

RANSOMES LIMITED

**FINANCIAL STATEMENTS
31ST DECEMBER 2009**

ENGLISH COMPANY REGISTRATION NO. 00019802

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COMPANIES HOUSE

RANSOMES LIMITED

English Company Registration No 00019802

DIRECTORS

A M Prickett
S J Mitchell
D P Withers

SECRETARY

Eversecretary Limited
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

AUDITORS

Ernst & Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

BANKERS

HSBC Bank plc
168 High Street
Guildford
Surrey
GU1 3YU

SOLICITORS

Eversheds LLP
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Cambridge
CB1 2JY

REGISTERED OFFICE

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Suffolk
IP3 9TT
Tel 01473 270000
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RANSOMES LIMITED

English Company Registration No. 00019802

DIRECTORS' REPORT

The directors present their report and financial statements of the company for the year to 31st December 2009

PRINCIPAL ACTIVITY, REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The principal activity of the company during the year was that of a holding company.

The company's key financial and other performance indicators during the year were as follows:

	2009	2008
	£'000	£'000
Net interest income	136	2,930
Profit before and after tax	236	3,858
Shareholders' funds	22,425	22,189
Current assets as % of current liabilities ("quick ratio")	727%	383%

Net interest income decreased due to transferring Textron's UK cash pools to Textron Limited from 1st September 2008 and the £33,276,000 capital repayment made on the ordinary shares on 18th September 2008. Profit after tax decreased mainly as a result of the interest income decrease. Shareholders' funds improved mainly due to the income resulting from a successful voluntary disclosure claim. The 'quick ratio' was improved as a result of the profit made during the year.

Profit before and after tax decreased by £3,622,000 to a profit of £236,000 (2008: £3,858,000). No dividends from investments were received in the year (2008: £Nil). Net interest income decreased by £2,794,000. Administrative expenses increased by £975,000, mainly due to the release of provisions against receivables from subsidiary undertakings in 2008. Other income increased by £147,000 due to a successful voluntary disclosure claim.

The future strategy remains to act as the holding company of the Ransomes group of companies, managing investments, maximising interest income and withdrawing from property activities.

RESULTS AND DIVIDEND

The company's profit after taxation for the year was £236,000 (2008: £3,858,000). No interim dividends were paid in respect of the current year (2008: £16,304,000). No 5.5% preference share dividend was accrued during the year (2008: £2,000).

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are the future performance of its principal subsidiaries. The main income generating subsidiary is Ransomes Jacobsen Limited whose commercial turf equipment business operates in a mature market with well established global competitors.

DIRECTORS

The directors of the company during the year to 31st December 2009 were

Mr B W George (resigned 29th January 2010)

Mr S J Mitchell

Mr D P Withers

Mr A M Prickett was appointed on 29th January 2010

No director has a service contract with the company

POST BALANCE SHEET EVENT

In February 2010, HM Revenue and Customs accepted a voluntary disclosure claim in respect of VAT and associated statutory interest. The net income of £224,000 is recorded as an adjusting post balance sheet event.

RANSOMES LIMITED**DIRECTORS' REPORT** Continued

English Company Registration No 00019802

SUPPLIER PAYMENT POLICY

The company's policy is to pay in accordance with the agreed supplier terms, provided that the relevant invoice is presented in a timely fashion and is complete. Trade creditor days for the year ended 31st December 2009 were 13 days (2008: 63 days), based on the ratio of trade creditors at the year end to the amounts invoiced during the year by trade creditors.

INCOME AND CORPORATION TAXES ACT 1988

The close company provisions of this Act do not apply to the company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving this report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that

- to the best of his knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditor is unaware, and
- he has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 company will continue in business.

The directors are responsible for keeping proper 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.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be proposed at the Annual General Meeting.

