u>1,354,155</u>	<u>358,317</u>
Historical cost profit for the year retained after taxation	<u>1,260,265</u>	<u>257,988</u>

The notes on Pages 8- 11 are an integral part of the financial statements

TIDDINGTON INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31st December 2011

	<u>Notes</u>	<u>2011</u> £	<u>2010</u> £
<u>ASSETS</u>			
Cash at bank and in hand		136,979	437,768
Deposits with credit institutions		19,900,000	17,000,000
Other financial investments	6	12,398,560	13,773,261
Prepayments and Accrued Income	7	88,395	107,964
TOTAL ASSETS		32,523,934	31,318,993
<u>LIABILITIES</u>			
Other Liabilities	8	(7,662)	(7,662)
Current tax liabilities		(204,393)	(179,661)
TOTAL LIABILITIES		(212,055)	(187,323)
NET ASSETS		32,311,879	31,131,670
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	12,000,000	12,000,000
Capital Reserve	10	-	6,386,178
Revaluation reserve	10	5,416,173	5,520,959
Profit and loss reserves	10	14,895,706	7,224,533
SHAREHOLDERS' FUNDS	11	32,311,879	31,131,670

The notes on Pages 8-11 are an integral part of the financial statements

The financial statements on pages 6 to 11 were approved by the board of directors on
were signed on its behalf by

7/9/2012 and


K Arif
DIRECTOR

Company Number 1641937

TIDDINGTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2011

I ACCOUNTING POLICIES

The financial statements have been prepared on the going concern basis, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom under the historical cost convention, with the exception of financial instruments which are stated at fair value. The main accounting policies have been set out below.

a) New Accounting Standards

No new accounting standards were adopted during the year.

b) Cash at bank and in hand

Cash at bank and in hand represents deposits repayable on demand with any qualifying financial institution and cash in hand.

c) Deposits with Credit Institutions

Deposits with credit institutions represents deposits with qualifying financial institutions subject to time restrictions or penalties for early withdrawal.

d) Investment Income

Income from investments represents interest income, which is included in the profit and loss account on an accruals basis.

e) Other Financial Investments

Investments relate to holdings of index linked gilts classified as available for sale. Movements in fair value are recognised through the revaluation reserve.

In the year of disposal or maturity, the difference between net sales proceeds and net carrying value shall be recognised in the Profit and Loss Reserve in the period in which the disposal occurs in accordance with Financial Reporting Standard 3.

Any unrealised gains and losses, recorded in the Revaluation Reserve up until the year before disposal or maturity, will also be transferred to the Profit & Loss Reserve.

f) Capital Reserve

The capital reserve has been closed in 2011, with the balance brought forward from 2010 of £6,386,178 transferred to the Profit & Loss Reserve. In 2010 and previous years, the Capital Reserve represented the cumulative gains on indexed linked gilts on maturity transferred from the revaluation reserve.

g) Taxation

Current tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise. Tax on revaluation of investments is recognised in the revaluation reserve.

h) Prepayments and Accrued Income

Prepayments and Accrued Income represents deposit and investment income, which is included in the profit and loss account and as a balance sheet asset on an accruals basis.

TIDDINGTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2011

2 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of The National Farmers Union Mutual Insurance Society Limited and is included in the consolidated cash flow financial statements of The National Farmers Union Mutual Insurance Society Limited which are publicly available. Consequently, the Company is exempt under the terms of Financial Reporting Standard 1 (Revised 1996) from publishing a cash flow statement.

The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of The National Farmers Union Mutual Insurance Society group.

3 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 in respect of these services. There were no employees during 2011 (2010: nil).

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2011</u>	<u>2010</u>
Profit on ordinary activities before taxation is stated after charging	£	£
Auditors' remuneration	<u>3,000</u>	<u>3,000</u>

5 TAX ON PROFIT FROM ORDINARY ACTIVITIES

The tax assessed for the prior year is higher than the standard rate of corporation tax in the UK of 26.5% (2010: 28.0%).

The differences are explained below:

	<u>2011</u>	<u>2010</u>
	£	£
Profit on ordinary activities before tax	<u>260,980</u>	<u>358,317</u>
Profit on ordinary activities multiplied by standard rate of Corporation tax in UK 26.5% (2010: 28.0%)	69,160	100,329
Tax on maturity of investment transferred to the Profit & Loss Reserve	<u>24,730</u>	<u>-</u>
	<u>93,890</u>	<u>100,329</u>

6 OTHER FINANCIAL INVESTMENTS

	<u>2011</u>	<u>2010</u>
	£	£
Index Linked Gilts		
Market value at 31st December	<u>12,398,560</u>	<u>13,773,261</u>
Cost at 31st December	<u>5,614,031</u>	<u>7,019,181</u>

TIDDINGTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2011

7	<u>PREPAYMENTS AND ACCRUED INCOME</u>	<u>2011</u> £	<u>2010</u> £		
	Bank Deposit Interest	4,581	3,982		
	Investment Income	<u>83,814</u>	<u>103,982</u>		
		<u>88,395</u>	<u>107,964</u>		
8	<u>OTHER LIABILITIES</u>	<u>2011</u> £	<u>2010</u> £		
	Trade creditors	4,162	4,162		
	Inter-company creditor	<u>3,500</u>	<u>3,500</u>		
		<u>7,662</u>	<u>7,662</u>		
9	<u>SHARE CAPITAL</u>	<u>2011</u> £	<u>2010</u> £		
	<u>Authorised</u>				
	12,000,000 ordinary shares of £1 each	<u>12,000,000</u>	<u>12,000,000</u>		
	<u>Allotted and fully paid</u>				
	12,000,000 ordinary shares of £1 each	<u>12,000,000</u>	<u>12,000,000</u>		
10	<u>RESERVES</u>	<u>Capital Reserve</u> £	<u>Revaluation Reserve</u> £	<u>Profit and Loss Reserve</u> £	<u>Total</u> £
	At 1 January 2011	6,386,178	5,520,959	7,224,533	19,131,670
	Revaluation surplus on investments	-	1,123,624	-	1,123,624
	Transfer from revaluation reserve to the Profit & Loss Reserve		(1,093,175)	1,093,175	-
	Tax on matured Investment		-	24,730	24,730
	Tax on revaluation surplus	-	(135,235)	-	(135,235)
	Retained profit for the year	-	-	167,090	167,090
	Transfer from Capital to P&L Reserve	(6,386,178)		6,386,178	-
	At 31 December 2011	-	5,416,173	14,895,706	20,311,879

The Capital Reserve represented the realised gains of the Index Linked Gilts upon maturity. The Capital Reserve was closed in 2011, with the balance transferred to the Profit & Loss Reserve.

TIDDINGTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2011

11	<u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>	<u>2011</u>	<u>2010</u>
		£	£
	Profit for the year	167,090	257,988
	Revaluation surplus on investments	1,123,624	897,583
	Tax charge on revaluation surplus	(135,235)	(79,332)
	Tax on deficit of matured gilt transferred to Profit & Loss Reserve	24,730	-
	Net increase in shareholders' funds	1,180,209	1,076,239
	At 1 January	31,131,670	30,055,431
	At 31st December	32,311,879	31,131,670

12 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Avon Insurance plc, 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 2011. 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
Warwickshire
CV37 7BJ