

NFU MUTUAL UNIT MANAGERS LIMITED
REPORT & ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

Registration Number : 1837277



NFU MUTUAL UNIT MANAGERS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the audited accounts for the year ended 31st December, 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company are the promotion and management of unit trusts and other arrangements for investing funds on behalf of the NFU Mutual and Avon Insurance Group. The directors consider the result for the year to be satisfactory.

FINANCIAL RESULTS AND DIVIDENDS

The retained profit for the financial year of £106,926 (1994 £90,367) has been transferred to reserves.

DIRECTORS

The Directors at the year end were as follows:

A S Young FCII
D F Tigwell FCII
N Carter FCA
R A Deacon LLB
K M R Price MA FIA
G A D Pyott BSc PLD FIA

None of the Directors had any beneficial interests in shares of either the company or any other company in the group.

The Directors retiring by rotation are Messrs N Carter and G A D Pyott who, being eligible, offer themselves for re-election.

AUDITOR

A resolution will be proposed at the forthcoming Annual General Meeting to reappoint Coopers & Lybrand as the auditors of the company.

By order of the Board



W E COOPER

Secretary

21st March 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF
NFU MUTUAL UNIT MANAGERS LIMITED

We have audited the financial statements set out on pages 3 to 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1995 and of the profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand
Coopers & Lybrand

Chartered Accountants and Registered Auditors

London

Date *18 April 1996*

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to :—

select suitable accounting policies and then apply them consistently;

make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

NFU Mutual Unit Managers Limited

PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
TURNOVER – continuing operations		2,427,794	1,840,102
Cost of Sales – continuing operations		<u>2,131,864</u>	<u>1,565,828</u>
GROSS PROFIT	3	295,930	274,274
Administrative expenses – continuing operations		<u>167,919</u>	<u>157,284</u>
OPERATING PROFIT		128,011	116,990
Other operating income – continuing operations		597	602
Interest receivable		<u>30,337</u>	<u>16,616</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>158,945</u>	<u>134,208</u>
TAXATION ON ORDINARY ACTIVITIES	5	<u>52,019</u>	<u>43,841</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		106,926	90,367
RETAINED PROFITS BROUGHT FORWARD		<u>427,427</u>	<u>337,060</u>
RETAINED PROFITS CARRIED FORWARD		<u><u>534,353</u></u>	<u><u>427,427</u></u>

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and retained profit for the year stated above, and their historical cost equivalents.

NFU Mutual Unit Managers Limited

Balance Sheet as at 31st December 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
CURRENT ASSETS			
Stock of Units	2(c)	19,064	13,264
Trade debtors		22,753	32,614
Other debtors		2,049	1,836
Cash at bank		<u>694,295</u>	<u>530,954</u>
		738,161	578,668
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade creditors		(60,017)	(40,292)
Accruals and other liabilities		(42,439)	(17,794)
Taxation		<u>(51,352)</u>	<u>(43,155)</u>
		(153,808)	(101,241)
NET CURRENT ASSETS			
		584,353	477,427
PROVISIONS FOR LIABILITIES AND CHARGES			
		<u>—</u>	<u>—</u>
NET ASSETS			
		<u><u>584,353</u></u>	<u><u>477,427</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	50,000	50,000
Profit and loss account		<u>534,353</u>	<u>427,427</u>
		<u><u>584,353</u></u>	<u><u>477,427</u></u>

The financial statements on pages 3 to 9 were approved by the Board of Directors
on 18 April 1996 and signed on its behalf by

A S Young, FCII
R A Deacon, LL. B




Directors

NFU Mutual Unit Managers Limited

Cash Flow Statement
for the year ended 31st December 1995

	1995	1994
	£	£
Net cash inflow from continuing operating activities	176,229	160,311
(Reconciliation from operating profit see Note 6)		
Returns on investment and servicing of finance		
Franked Investment Income	597	602
Net Interest Received	30,337	16,616
Net cash inflow from returns on investments and servicing of finance	<u>30,934</u>	<u>17,218</u>
Taxation		
UK Corporation tax paid	(43,822)	(31,210)
Investing Activities	<u>—</u>	<u>—</u>
Net cash inflow before financing	<u>163,341</u>	<u>146,319</u>
Financing		
Increase in cash or cash equivalents (Note 7)	<u>163,341</u>	<u>146,319</u>

NFU Mutual Unit Managers Limited

Notes to the Accounts for the year ended 31st December 1995

1. HOLDING COMPANY

The company's ultimate holding company is The National Farmers Union Mutual Insurance Society Limited which is incorporated in Great Britain and registered in England and Wales.

Copies of consolidated financial statements can be obtained from : –

NFU Mutual & Avon Group
Tiddington Road
Stratford – upon – Avon
CV37 7BJ

2. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards.

b) Turnover

Turnover consists of income received from unit holders and fees receivable for managing the unit trust.

c) Stock of Units

Units are valued at the lower of cost of acquisition and net realisable value.

3. GROSS PROFIT

Turnover comprises the following:

	1995 (£)	1994 (£)
Continuing operations		
Gross sales of units	2,260,810	1,657,201
Management Fee	209,255	188,748
Discount net of other income	<u>(42,271)</u>	<u>(5,847)</u>
	<u>2,427,794</u>	<u>1,840,102</u>

Cost of sales comprises the following:

	(£)	(£)
Continuing operations		
New units created and repurchased units	2,129,734	1,562,718
Stamp Duty and other costs	<u>2,130</u>	<u>3,110</u>
	<u>2,131,864</u>	<u>1,565,828</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

is stated after charging:

	1995 (£)	1994 (£)
Auditors' remuneration		
Fees	4,725	4,725
Other services	<u>3267</u>	<u>-</u>
	<u>7992</u>	<u>4725</u>

Employees contracts of service are with a fellow subsidiary company, The National Farmers Union Mutual Insurance Society Limited and their remuneration is disclosed in that company's accounts.

None of the directors received or waived any emoluments in respect of their services in the current or previous year.

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Taxation in the Profit and Loss Account comprises:

	1995 (£)	1994 (£)
Corporation tax payable at 33%	51,352	43,154
Tax on Franked Investment Income	<u>667</u>	<u>687</u>
	<u>52,019</u>	<u>43,841</u>

6. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995	1994
	(£)	(£)
Operating Profit	128,011	116,990
Increase in operating debtors and prepayments	9,648	(1,521)
Decrease/(Increase) in stocks	(5,800)	15,984
(Decrease)/Increase in creditors	44,370	28,858
Net cash inflow from operating activities	<u>176,229</u>	<u>160,311</u>

7. CASH AND CASH EQUIVALENTS

	1995	1994
	(£)	(£)
Changes in the year		
At 1 January	530,954	384,635
Net cash flows	163,341	146,319
At 31 December	<u>694,295</u>	<u>530,954</u>

8. CALLED UP SHARE CAPITAL

	1995	1994
	(£)	(£)
Authorised:		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid:		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 (£)	1994 (£)
Profit for the financial year	106,926	90,367
Opening shareholder's funds	<u>477,427</u>	<u>387,060</u>
Closing shareholders' funds	<u>584,353</u>	<u>477,427</u>

10. CONTINGENT LIABILITIES

There are no contingent liabilities at 31 December 1995