



# CONSISTENT OPPORTUNITIES UNIT TRUST

ANNUAL  
REPORT  
31 JULY 2019

CONSISTENT UNIT TRUST  
MANAGEMENT COMPANY LIMITED

# CONSISTENT OPPORTUNITIES UNIT TRUST

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# CONSISTENT OPPORTUNITIES UNIT TRUST

## Manager's and Advisers

### Manager

Consistent Unit Trust Management Company Limited

Registered Office and Main Office:

Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 0RB

Telephone: 01296 711598

Website: [www.consistentunittrust.co.uk](http://www.consistentunittrust.co.uk)

(Authorised and regulated by the Financial Conduct Authority)

### Directors of the Manager

S. P. Ashfield (Chairman)

C. J. Lloyd

Ms. J. M. Sculley

T. C. Cornick (from 5 April 2019)

A. K. Watkins (from 20 August 2019)

### Secretary

Ms. J. M. Sculley

### Trustee

NatWest Trustee and Depositary Services Limited

Registered and Head office:

250 Bishopsgate, London EC2M 4AA

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority)

### Administrators & Registrars

Yealand Administration Limited

Stuart House, St. John's Street, Peterborough PE1 5DD

Tel: 0345 850 8818

Fax: 01733 286870

email: [consistent@yealand.com](mailto:consistent@yealand.com)

Website: [www.yealand.com](http://www.yealand.com)

### Auditor

Shipleys LLP

Chartered Accountants & Statutory Auditors

10 Orange Street, Haymarket, London WC2H 7DQ

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Manager's Report

for the year ended 31 July 2019

Following the changes made last year with the appointment of Nicholas Pritchard and Jay Patel as co-managers of the Consistent Opportunities Unit Trust it has been a frustrating year with the portfolio performance lacklustre post the repositioning into UK Small and Mid-capitalisation companies in April 2018.

Whilst the timing of the portfolio changes in hindsight was misjudged with the tiresome Brexit debacle taking longer than envisaged, we remain convinced over the longterm of the appealing valuations across the portfolio and believe that when sentiment changes to UK companies, the portfolio will have a period of strong performance. Regardless of the very short time period, it is always frustrating to lose capital over a certain timeframe. The most appropriate comparison given the current portfolio positioning is the FTSE Small cap ex Investment Trust which fell over 10% against a fall of 8.6% for the Accumulation Units. The FTSE All Share rose by 1.3% by way of total return, with the significant weakness in Sterling benefiting the larger overseas revenue generators of the FTSE100 index.

The managers of the Fund and their connected families hold in excess of 35% of the current portfolio AUM and continue to add to their investment, aligning them with external investors with all management fees reinvested back into the Fund. Monthly factsheets continue to be uploaded onto the website [www.consistentunittrust.co.uk](http://www.consistentunittrust.co.uk) to keep investors closely in touch with any portfolio developments.

The managers are bottom up investors believing some of the best opportunities lie in undercovered companies and so often will invest towards the lower end of the market capitalisation spectrum. They aim to find high quality companies trading at appealing valuations with an intrinsic value bias often looking for opportunistic and contrarian investments but also striving to find growth at a reasonable price.

The process employed is concise, simple and transparent; seeking to find companies with strong balance sheets, with little to no debt, consistent, defensive earnings streams, healthy cash generation, growing dividends and stable market positions. The managers continue to maintain close dialogue with company management teams whilst doing regular site visits.

Over the time period the major disappointments across the portfolio were Kier Group (emergency rights issue) and Superdry PLC (boardroom battle and margin pressure). Whilst hugely disappointing to see the capital erosion across both companies we believe there remains value and have had extensive meetings with both management teams whilst also spending a number of days down at Superdry's headquarters in Chelmsford. We await further developments in regards to strategy before making an assessment as to average down on our initial investment.

There was strong outperformance across the investments in Pets at Home (+87%), Anexo Group (+58%), Sanderson (+42%), Polypipe (+14%) and Focusrite (+12%). We continue to keep a close dialogue with each company and continue to believe the valuations remain appealing.

There was takeover activity in the portfolio across RPC Group which was acquired by Berry Global in the US and small cap AIM listed Sanderson Group which has agreed to be takeover by private equity group Apteau. Whilst profits were made across each investment the low premiums paid by the acquirers has left a lot to be desired and the managers were disappointed the offers were not higher. Notable new investments made in the period were DWF Group, Portmeirion Group and Synthomer PLC and we continue to search for appealing opportunities across the market.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Manager's Report

for the year ended 31 July 2019

continued

### Significant Portfolio Changes

for the period from 1 August 2018 to 31 July 2019

	<b>Cost</b>
	<b>£</b>
<b>Top 10 purchases during the period</b>	
Superdry	309,535
Portmeirion Group	290,638
DWF Group	266,420
Harwood Wealth Management Group	248,365
Augean	225,085
Codemasters Group	213,490
Essensys Group	193,162
Renalytix AI	161,734
Clipper Logistics	140,711
Discoverie Group	134,588
	<b><u>£2,183,728</u></b>