By Order of the Board

D P Withers
Director
6th December 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANSOMES LIMITED

We have audited the financial statements of Ransomes Limited for the year ended 31st December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, 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 members those matters we are required to state 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 members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Rachel Wilden (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
6th December 2010*

RANSOMES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2009**

	Notes	2009 £'000	2008 £'000
Administrative expenses - exceptional		-	905
Administrative expenses - other		(72)	(2)
Other operating income		172	25
		<hr/>	<hr/>
Operating profit	2	100	928
Interest receivable	3	136	6,603
Interest payable	3	-	(3,673)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		236	3,858
Taxation on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
Profit for the financial year		236	3,858
		<hr/>	<hr/>

All of the above results are derived from continuing operations, other than the operation of Textron's UK cash pools which was transferred to Textron Limited from 1st September 2008. This Treasury activity contributed £1,884,000 to profit before tax for the year ended 31st December 2008.

All recognised gains and losses for the reported period are reflected in the profit and loss account.

On an unmodified historical cost basis profit for the financial year would be increased by £242,000 (2008: £Nil) in respect of the realisation of property revaluation surplus.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £'000	Revaluation Reserve £'000	Profit and Loss Account £'000	Total Shareholders' Funds £'000
At 1st January 2008	34,664	242	(24,025)	10,881
Profit for the financial year	-	-	3,858	3,858
Equity dividends - repayment	-	-	7,500	7,500
Equity dividends - interim	-	-	(7,500)	(7,500)
Equity dividends - interim	-	-	(8,804)	(8,804)
Capital repayment	(33,276)	-	-	(33,276)
Special shares redemption	(1)	-	-	(1)
8 25p preference shares cancellation	-	-	49,531	49,531
At 31st December 2008	1,387	242	20,560	22,189
Profit for the financial year	-	-	236	236
Realised on disposals	-	(242)	242	-
At 31st December 2009	1,387	-	21,038	22,425

The retained profit and loss account of the company includes £5,316,000 (2008: £5,080,000) of distributable reserves.

RANSOMES LIMITED

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BALANCE SHEET**AS AT 31ST DECEMBER 2009**

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments	6	21,660	21,660
Current assets			
Property available for disposal	7	-	400
Debtors	8	887	316
		<u>887</u>	<u>716</u>
Creditors: amounts falling due within one year	9	(122)	(187)
Net current assets		<u>765</u>	<u>529</u>
Net assets		<u>22,425</u>	<u>22,189</u>
Capital and reserves			
Called up share capital	10	1,387	1,387
Revaluation reserve		-	242
Profit and loss account		21,038	20,560
Shareholders' funds		<u>22,425</u>	<u>22,189</u>

Approved by the directors and signed on their behalf by

D P Withers
 Director
 6th December 2010

RANSOMES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2009****1 ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, as modified by the revaluation of land and buildings and in compliance with the provisions of the Companies Act 2006.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as interest accrues using the effective interest method

Dividends

Revenue is recognised when the company's right to receive payment is established

Management estimates

Estimates have been made in respect of remaining liabilities relating to surplus land sales after evaluating the latest development position, commitment placed in respect of drainage works and other estimates of contractors

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Property available for disposal

Property transferred from fixed assets is stated at the lower of book value (latest independent valuation) or net realisable value.

Cash Flow Statement

A cash flow statement has not been presented as the company is a wholly owned subsidiary of Textron Acquisition Limited, which is consolidated within the group financial statements of its ultimate parent undertaking, Textron Inc. which are publicly available.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception.

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

RANSOMES LIMITED**NOTES TO THE FINANCIAL STATEMENTS Continued
AS AT 31ST DECEMBER 2009****1 ACCOUNTING POLICIES Continued****Group financial statements**

The financial statements present information about the company and not the group. Group financial statements have not been prepared as the company is a wholly owned subsidiary undertaking of Textron Acquisition Limited, which is consolidated within the group financial statements of its ultimate parent undertaking, Textron Inc., as permitted by Section xxx of the Companies Act 2006.

Pensions

The Ransomes pension scheme is financed through separately administered funds. Information with respect to the Ransomes scheme is included in note 12 to these financial statements and in the financial statements of Ransomes Jacobsen Limited.

The actuarial surplus and other annual actuarially assessed movements on the Ransomes pension scheme are accounted for in the financial statements of Ransomes Jacobsen Limited.

