

TIDDINGTON INVESTMENTS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009

Registered Number : 1641937



TIDDINGTON INVESTMENTS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009

<u>CONTENTS</u>	<u>PAGE</u>
Directors' report	2-3
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 11

TIDDINGTON INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and audited financial statements of the Company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

The principal activities of the Company are the holding of investments in fixed interest stock exchange securities to maturity 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 forwards nature of the business, the directors are of the opinion that the key performance indicator for the business is profit before tax. Profit before tax for the year was £403,609 (2008: £963,240)

The decrease in profit before tax was driven by investment income, which was down on 2008 due to a decrease in the interest received on the index linked gilts. Although greater funds were placed on deposit in the year, 2009 also saw a fall in interest receivable on deposits due to lower prevailing interest rates.

During the year, indexed linked gilts totaling £6,127,063 (2008: nil) matured. This realised a loss on the maturity of its assets of £21,534 (2008: nil), resulting from the difference between carrying value as at 31 December 2008 and maturity proceeds.

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 (2008: £nil)

The retained profit for the financial year of £284,570 (2008: £688,716) will be transferred to reserves.

Additionally, the Memorandum of Association requires that any surpluses arising on realisation of assets to be dealt with as capital surpluses.

As a result, £2,449,065 (2008: nil) has been transferred from the Revaluation Reserve to the Capital Reserve and a £21,534 loss (2008: nil) transferred from the Profit and Loss Reserve to the Capital Reserve, all relating to the net gain on maturity of indexed linked gilts during the year.

FINANCIAL INSTRUMENTS

The Company is exposed to financial risk through its financial assets and financial liabilities. In particular, the key risks relate to cashflow risk, market risk and interest rate risk. The directors do not consider the cashflow risk to be material.

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.

TIDDINGTON INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

A M Cummins, BSc (Hons) (Retired 30/09/09)

C. Wood, BSc, CChem, MRSC, FSI (Appointed 30/09/09 and resigned 31/03/10)

R.W. Torrance BA, ACA (Australia)

K. Arif, BsocSc (Hons) FIA

P.A Glover, BsocSc (Hons) (Appointed 01/06/10)

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.

INDEPENDENT AUDITORS

Prior to the implementation of the Companies Act 2006 the Company elected to dispense with the requirement to reappoint the auditors annually, as a result, the auditors are deemed to be re-appointed under the Companies Act 2006.

By order of the Board


K. Arif
Director

24/8/ 2010

TIDDINGTON INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2009

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

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

- ◆ so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- ◆ the director has taken all the steps that they ought to have taken as a director to make them self aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board


K Arif
Director

24/3/ 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIDDINGTON INVESTMENTS LIMITED

We have audited the financial statements of Tiddington Investments Limited for the year ended 31 December 2009 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 Directors' Responsibilities Statement 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 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.

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 2009 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.

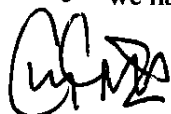
Opinion on other matter prescribed by the Companies Act 2006

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
24 August 2010

TIDDINGTON INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	<u>Notes</u>	<u>2009</u> £	<u>2008</u> £
<u>Continuing Operations</u>			
Interest Income		432,405	970,635
Loss recognised on maturity of investments		(21,534)	-
Administrative expenses		(7,262)	(7,395)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	403,609	963,240
Tax on profit on ordinary activities	5	(119,039)	(274,524)
RETAINED PROFIT FOR THE FINANCIAL YEAR		284,570	688,716
<u>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</u>		<u>2009</u> £	<u>2008</u> £
Profit for the financial year		284,570	688,716
Unrealised surplus on revaluation of investments		779,957	262,106
Taxation credit on unrealised surplus on revaluation of investments		(137,258)	(26,099)
Taxation debit on realised loss on maturity of investments		5,221	-
Total recognised gains for the year		932,490	924,723

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Reported profit on ordinary activities before taxation	403,609	963,240
Revaluation Surplus on matured investment	2,449,065	-
Historical cost profit on ordinary activities before taxation	2,852,674	963,240
Historical cost profit for the year returned after taxation	2,733,635	688,716

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

TIDDINGTON INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2009

	<u>Notes</u>	<u>2009</u> £	<u>2008</u> £
<u>ASSETS</u>			
Cash at bank and in hand		132,185	7,004
Deposits with credit institutions		17,210,000	11,058,000
Other financial investments	6	12,875,678	18,244,318
Prepayments and accrued income	7	98,551	121,637
Total Assets		<u>30,316,414</u>	<u>29,430,959</u>
<u>LIABILITIES</u>			
Other liabilities	8	9,907	7,395
Current tax liabilities		<u>251,076</u>	<u>300,623</u>
Total Liabilities		260,983	308,018
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	12,000,000	12,000,000
Capital reserve	10	6,386,178	3,953,426
Revaluation reserve	10	4,702,708	6,509,074
Profit and loss reserve	10	<u>6,966,545</u>	<u>6,660,441</u>
SHAREHOLDER EQUITY	11	<u>30,055,431</u>	<u>29,122,941</u>
TOTAL LIABILITIES & SHAREHOLDER EQUITY		<u>30,316,414</u>	<u>29,430,959</u>