	<b>Proceeds</b>
	<b>£</b>
<b>Top 10 sales during the period</b>	
Greggs	373,721
Codemasters Group	276,120
RPC Group	262,685
Arrow Global Group	234,947
Paypal Holdings	233,986
The Gym Group	232,341
Novo Nordisk A/S-B	205,979
Cisco System	199,625
Corning	198,259
Focusrite	173,604
	<b><u>£2,391,267</u></b>

# CONSISTENT OPPORTUNITIES UNIT TRUST

## **Manager's Report**

for the year ended 31 July 2019

continued

### **Investment Objective and Policy**

The objective of the investment fund is to provide consistent long term capital and income growth. The investment policy for achieving the objective is for the Managers to invest primarily in equity securities. There is no restriction to economic securities or geographical areas, but the Managers consider the objective can be achieved from investing predominantly in UK equities whilst also seeking undervalued overseas opportunities.

The Managers consider that income and capital growth over the long term is best achieved by investment in equity securities. However equities are subject to short term fluctuations and there is a risk that their value can decrease as well as increase. Currencies are also subject to the same risk. The Managers will attempt to minimise these risks by pursuing a policy of diversification.

Normally the Trust will be fully invested save for an amount of cash to enable ready settlement of liabilities (including redemption of units) and the efficient management of the Trust both generally and in relation to its strategic objective. This amount of cash will vary depending upon prevailing circumstances and although it would normally not exceed 5% of the total value of the Trust, there may be times when the Managers consider stock markets around the world to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained up to 10%.

### **Individual Savings Accounts and Personal Equity Plans**

Consistent Opportunities Unit Trust has been managed throughout the period so that it is a qualifying investment for ISA and PEP purposes. It is the Managers intention that the Trust will be managed so that it continues to qualify as an investment in ISAs as well as an existing PEP. For details, please contact the Managers.

### **Share Exchange Scheme**

The Managers operate a share exchange scheme service which provides investors with an easy and cost-effective method of selling their existing shareholdings and reinvesting the proceeds in Consistent Opportunities Unit Trust units. For details, please contact the Managers.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## **Manager's Report**

for the year ended 31 July 2019

continued

### **Accumulation Units – Re-investment of Income**

In order that Unitholders can (if required) benefit from the automatic re-investment of their net income, the Trust has two types of units: Accumulation Units and Income Units.

Accumulation Units automatically retain the net income entitlement and this retention is progressively reflected in the price of the Accumulation Units relative to Income Units.

Existing Income Unitholders can convert their units into Accumulation Units, free of charge and without liability to Capital Gains Tax. The facility to convert from one type of unit to the other (and back again) is available to all Unitholders at any time, free of charge. For details, please contact the Managers.

### **Price Information**

The buying and selling price of the two classes of units is published daily in the Financial Times and Daily Telegraph.

### **Website**

The Trust's website can be found at [www.consistentunittrust.co.uk](http://www.consistentunittrust.co.uk) and copies of the latest reports can be downloaded.

## **Consistent Unit Trust Management Company Ltd.**

September 2019

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Portfolio Statement

as at 31 July 2019

Holding	Security	Market value £	% of total net assets
	<b>Equities - 99.58% (99.16%)</b>		
	<b>Chemicals - 6.46% (6.85%)</b>		
6,500	Evonik Industries	152,537	1.58
76,250	Synthomer	230,885	2.39
42,500	Zotefoams	240,550	2.49
		<hr/>	<hr/>
		623,972	6.46
	<b>Construction &amp; Materials - 9.57% (11.40%)</b>		
190,000	Alumasc Group	159,600	1.66
81,000	Balfour Beatty	166,698	1.73
22,500	Kier Group	13,871	0.14
50,250	Polypipe Group	205,221	2.13
425,000	Van Elle Holdings	174,250	1.81
111,500	Volution Group	202,930	2.10
		<hr/>	<hr/>
		922,570	9.57
	<b>Financial Service - 6.03% (8.89%)</b>		
12,000	Close Brothers Group	159,600	1.66
12,250	TBC Bank Group	172,235	1.79
207,125	Harwood Wealth Management Group	248,550	2.58
		<hr/>	<hr/>
		580,385	6.03
	<b>Health Care - 4.96% (5.85%)</b>		
31,175	Clinigen Group	314,244	3.26
64,500	Renalytix AI	163,830	1.70
		<hr/>	<hr/>
		478,074	4.96
	<b>Industrial Goods &amp; Services - 45.66% (36.97%)</b>		
240,000	Anexo Group	415,200	4.31
13,000	Avon Rubber	174,200	1.81
31,000	Bodycote	228,315	2.37
108,000	Clipper Logistics	286,740	2.97
310,000	Coats Group	246,915	2.56
93,550	Discoverie Group	413,491	4.29
37,900	Electrocomponents	230,659	2.39
180,000	Flowtech Fluidpower	242,100	2.51
20,000	Hill & Smith	225,800	2.34
4,900	Kion Group	215,070	2.23
308,500	Macfarlane Group	293,075	3.04