2 OPERATING PROFIT IS STATED AFTER CHARGING/(CREDITING):

	2009 £'000	2008 £'000
Exceptional items - Amounts (released)/provided in respect of receivables from subsidiary undertakings	-	(905)
Release of provisions relating to land available for disposal	(15)	(25)
Voluntary disclosure claim income	(88)	-
	<hr/>	<hr/>

None of the directors were remunerated in respect of services to the company during the year (2008: £Nil)

Auditor's remuneration was borne by a subsidiary undertaking

No staff were employed during the year (2008: Nil)

Segmental and Geographical Information - The company has no turnover. Profit before taxation and net assets relate to the principal activity of the company, being that of a holding company operating in the United Kingdom.

RANSOMES LIMITED**NOTES TO THE FINANCIAL STATEMENTS Continued
AS AT 31ST DECEMBER 2009****3 INTEREST**

	2009	2008
	£'000	£'000
Receivable		
Interest receivable on bank deposits	-	1,251
Interest receivable from subsidiary undertakings	-	78
Interest receivable from other group undertakings	-	5,075
Interest receivable from ultimate parent undertaking	-	199
Other interest receivable	136	-
	<u>136</u>	<u>6,603</u>
Payable		
Interest payable on bank loans and overdrafts	-	(22)
Interest payable to subsidiary undertakings	-	(230)
Interest payable to other group undertakings	-	(3,225)
Interest payable to immediate parent undertaking	-	(194)
Preference dividend – 5.5% cumulative preference shares	-	(2)
	<u>-</u>	<u>(3,673)</u>

4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
	£'000	£'000
(a) Tax on profit on ordinary activities		
The tax charge/(credit) is made up as follows.		
Current Tax		
UK Corporation tax at 28% (2008 28.5%)	-	-
Adjustment for prior years	-	-
Total current tax (note 4(b))	<u>-</u>	<u>-</u>
Deferred Tax		
Origination and reversal of timing differences (note 4(c))	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

There is no current year charge for UK corporation tax as profits arising will be covered by use of losses surrendered by other group companies for £Nil consideration

RANSOMES LIMITED**NOTES TO THE FINANCIAL STATEMENTS Continued
AS AT 31ST DECEMBER 2009****4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES Continued**

	2009 £'000	2008 £'000
(b) Factors affecting current tax charge		
The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 28.5%)		
The differences are reconciled below:		
Profit on ordinary activities before taxation	236	3,858
	=====	=====
Tax at 28% (2008 28.5%)	66	1,100
Actual corporation tax (note 4(a))	-	-
	-----	-----
Difference	66	1,100
	=====	=====
Permanent differences:		
Provision against cash pool balances	-	(258)
Specific provisions	-	(7)
Group relief from Textron companies	(66)	(832)
Timing differences Other timing differences	-	(3)
	-----	-----
Difference	(66)	(1,100)
	=====	=====
(c) Deferred tax		
<u>Provided</u>		
Accelerated capital allowances	-	-
Other timing differences	-	-
	-----	-----
	-	-
	=====	=====
<u>Unprovided asset</u>		
Accelerated capital allowances	(1)	(2)
Other timing differences	-	-
	-----	-----
	(1)	(2)
	=====	=====

This asset has not been recognised as it is not expected that there will be sufficient taxable profits against which the asset may be utilised in the near future

(d) Factors affecting future tax charges

In his budget of 22nd June 2010, the Chancellor of the Exchequer announced Budget tax changes, which, if enacted in the proposed manner, will have a significant effect on the company's future tax position. As at 31st December 2009, the tax changes announced in the Budget had not yet been 'substantively enacted' and as such, in accordance with accounting standards, the changes have not been reflected in the company's financial statements as at 31st December 2009.

The budget proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year, from April 2011, which will be enacted annually. The effect of the reduction in the tax rate to 24% on the company's deferred tax asset would be to reduce the deferred tax asset by £181. The rate change will also impact the amount of the future cash tax payments to be made by the company. However, for the foreseeable future it is anticipated that UK corporation tax will be covered by use of losses surrendered by other group companies for £Nil consideration.

The budget also proposed a decrease in the rate of capital allowances of 2% on main pool and special rate pool assets. The effect on the company of these proposed changes to the UK tax system will be reflected in the company's financial statements for the year ending 31st December 2010 once the proposals have been substantively enacted.

