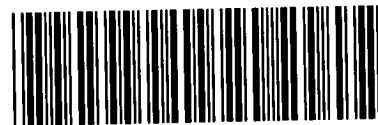


COMPANY REGISTRATION NUMBER: 06555903

TU Financial Management Services Ltd
Financial Statements
31 March 2019

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TU Financial Management Services Ltd

Financial Statements

Year ended 31 March 2019

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TU Financial Management Services Ltd

Officers and Professional Advisers

The board of directors

D F Sachon
The Baroness Prosser OBE
M Colverd
M A Lawson
C Carberry
J Hannett
L J Harrison
G J Nichols
P T Noon OBE
J M Whelan

Company secretary

M Colverd

Registered office

Congress House
Great Russell Street
London
WC1B 3LQ

Auditor

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

Bankers

Lloyds TSB Plc
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Regulatory authority

Financial Services Authority
25 The Colonnade
Canary Wharf
London
E14 5HS

TU Financial Management Services Ltd

Strategic Report

Year ended 31 March 2019

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company acts as a financial intermediary and it is authorised and regulated by the Financial Conduct Authority.

The trading year resulted in a profit for the year before tax and gift aid payments of £89,447 (2018: £113,849). This is considered by the directors as satisfactory in the circumstances and the company continues to seek new business in the new financial year.

The directors do not anticipate any changes to the company's principal activities in the foreseeable future. The directors consider the key performance indicators are those that communicate the financial performance and strength as a whole, these being turnover and profitability.

The parent company TU Fund Managers Ltd, has committed its ongoing support.

RESULTS AND DIVIDENDS

The profit for the year after tax and gift aid amounted to £38,699 (2017: £73,849). The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise bank balances and group creditors. The main purpose of these instruments is to raise funds for and to finance the company's operations.


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

The liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

FUTURE OUTLOOK

Following fundamental changes to the activities of the parent company, TU Fund Managers Ltd, increased focus is now placed on obtaining new business for TU Financial Management Services Ltd by examining ways of expanding the product range to be available to customers and applying resources to developing potential new and existing clients in the trade union movement. This approach has proved successful during the year as turnover increased as a consequence of attracting new clients in our niche market.

This report was approved by the board of directors on17/7/19..... and signed on behalf of the board by:



M Colverd
Director

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

TU Financial Management Services Ltd

Directors' Report

Year ended 31 March 2019

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

Directors

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

D F Sachon
The Baroness Prosser OBE
M Colverd
M A Lawson
C Carberry
J Hannett
L J Harrison
G J Nichols
P T Noon OBE
J M Whelan

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 Company since the year end.

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.

Going Concern

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

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 company and the profit or loss of the company for that period.

TU Financial Management Services Ltd

Directors' Report *(continued)*

Year ended 31 March 2019

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.

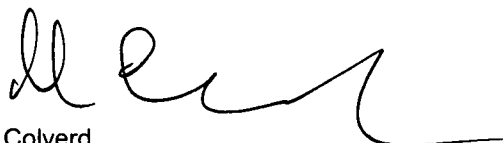
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 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 company's auditor is aware of that information.

This report was approved by the board of directors on17/7/19..... and signed on behalf of the board by:



M Colverd
Director

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

TU Financial Management Services Ltd
Independent Auditor's Report to the Member of TU Financial Management
Services Ltd

Year ended 31 March 2019

Opinion

We have audited the financial statements of TU Financial Management Services Ltd (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 company's affairs as at 31 March 2019 and of its profit 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 company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

TU Financial Management Services Ltd

Independent Auditor's Report to the Member of TU Financial Management Services Ltd (continued)

Year ended 31 March 2019

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 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, 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.

TU Financial Management Services Ltd

Independent Auditor's Report to the Member of TU Financial Management Services Ltd (continued)

Year ended 31 March 2019

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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

TU Financial Management Services Ltd

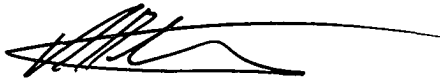
Independent Auditor's Report to the Member of TU Financial Management Services Ltd (continued)

Year ended 31 March 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Wood (Senior Statutory Auditor)

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

17/7/19.

TU Financial Management Services Ltd

Statement of Comprehensive Income

Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	383,750	367,010
Gross profit		383,750	367,010
Administrative expenses		(345,051)	(253,161)
Operating profit		38,699	113,849
Profit before taxation		38,699	113,849
Taxation on ordinary activities	8	—	—
Profit for the financial year and total comprehensive income		38,699	113,849

All the activities of the company are from continuing operations.

The notes on pages 13 to 17 form part of these financial statements.


TU Financial Management Services Ltd

Statement of Financial Position

31 March 2019

	Note	2019 £	£	2018 £
Current assets				
Debtors	9	322,393		324,053
Cash at bank and in hand		139,142		122,341
		<u>461,535</u>		<u>446,394</u>
Creditors: amounts falling due within one year	10	<u>(65,308)</u>		<u>(88,866)</u>
Net current assets			<u>396,227</u>	<u>357,528</u>
Total assets less current liabilities			<u>396,227</u>	<u>357,528</u>
Net assets			<u><u>396,227</u></u>	<u><u>357,528</u></u>
Capital and reserves				
Called up share capital	12		1	1
Share premium account	13		49,999	49,999
Profit and loss account	13		<u>346,227</u>	<u>307,528</u>
Shareholder funds			<u><u>396,227</u></u>	<u><u>357,528</u></u>

These financial statements were approved by the board of directors and authorised for issue on13/3/19...., and are signed on behalf of the board by:


D Sachon


M Colverd

Company registration number: 06555903

The notes on pages 13 to 17 form part of these financial statements.