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Portfolio Statement

as at 31 July 2019

continued

Holding	Security	Market value £	% of total net assets
<b>Industrial Goods &amp; Services - 45.66% (36.97%)</b>			
<b>continued</b>			
23,300	Ricardo	164,498	1.71
123,500	RPS Group	154,375	1.60
143,250	TT Electronics	312,285	3.24
291,250	Kin & Carta	301,444	3.13
207,814	Augean	238,986	2.48
217,250	DWF Group	258,528	2.68
		4,401,681	45.66
<b>Logistics Services - 1.34% (1.92%)</b>			
391,500	Xpediator	129,195	1.34
<b>Media - 1.44% (1.92%)</b>			
125,000	ITV	138,687	1.44
<b>Personal &amp; Household Goods - 11.02% (9.02%)</b>			
42,000	Focusrite	210,840	2.19
45,000	Headlam Group	198,225	2.06
53,000	Victoria	276,660	2.87
135,000	Warpaint London	110,700	1.15
27,050	Portmeirion Group	265,090	2.75
		1,061,515	11.02
<b>Retail - 6.88% (7.50%)</b>			
24,250	CVS Group	222,009	2.30
90,000	Pets At Home Group	187,020	1.94
182,000	Quiz	25,480	0.26
53,000	Superdry	229,596	2.38
		664,105	6.88
<b>Technology - 4.65% (5.17%)</b>			
180,000	Sanderson Group	225,000	2.33
122,750	Essensys Group	223,405	2.32
		448,405	4.65

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Portfolio Statement

as at 31 July 2019

continued

<b>Holding</b>	<b>Security</b>	<b>Market value £</b>	<b>% of total net assets</b>
	<b>Telecommunications - 1.57% (1.75%)</b>		
101,000	Vodafone Group	151,581	1.57
	<b>Travel &amp; Leisure - 0.00% (1.92%)</b>		
	<b>Investment assets</b>	<b>9,600,170</b>	<b>99.58</b>
	<b>Net other assets</b>	<b>40,128</b>	<b>0.42</b>
	<b>Net assets</b>	<b>9,640,298</b>	<b>100.00</b>

All holdings are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 31 July 2018.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Comparative Tables

### Change in net assets per unit

	Income Units			Accumulation Units		
	Year ended 31 July 2019 p	Year ended 31 July 2018 p	Year ended 31 July 2017 p	Year ended 31 July 2019 p	Year ended 31 July 2018 p	Year ended 31 July 2017 p
<b>Opening net asset value per unit</b>	<b>53.63</b>	<b>55.35</b>	<b>55.49</b>	<b>139.93</b>	<b>140.60</b>	<b>134.97</b>
Return before operating charges†	(4.30)	0.41	2.93	(12.17)	(0.02)	6.28
Operating charges	(0.60)	(0.66)	(0.65)	(0.60)	(0.65)	(0.65)
<b>Return after operating charges†</b>	<b>(4.90)</b>	<b>(0.25)</b>	<b>2.28</b>	<b>(12.77)</b>	<b>(0.67)</b>	<b>5.63</b>
Distributions on income units	(0.82)	(1.47)	(2.42)	n/a	n/a	n/a
<b>Closing net asset value per unit</b>	<b>47.91</b>	<b>53.63</b>	<b>55.35</b>	<b>127.16</b>	<b>139.93</b>	<b>140.60</b>
Retained distributions on accumulation units †after direct transaction charges of	n/a	n/a	n/a	2.14	3.76	5.93
	0.15	0.66	0.27	0.15	0.66	0.27
<b>Performance</b>						
Return after operating charges	-9.1%	-0.5%	4.1%	-9.1%	-0.5%	4.2%
<b>Other information</b>						
Closing net asset value (NAV)	£6,510,779	£7,549,285	£6,854,355	£3,129,519	£3,160,755	£537,813
Closing number of units	13,589,050	14,076,470	12,383,612	2,461,060	2,258,844	382,506
Operating charges total	1.28%	1.31%	1.14%	1.28%	1.31%	1.14%
Direct transaction charges	0.32%	1.24%	0.48%	0.32%	1.24%	0.48%
<b>Prices (p)</b>						
Highest	53.29	56.39	59.92	139.00	143.20	145.70
Lowest	42.88	49.49	54.16	111.80	127.60	131.70

Operating charges include indirect costs incurred in the maintenance and running of the Trust, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return. The figures used within this table have been calculated against the average Net Asset Value for the accounting period.