RANSOMES LIMITED**NOTES TO THE FINANCIAL STATEMENTS Continued
AS AT 31ST DECEMBER 2009****5 DIVIDENDS**

	2009	2008
	£'000	£'000
Equity shares		
Interim – received 10th December 2008 5 41p per share	-	(7,500)
Interim – paid 10th December 2008 5 41p per share	-	7,500
Interim – paid 22nd December 2008 6.35p per share	-	8,804
	<u>-</u>	<u>8,804</u>
	=====	=====

On 10th December 2008, Textron Acquisition Limited repaid an interim dividend of £7,500,000 previously paid on 12th December 2006, as interim financial statements had not originally been filed. This dividend was then subsequently repaid on the same date.

6 FIXED ASSETS - INVESTMENTS**Shares in subsidiary undertakings**

	2009	2008
	£'000	£'000
Cost:		
At start of the year	24,983	24,983
Disposals	(3,323)	-
At end of the year	<u>21,660</u>	<u>24,983</u>
	=====	=====
Amounts provided:		
At start of the year	3,323	3,323
Disposals	(3,323)	-
At end of the year	<u>-</u>	<u>3,323</u>
	=====	=====
Net book value at end of the year	<u>21,660</u>	<u>21,660</u>
	=====	=====

Details of principal subsidiaries at 31st December 2009, which unless indicated, are direct subsidiaries of Ransomes Limited

Name of company	Country of incorporation & Holding (ordinary shares)	Nature of business
Ransomes Jacobsen Limited	England (100%)	Manufacture and sale of machinery
Ransomes Property Developments Limited	England (100%)	Property development

The directors are of the opinion that the value of these investments are not materially different from the amount at which they are stated in the financial statements.

Ransomes Overseas Services Limited was struck off on 8th December 2009

RANSOMES LIMITED**NOTES TO THE FINANCIAL STATEMENTS Continued
AS AT 31ST DECEMBER 2009****7 PROPERTY AVAILABLE FOR DISPOSAL**

	2009	2008
	£'000	£'000
Surplus land and buildings		
At start of the year	400	400
Transferred to a subsidiary undertaking	(400)	-
At end of the year	<u>-</u>	<u>400</u>
	<u>=====</u>	<u>=====</u>

8 DEBTORS

	2009	2008
	£'000	£'000
Amounts owed by subsidiary undertakings	400	24
Amounts owed by other group undertakings	257	221
Other debtors	230	71
	<u>887</u>	<u>316</u>
	<u>=====</u>	<u>=====</u>

9 CREDITORS: amounts falling due within one year

	2009	2008
	£'000	£'000
Trade creditors	7	53
Amounts owed to subsidiary undertakings	-	1
Accruals and deferred income	115	133
	<u>122</u>	<u>187</u>
	<u>=====</u>	<u>=====</u>

10 CALLED UP SHARE CAPITAL

	2009		2008	
	No.'000	£'000	No.'000	£'000
<i>Ordinary shares of 1p (2008 1p) each</i>				
Authorised	190,022	1,900	190,022	1,900
Issued and fully paid	<u>138,652</u>	<u>1,387</u>	<u>138,652</u>	<u>1,387</u>

RANSOMES LIMITED**NOTES TO THE FINANCIAL STATEMENTS Continued
AS AT 31ST DECEMBER 2009****11 PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's immediate parent undertaking is Textron Acquisition Limited. The company's ultimate parent undertaking and controlling party is Textron Inc., which is incorporated in the United States of America. Copies of its group financial statements are available from Textron Inc., 40 Westminster Street, Providence, Rhode Island, 02903, USA.

In accordance with FRS8 related party disclosures with other Textron Inc. group companies are not required as the company is a 100% owned subsidiary undertaking.

12 PENSIONS

The company's former employees were members of the Ransomes pension scheme, which is of the defined benefit type with assets held in separate trustee administered funds. Contributions to these funds are based upon the advice of a professionally qualified actuary following the most recent valuation of these funds. The current group employees of the scheme are now employed by Ransomes Jacobsen Limited and their accounts include the accounting for this pension scheme in accordance with the provisions of FRS17.

13 POST BALANCE SHEET EVENT

In February 2010, HM Revenue and Customs accepted a voluntary disclosure claim in respect of VAT and associated statutory interest. The net income of £224,000 is recorded as an adjusting post balance sheet event.