TU Financial Management Services Ltd

Statement of Changes in Equity

Year ended 31 March 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 April 2017	1	49,999	233,679	283,679
Profit for the financial year	—	—	113,849	113,849
Total comprehensive income for the year	—	—	113,849	113,849
Gift aid	—	—	(40,000)	(40,000)
Total investments by and distributions to owners	—	—	(40,000)	(40,000)
 At 31 March 2018	 1	 49,999	 307,528	 357,528
Profit for the financial year	—	—	38,699	38,699
Total comprehensive income for the year	—	—	38,699	38,699
 At 31 March 2019	 <u>1</u>	 <u>49,999</u>	 <u>346,227</u>	 <u>396,227</u>

The notes on pages 13 to 17 form part of these financial statements.

TU Financial Management Services Ltd

Statement of Cash Flows

Year ended 31 March 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	38,699	113,849
<i>Adjustments for:</i>		
Accrued income	(2,937)	(19,027)
Gift aid	–	(40,000)
<i>Changes in:</i>		
Trade and other debtors	1,660	(100,762)
Trade and other creditors	(20,621)	(11,801)
Cash generated from operations	<u>16,801</u>	<u>(57,741)</u>
Net cash from/(used in) operating activities	<u>16,801</u>	<u>(57,741)</u>
Net increase/(decrease) in cash and cash equivalents	16,801	(57,741)
Cash and cash equivalents at beginning of year	122,341	180,082
Cash and cash equivalents at end of year	<u>139,142</u>	<u>122,341</u>

The notes on pages 13 to 17 form part of these financial statements.

TU Financial Management Services Ltd

Notes to the Financial Statements

Year ended 31 March 2019

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.

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 applicable accounting standards.

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

Going concern

The directors have reviewed the forecasts for the Company and have a reasonable expectation that the 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 company therefore continues to adopt the going concern basis in preparing its financial statements.

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 commissions received during the year. It also represents commissions earned but not yet received. Turnover also represents sponsorship income from the TU Unit Trust based on the underlying net asset value of the fund.

Revenue derived from commissions and sponsorship is recognised as income in the period in which the performance obligation has been satisfied.

TU Financial Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

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.

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.

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 merchandise sold or 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.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
United Kingdom	<u>383,750</u>	<u>367,010</u>

The whole of the turnover is attributable to the principal activity of the company.

TU Financial Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

5. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>6,885</u>	<u>6,750</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	765	750
Other non-audit services	<u>1,530</u>	<u>1,500</u>
	<u>2,295</u>	<u>2,250</u>

6. Particulars of employees

The average number of staff employed by the company during the financial year, including the directors' and key management personnel amounted to:

	2019	2018
	No.	No.
Management staff	<u>1</u>	<u>1</u>

No salaries or wages have been paid to employees, including the directors and key management, during the year.

7. Gift aid

Gift aid payments relate to amounts donated to the TUUT Charitable Trust, a charity registered in England. The directors have agreed to pay a further £nil (2017: £110,000) in gift aid prior to the year end, and under the guidance within FRED 68 this has not been recognised as a liability as no deed of covenant is in place. Gift aid is now shown directly in the Statement of Changes in Equity.

8. Taxation on ordinary activities

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is the same as (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018
	£	£
Profit on ordinary activities before taxation	<u>38,699</u>	<u>113,849</u>
Profit on ordinary activities by rate of tax	7,353	21,631
Effect of expenses not deductible for tax purposes	1,891	1,280
Gift aid utilised	–	(22,911)
Group relief claimed	<u>(9,244)</u>	<u>–</u>
Tax on profit	<u>–</u>	<u>–</u>

9. Debtors

	2019	2018
	£	£
Amounts owed by group undertakings	261,077	263,703
Prepayments and accrued income	11,422	60,350
Other debtors	<u>49,894</u>	<u>–</u>
	<u>322,393</u>	<u>324,053</u>

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

TU Financial Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

10. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	1,752	–
Amounts owed to group undertakings	50,000	50,000
Accruals and deferred income	13,556	16,493
Other creditors	–	22,373
	<u>65,308</u>	<u>88,866</u>

Of the amount due to group undertakings £50,000 (2018: £50,000) represents a subordinated loan due for repayment within one year. It bears no interest.

11. Financial instruments

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

	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>461,535</u>	<u>324,053</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>65,308</u>	<u>88,866</u>

12. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1.00</u>	<u>1</u>	<u>1.00</u>

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

13. 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.

TU Financial Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

14. Commitments under operating leases

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

	2019	2018
	£	£
Not later than 1 year	22,800	22,800
Later than 1 year and not later than 5 years	66,975	89,775
	<u>89,775</u>	<u>112,575</u>

15. Other financial commitments

The company had no other commitments or contracts for capital expenditure in place as at the reporting date (2018: £nil).

16. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102. As the company is 100% owned by TU Fund Managers Limited, it has taken advantage of the exemptions in FRS 102, not to disclose transactions within the Group.

17. 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. The Company is controlled by its immediate parent TU Fund Managers Limited with registered office address of 2nd Floor, Congress House, London, WC1B 3LQ. This is the largest and smallest level at which consolidated financial statements are prepared.