The return after charges is calculated as the closing net asset value per share plus the distributions on income shares minus the open net asset value per share as a % of the opening net asset value per share.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution levies charged within the accounting period. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Comparative Tables

continued

### Risk & Reward profile

The Risk and Reward Indicator table demonstrates where the Trust ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Trust. The shaded area in the table below shows the Fund's ranking on the Risk and Reward indicator.



The Trust is ranked at 5 because trusts of this type have experienced above average rises and falls historically. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.

For further risk information please refer to the prospectus.

### Risk warning

An investment in a Unit Trust should be regarded as a medium to long-term investment. Investors should be aware that the price of units and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

## CONSISTENT OPPORTUNITIES UNIT TRUST

### **Statement of the Manager's Responsibilities in relation to the Report and Accounts of the Trust**

The Manager is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices.

Financial Conduct Authority's Collective Investment Schemes sourcebook (the "COLL sourcebook") requires the Manager to prepare financial Statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the net revenue and of the net losses on the property of the Trust for that year. In preparing the financial statements the Manager is required to:

- select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, including Financial Reporting Standard 102 'The financial reporting standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and in accordance with the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Association (IA) in May 2014, subject to any material departures, which are required to be 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 Trust will continue in business.

The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The Manager is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Manager is aware:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- the Manager has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## **Certification of the Annual Report by Directors of the Manager**

This report is signed in accordance with the requirements of the COLL Sourcebook.

**S. P. Ashfield**

Director

**Ms. J. M. Sculley**

Director

**For Consistent Unit Trust Management Ltd  
Manager of the Consistent Unit Trust**

30 September 2019

## CONSISTENT OPPORTUNITIES UNIT TRUST

### **Statement of the Trustee's responsibilities and report of the Trustee to the unitholders of the Consistent Opportunities Unit Trust (the 'Scheme') for the year ended 31 July 2019**

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Trustee must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the AFM') are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Trustee & Depositary Services  
**NatWest Trustee and Depositary Services Limited**

30 September 2019

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Independent Auditors' Report to the Unitholders of Consistent Opportunities Unit Trust

### Opinion

We have audited the financial statements of Consistent Opportunities Unit Trust (the Trust), for the year ending 31 July 2019, which comprise the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Statement of Total Return, the related notes and the Distribution Tables. 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) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Association (the 'Statement of Recommended Practice for Authorised Funds').

This report is made solely to the unitholders of the Trust, as a body, in accordance with Rule 4.5.12 of the Collective Investment Scheme Sourcebook (COLL) of the Financial Conduct Authority (FCA).

Our audit work has been undertaken so that we might state to the unitholders 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 Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 July 2019 and of the net income and net capital loss on the property of the Trust for the year then ended;
- have been properly prepared in accordance with the Prospectus, the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority and 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 Trust 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.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Independent Auditors' Report to the Unitholders of Consistent Opportunities Unit Trust

continued

### 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 Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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.

### 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 Manager is 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 Fund Manager's report and the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Fund Manager's report and the Manager's 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Fund Manager's report or the Manager's 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:

# CONSISTENT OPPORTUNITIES UNIT TRUST

## **Independent Auditors' Report to the Unitholders of Consistent Opportunities Unit Trust**

continued

- 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 Alternative Investment Fund Manager remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Manager**

As explained more fully in the Manager's responsibilities statement, the Manager is 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 Manager determines 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 Manager is responsible for assessing the Trust'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 Manager either intends to liquidate the Trust 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 Manager.

## CONSISTENT OPPORTUNITIES UNIT TRUST

### **Independent Auditors' Report to the Unitholders of Consistent Opportunities Unit Trust**

continued

- Conclude on the appropriateness of the Manager's 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.

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.

Robert Wood (Senior Statutory Auditor)

**For and on behalf of Shipleys LLP**

Chartered accountant and statutory auditor

10 Orange Street

Haymarket

London

WC2H 7DQ

30 September 2019

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Statement of Total Return

for the year ended 31 July 2019

	Note	31 July 2019		31 July 2018	
		£	£	£	£
Income					
Net capital (losses)	2		(1,161,944)		(143,371)
Revenue	3	290,537		315,797	
Expenses	4	(121,759)		(98,186)	
Net revenue before taxation		168,778		217,611	
Taxation	5	(5,783)		(3,279)	
Net revenue after taxation			162,995		214,332
Total return before distributions			(998,949)		70,961
Distributions	6		(164,661)		(212,461)
Change in net assets attributable to unitholders from investment activities			(1,163,610)		(141,500)

## Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 July 2019

	31 July 2019		31 July 2018	
	£	£	£	£
Opening net assets attributable to unitholders		10,710,040		7,392,168
Amounts receivable on issue of units	501,341		4,290,822	
Amounts payable on cancellation of units	(465,376)		(879,516)	
		35,965		3,411,306
Change in net assets attributable to unitholders from investment activities (see above)		(1,163,610)		(141,500)
Retained distributions on accumulation units		52,927		43,731
Unclaimed distributions		4,976		4,335
Closing net assets attributable to unitholders		9,640,298		10,710,040

The notes on pages 20 to 31 form an integral part of these Financial Statements.