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
and were signed on its behalf by

24/8/2010


K. An
DIRECTOR

Company Number 1641937

TIDDINGTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards and accounting policies in the United Kingdom. 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 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 FRS 3

As required by the Memorandum of Association, any surpluses or deficits arising on realisation of assets shall be transferred to the capital reserve and will not be available for distribution. This will include all unrealised gains and losses recognised in the Revaluation Reserve up until the year before disposal, and all realised gains and losses recognised in the Profit and Loss Reserve in the year of disposal

d) Capital Reserves

The capital reserve represents the cumulative gains on indexed linked gilts on maturity transferred from the investment revaluation reserve

e) 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

TIDDINGTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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

The directors received no emoluments for the year ended 31 December 2009 (2008: nil). There were no employees during 2009 (2008: nil) other than directors.

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION IS STATED AFTER CHARGING

	<u>2009</u>	<u>2008</u>
	£	£
Auditors' remuneration	<u>2,512</u>	<u>2,645</u>

5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>2009</u>	<u>2008</u>
	£	£
The taxation charge on the profit for the year		
UK Corporation tax at 28% (2008: 28.5%)	251,076	300,623
Transfer of corporation tax due on Corporate Government Debt to Revaluation reserve	(137,258)	(26,099)
Capital reserve	5,221	-
Total current tax	<u>119,039</u>	<u>274,524</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2008: 28.5%). The difference is explained below -

	<u>2009</u>	<u>2008</u>
	£	£
Profit on ordinary activities before tax	<u>403,609</u>	<u>963,240</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 28.5%)	113,011	274,524
Income not taxable – deficit on maturity of investment	6,028	-
	<u>119,039</u>	<u>274,524</u>

TIDDINGTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

6	<u>INDEX LINKED GILTS</u>	<u>2009</u> £	<u>2008</u> £		
	Market value at 31 December 2009	12,875,678	18,244,318		
	Cost at 31 December 2009	7,019,181	10,718,713		
7	<u>PREPAYMENTS AND ACCRUED INCOME</u>	<u>2009</u> £	<u>2008</u> £		
	Bank Deposit Interest	2,407	8,813		
	Investment Income	96,144	112,824		
		98,551	121,637		
8	<u>OTHER LIABILITIES</u>	<u>2009</u> £	<u>2008</u> £		
	Trade creditors	5,157	2,645		
	Inter-company creditor	4,750	4,750		
		9,907	7,395		
9	<u>SHARE CAPITAL</u>	<u>2009</u> £	<u>2008</u> £		
	<u>Authorised</u> 12,000,000 ordinary shares of £1 each	12,000,000	12,000,000		
	<u>Allotted and fully paid</u> 12,000,000 ordinary shares of £1 each	12,000,000	12,000,000		
10	<u>RESERVES</u>	<u>Capital Reserve</u> £	<u>Revaluation Reserve</u> £	<u>Profit and Loss Reserve</u> £	<u>Total</u> £
	At 1 January 2009	3,953,426	6,509,074	6,660,441	17,122,941
	Revaluation surplus on investments	-	779,957	-	779,957
	Transfer from Profit and Loss Reserve to Capital Reserve on maturity of investments	(21,534)	-	21,534	-
	Transfer from Revaluation Reserve to Capital Reserve on maturity of investments	2,449,065	(2,449,065)	-	-
	Tax on unrealised revaluation surplus	-	(137,258)	-	(137,258)
	Tax on realised Investment	5,221	-	-	5,221
	Retained profit for the year	-	-	284,570	284,570
	At 31 December 2009	6,386,178	4,702,708	6,966,545	18,055,431

The Capital Reserve represents the realised gain of the Index Linked Gilts upon maturity. As per the Memorandum of Association, this reserve is not distributable.

TIDDINGTON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

11	<u>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</u>	<u>2009</u> £	<u>2008</u> £
	Profit for the year	284,570	688,716
	Other recognised gains/(losses) relating to the year		
	Revaluation surplus on investments	779,957	262,106
	Tax charge on revaluation surplus	(132,037)	(26,099)
	Net increase in shareholders' funds	932,490	924,723
	At 1 January 2009	29,122,941	28,198,218
	At 31 December 2009	30,055,431	29,122,941

12 ULTIMATE PARENT COMPANY

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 2009. 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