## CONSISTENT OPPORTUNITIES UNIT TRUST

### Balance Sheet

as at 31 July 2019

	Note	31 July 2019		31 July 2018	
		£	£	£	£
<b>ASSETS</b>					
<b>Fixed assets</b>					
Investments		9,600,170		10,619,454	
<b>Current assets</b>					
Debtors	7	5,608		84,194	
Cash and bank balances	9	149,053		154,912	
		<u>154,661</u>		<u>239,106</u>	
<b>Total assets</b>		<b><u>9,754,831</u></b>		<b><u>10,858,560</u></b>	
<b>LIABILITIES</b>					
<b>Provision for liabilities</b>					
Net distributions payable on income units		(74,740)		(87,274)	
Creditors	8	(39,793)		(61,246)	
<b>Total liabilities</b>		<b><u>(114,533)</u></b>		<b><u>(148,520)</u></b>	
<b>Net assets attributable to unitholders</b>		<b><u>9,640,298</u></b>		<b><u>10,710,040</u></b>	

The notes on pages 20 to 31 form an integral part of these Financial Statements.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

### 1. Accounting Policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice (“SORP”) for Financial Statements of UK Authorised Funds issued by the Investment Association (IA) in May 2014.

The financial statements have been prepared on the going concern basis.

The Certification of the Accounts by the Directors of the Manager can be found on page 12.

#### (b) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Any reported revenue from an offshore reporting fund is recognised as revenue no later than the date on which the reporting fund makes the information available.

Interest on debt securities and bank and short-term deposits is recognised on an accrual basis.

In the case of debt securities any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation.

Derivative returns have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

#### (c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

#### (d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments and any applicable stamp duty reserve tax, are charged against revenue for the year on an accruals basis.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

### 1. Accounting Policies continued

#### (e) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Deferred tax is provided on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

#### (f) Distribution policy

The net revenue after taxation as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to unitholders as dividend distributions. Any revenue deficit is funded from capital.

At the year end, there were no items of a capital nature.

Interim distributions may be made at the Investment Manager's discretion and the balance of revenue is distributed in accordance with the regulations.

Distributions not claimed within a six year period will be forfeited and added back to the capital of the Trust.

#### (g) Basis of valuation of investments

Listed investments are valued at close of business bid prices on the last business day of the accounting year excluding any accrued interest in the case of fixed and floating rate interest securities.

Collective investment schemes are valued at quoted bid price for dual priced funds and at quoted price for single priced funds, on the last business day of the accounting period.

Unlisted or suspended investments are valued by the Investment Manager taking into account where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Market value is defined by the SORP as fair value, which generally is the bid value of each security.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

### 1. Accounting Policies continued

#### (h) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

#### (i) Dilution levy

The Manager may require a dilution levy on the sale and redemption of units if, in its opinion, the existing unitholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a scheme experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the Manager is of the opinion that the interests of remaining unitholders require the imposition of a dilution levy.

### 2. Net capital (losses)

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Non derivative securities	(1,221,362)	(137,549)
Currency gains/(losses)	63,138	-
Transaction charges	(3,720)	(5,822)
<b>Net capital (losses) on investments</b>	<b>(1,161,944)</b>	<b>(143,371)</b>

### 3. Revenue

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
UK dividends: Ordinary	262,837	283,078
Overseas dividends	27,639	29,281
Bank interest	61	-
Property income distribution	-	3,438
<b>Total revenue</b>	<b>290,537</b>	<b>315,797</b>

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

<b>4. Expenses</b>	<b>Year ended 31 July 2019 £</b>	<b>Year ended 31 July 2018 £</b>
<b>Payable to the Manager, associates of the Manger and agents of either of them:</b>		
Manager's periodic charge	99,985	80,100
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee fees (including VAT)	6,002	4,868
Safe custody fees and other bank charges	2,409	1,233
	<u>8,411</u>	<u>6,101</u>
<b>Other expenses:</b>		
Audit fee (including VAT)	8,276	8,369
Legal fees	101	166
Price publication fee	1,368	-
Printing costs	817	165
Registration fees	2,801	3,285
	<u>13,363</u>	<u>11,985</u>
<b>Expenses</b>	<u>121,759</u>	<u>98,186</u>
Interest payable and similar charges	-	-
<b>Total expenses</b>	<u>121,759</u>	<u>98,186</u>
<b>5. Taxation</b>	<b>Year ended 31 July 2019 £</b>	<b>Year ended 31 July 2018 £</b>
<b>(a) Analysis of charge for the year</b>		
UK corporation tax	-	-
Overseas tax	5,783	3,279
<b>Total tax charge (note 5b)</b>	<u>5,783</u>	<u>3,279</u>
<b>(b) Factors affecting taxation charge for the period</b>		
Net revenue before taxation	168,778	217,611
Corporation tax at 20%	33,756	43,522
Effects of:		
UK dividends: Ordinary	(52,567)	(56,616)
Overseas dividends	(5,528)	(5,856)
Movement in surplus management expenses	24,339	18,950
Overseas tax expensed	5,783	3,279
<b>Current tax charge for the period (note 5a)</b>	<u>5,783</u>	<u>3,279</u>

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

### 5. Taxation (continued)

#### (c) Deferred Tax

At the year end there is a potential deferred tax asset of £191,684 (31 July 2018: £167,345) in relation to surplus management expenses. It is unlikely that the Trust will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

### 6. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Interim distribution 31 January 2019	54,672	101,996
Final distribution 31 July 2019	110,255	123,398
	<u>164,927</u>	<u>225,394</u>
Revenue deducted on cancellation of units	1,880	10,126
Revenue received on issue of units	(2,146)	(23,059)
<b>Net distributions</b>	<u>164,661</u>	<u>212,461</u>
<b>Reconciliation of net revenue after taxation to net distributions:</b>		
Net revenue after taxation per Statement of Total Return	162,995	214,332
Undistributed revenue brought forward	1,918	47
Undistributed revenue carried forward	(252)	(1,918)
<b>Net distributions</b>	<u>164,661</u>	<u>212,461</u>

### 7. Debtors

	31 July 2019	31 July 2018
	£	£
Amounts receivable on issues	200	55,993
Sales awaiting settlement	-	17,945
<b>Accrued income</b>		
Dividends receivable	4,994	10,256
<b>Prepaid expenses</b>		
Registration fee	414	-
<b>Total debtors</b>	<u>5,608</u>	<u>84,194</u>

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

<b>8. Creditors</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
	<b>£</b>	<b>£</b>
Amounts payable on cancellations	(2,926)	(5,516)
Purchases awaiting settlement	(16,885)	(36,516)
<b>Accrued expenses:</b>		
Amounts payable to the Manager, or associates of the Manager and agents of either of them:		
Manager's periodic charge	(10,360)	(9,004)
Amounts payable to the Trustee, or associates of the Trustee and agents of either of them:		
Trustee fees (including VAT)	(622)	(538)
Safe custody and other bank charges	(160)	(570)
<b>Other expenses:</b>		
Audit fee (including VAT)	(8,370)	(8,464)
Printing costs	(470)	(430)
Registration fee	-	(208)
<b>Total creditors</b>	<b>(39,793)</b>	<b>(61,246)</b>

<b>9. Cash and bank balances</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
	<b>£</b>	<b>£</b>
Cash and Bank Balances	149,053	154,912

## 10. Related parties

Management fees payable to Consistent Unit Trust Management Company Limited (the Investment Manager) are disclosed in note 4 and amounts due at the year end are shown in note 8.

A unitholder with a holding in excess of 20% of the value of the Trust may be able to exercise significant influence over the financial and operating policies of the Trust with reference to unitholders' voting rights at general meetings and as such is deemed to be a related party.

Parties with an interest in excess of 20% of the Trust are as follows:

	<b>Held at 31 July 2019</b>	<b>Change in period</b>	<b>Held at 31 July 2018</b>
<b>Income units</b>			
Bank of New York Nominees	2,950,000	-	2,950,000
Minster Nominees Limited	6,527,876	2,793,214	3,734,662

## 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31 July 2018: nil).

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

### 12. Risk management policies and disclosures

In pursuing its investment objectives, the Trust may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the Trust's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue. In doing so, the Manager accepts market price risk and interest rate risk in relation to the investment portfolio.

The Trust may also enter into a range of derivative transactions whose purpose is efficient portfolio management. In addition the Trust only executes derivative contracts where both the derivative instrument and the counterparty have been approved by the Manager.

The risks arising from financial instruments and the Manager's policies for the monitoring and managing of these risks are stated below in accordance with the Risk Management Policy of the Manager.

These policies have been consistent for both years through which these financial statements relate.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the Trust in the context of all their investments.

The Trust's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market risk to which the Fund will be exposed.

At the balance sheet date, if the price of the investments held by the Trust increased or decreased by 10%, with all other variables held constant, the net assets attributable to Unitholders would increase or decrease by approximately £960,017 (2018: £1,061,945).

#### Currency risk

Although the Trust's capital and income are denominated in sterling, a proportion of the Fund's investments may have currency exposure and, as a result, the income and capital value of the Fund are affected by currency movements.

There were no foreign currency exposures at the balance sheet date (31 July 2018: same).

At the balance sheet date, if the price of the investments held by the Trust increased or decreased by 10%, with all other variables held constant, the net assets attributable to Unitholders would increase or decrease by approximately £37,143 (2018: £154,422).

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

### 12. Risk management policies and disclosures continued

#### Interest rate risk

Interest rate risk is the risk that the value of the Trust's investments will fluctuate as a result of changes in interest rates. The Trust may invest in fixed and floating rate securities or schemes that invest in fixed or floating rate securities. The revenue of these Trusts may be affected by changes in interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

The table below details the interest rate risk profile at the balance sheet date:

<b>31 July 2019</b>	<b>Floating rate financial assets £</b>	<b>Fixed rate financial assets £</b>	<b>Financial assets not carrying interest £</b>	<b>Total £</b>
Currency				
Euro	-	-	371,434	<b>371,434</b>
Sterling	149,053	-	9,234,343	<b>9,383,396</b>
	<b>149,053</b>	<b>-</b>	<b>9,605,777</b>	<b>9,754,830</b>

	<b>Floating rate financial liabilities £</b>	<b>Financial assets not carrying liabilities £</b>	<b>Total £</b>
Currency			
Sterling	-	114,533	<b>114,533</b>

<b>31 July 2018</b>	<b>Floating rate financial assets £</b>	<b>Fixed rate financial assets £</b>	<b>Financial assets not carrying interest £</b>	<b>Total £</b>
Currency				
Sterling	154,912	-	9,159,424	<b>9,314,336</b>
Euro	-	-	446,060	<b>446,060</b>
Danish Krone	-	-	203,521	<b>203,521</b>
United States Dollar	-	-	894,642	<b>894,642</b>
	<b>154,912</b>	<b>-</b>	<b>10,703,647</b>	<b>10,858,559</b>

	<b>Floating rate financial liabilities £</b>	<b>Financial assets not carrying liabilities £</b>	<b>Total £</b>
Currency			
Sterling	-	148,520	<b>148,520</b>

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

### 12. Risk management policies and disclosures continued

#### Interest rate risk continued

Floating rate interest-bearing assets at the balance sheet date consist of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

There were no fixed interest exposures at the balance sheet date (31 July 2018: same).

#### Credit risk

Credit risk arises from the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

There are no net borrowings or unlisted securities and so little exposure to credit risk.

#### Liquidity risk

Liquidity risk is the risk that a Trust cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, a Trust will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Trust, the Trust may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

There is little exposure to liquidity risk.

#### Counterparty risk

The risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the Trust has fulfilled its responsibilities which could result in the fund suffering a loss. The Investment Manager minimises the risk by conducting trades through only the most reputable counter parties.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

### 12. Risk management policies and disclosures continued

#### Derivatives

The Trust may enter into derivative contracts for Efficient Portfolio Management (EPM) purposes.

Any EPM transaction must be economically appropriate and the exposure fully covered. The Manager monitors the use of derivatives to ensure EPM rules are satisfied.

In the opinion of the Manager there is no sophisticated derivative use within the Fund and accordingly a sensitivity analysis is not presented.

#### Fair value of financial assets and liabilities

Investments disclosed as at the balance sheet date are at fair value. Current assets and liabilities disclosed in the balance sheet are at amortised cost which is approximate to fair value.

### 13. Portfolio transaction costs

31 July 2019

	Net purchase cost £	Commissions paid £		Taxes £		Purchases before transaction costs
Analysis of purchases	£	£	%	£	%	£
Equities	3,472,604	10,330	0.30	6,397	0.18	3,455,877

**Total purchases after  
commissions and tax 3,472,604**

	Net sales proceeds £	Commissions paid £		Taxes £		Sales before transaction costs
Analysis of sales	£	£	%	£	%	£
Equities	3,320,888	10,590	0.32	-	-	3,331,478

**Total sales after  
commissions and tax 3,320,888**

*Commission as a %  
of average net assets* 0.21%

*Taxes are a % of  
average net assets* 0.07%

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

### 13. Portfolio transaction costs continued

31 July 2018

Analysis of purchases	Net purchase cost £	Commissions paid £	%	Taxes £	%	Purchases before transaction costs
Equities	12,442,964	53,048	0.43	19,064	0.15	12,370,852

**Total purchases after commissions and tax** 12,442,964

Analysis of sales	Net sales proceeds £	Commissions paid £	%	Taxes £	%	Sales before transaction costs
Equities	9,001,340	20,703	0.23	1	0.00	9,022,044

**Total sales after commissions and tax** 9,001,340

<i>Commission as a % of average net assets</i>	0.93%
<i>Taxes are a % of average net assets</i>	0.24%

Commissions and taxes as a % of the average net assets form part of the direct transactions costs stated within the comparative tables on page 9. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged (where applicable).

### 14. Portfolio dealing spread

The average portfolio dealing spread at 31 July 2019 is 1.47% (31 July 2018: 1.12%).

### 15. Units in issue

31 July 2019

	Income	Accumulation
Opening number of units	14,076,470	2,258,844
Issued	194,441	313,453
Cancelled	(681,861)	(111,237)
Converted	-	-
<b>Closing number of units</b>	<u>13,589,050</u>	<u>2,461,060</u>

# CONSISTENT OPPORTUNITIES UNIT TRUST

## Notes to the Financial Statements

for the year ended 31 July 2019

continued

### 16. Fair value disclosure

Valuation technique	31 July 2019		31 July 2018	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1	9,600,170	-	10,619,454	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	<u>9,600,170</u>	<u>-</u>	<u>10,619,454</u>	<u>-</u>

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

### 17. Remuneration

Total remuneration of individuals considered to comprise the entire staff of the Fund Manager for the financial year ending 31 August 2018 is:

	£
Fixed Remuneration	124,200
Variable Remuneration	86,298
Total	<u>210,498</u>

Full Time Equivalent number of staff 2

Analysis of senior management

	£
Senior management	159,298
Staff whose actions may have a material impact on the funds	159,298
Other	-

### 18. Post balance sheet event

There were no material post balance sheet events which have a bearing on the understanding of the financial statements.

## CONSISTENT OPPORTUNITIES UNIT TRUST

### Distribution Tables

for the year ended 31 July 2019

in pence per unit

#### Income Distribution

Class	Distribution	Units	Net revenue	Equalisation	Distribution payable 2019	Distribution paid 2018
Income	Interim	Group 1	0.2700	-	0.2700	0.8500
		Group 2	0.1027	0.1673	0.2700	0.8500
	Final	Group 1	0.5500	-	0.5500	0.6200
		Group 2	0.2476	0.3024	0.5500	0.6200

#### Accumulation Distribution

Class	Distribution	Units	Net revenue	Equalisation	Amount reinvested 2019	Amount reinvested 2018
Accumulation	Interim	Group 1	0.7043	-	0.7043	2.1586
		Group 2	0.2680	0.4363	0.7043	2.1586
	Final	Group 1	1.4431	-	1.4431	1.5992
		Group 2	0.6495	0.7936	1.4431	1.5992

Interim period: 1 August 2018 - 31 January 2019

Final period: 1 February 2019 - 31 July 2019

Group 1: Units purchased prior to a distribution period

Group 2: Units purchased during a distribution period

#### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents accrued revenue included in the purchase price of the units. After averaging, it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the units for capital gains tax purposes.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## General Information

### Authorised Status

Consistent Opportunities Unit Trust (the “Trust”) is an authorised unit trust scheme and UCITS scheme operating under chapter 5 of COLL. The Trust was established on 22 January 1988.

The Trust does not intend to have an interest in immovable property.

Unitholders are not liable for the debts of the Trust.

### Head Office of the Manager

Fair Lorna House, Buckingham Road, Singleborough, Milton Keynes MK17 ORD.

### Address for Service

The head office is the address in the United Kingdom for service on the Trust of notices or other documents required or authorised to be served on it.

### Base Currency

The base currency of the Trust is pounds sterling.

### Units

The Trust Deed allows the Trust to issue different classes of units in respect of the Trust. The Trust currently has the following units available for investment:

- Income units
- Accumulation units

Holders of Income units are entitled to be paid the revenue attributable to such units in respect of each annual accounting period in the currency of the relevant units.

Holders of Accumulation units are not entitled to be paid the revenue attributable to such units, but that revenue is retained and accumulated for the benefit of Unitholders and is reflected in the price of units.

### Valuation Point

The scheme property of the Trust will normally be valued at 12.00 on each dealing day for the purpose of calculating the price at which units in the Trust may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of units, a business day is defined as a day on which the dealing office of the Manager is open for the buying and selling of units. The Manager may at any time during a business day carry out an additional valuation of the property of the Trust if the Manager considers it desirable to do so, with the Trustee’s approval.

# CONSISTENT OPPORTUNITIES UNIT TRUST

## General Information

continued

### Buying and Selling of Units

The Manager will accept orders for the purchase and sale of units on normal business days between 9.00am and 5.00pm. Instructions to buy or sell units may either be in writing to:

Stuart House, St. John's Street, Peterborough PE1 5DD

Or by telephone on:

0345 850 8818

The Manager has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the units purchased will be issued no later than the next business day after the business day on which an application to purchase units is received and instrumented by the Manager. Certificates will not be issued in respect of units. Ownership of units will be evidenced by an entry on the register of Unitholders.

### Pricing Basis

The prices of units are published daily on the Investment Association website at [www.theinvestmentassociation.org](http://www.theinvestmentassociation.org) and in the Financial Times at [www.ft.com](http://www.ft.com). Neither the Manager nor the Trust can be held responsible for any errors in the publication of the prices. The units in the Trust will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### Other Information

The Trust Deed, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the Manager which is also the Head Office of the Trust, of which copies may be obtained free of charge upon application. They are also available from the website of the Manager, the details given in the directory of this report.

Unitholders who have complaints about the operation of the Trust should in the first instance contact the Manager, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

### Risk Warning

An investment in a Unit Trust should be regarded as a medium to long-term investment. Investors should be aware that the price of units and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.







