

5210718

**Thurlow Nunn Standen Limited**

**Report and Financial Statements**

For the period from incorporation  
on 10 December 2004 to  
31 December 2005



# **THURLOW NUNN STANDEN LIMITED**

## **Annual report and financial statements for the period ended 31 December 2005**

---

### **Contents**

#### **Page:**

1	Report of the directors
3	Report of the independent auditors
4	Profit and loss account
5	Balance sheet
6	Notes forming part of the financial statements

---

### **Directors**

CW Rutterford  
PS Saunders  
JR Thurlow  
JP Nunn  
R Pipe  
SA Tew

### **Secretary and registered office**

PS Saunders, Lisle Lane, Ely, Cambridgeshire, CB7 4AE

### **Company number**

5310718

### **Auditors**

Baker Tilly, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA

## **THURLOW NUNN STANDEN LIMITED**

### **Report of the directors for the period ended 31 December 2005**

---

The directors present their report together with the audited financial statements for the period from incorporation on 10 December 2004 to 31 December 2005.

#### **Results and dividends**

The profit and loss account is set out on page 4 and shows the profit for the period.

The directors do not recommend a dividend.

#### **Principal activity, trading review and future developments**

The company was incorporated on 10 December 2004 as Thurlow Nunn Staden (Agriculture) Limited and changed its name on 17 December 2004 to Thurlow Nunn Standen (Agriculture) Limited. The company further changed its name on 28 February 2005 to Thurlow Nunn Standen Limited.

The principal activity of the company throughout the period was that of agricultural machinery distributors including sales, service and parts supply.

The company commenced trading on 1 January 2005, when the above activities were transferred from Thurlow Nunn (Holdings) Limited.

The directors are satisfied with the results of the period and are of the opinion that the business will continue to expand and develop in future years.

#### **Issue of shares**

100,000 ordinary shares of £1 each were issued on incorporation, at par value, and were acquired by Thurlow Nunn (Holdings) Limited.

#### **Trustee's interest**

DCW Unwin, a partner at Baker Tilly, the company's auditors, is a trustee of three settlements which in total held 27,520 of the 73,630 ordinary shares in the ultimate parent company, George Thurlow and Sons (Holdings) Limited throughout the period.

#### **Directors**

The directors of the company during the period were:

	<b>Appointed</b>	<b>Resigned</b>
CW Rutterford	10.12.04	-
PS Saunders	10.12.04	-
JR Thurlow	10.12.04	-
R Pipe	10.12.04	-
JP Nunn	10.12.04	-
SA Tew	01.01.05	-
Instant Companies Limited	10.12.04	10.12.04

No director had any direct interest in the shares of the company during the period. The interests of SA Tew and JR Thurlow in the shares of the ultimate parent company, George Thurlow and Sons (Holdings) Limited, are shown in that company's financial statements.

## **THURLOW NUNN STANDEN LIMITED**

### **Report of the directors for the period ended 31 December 2005 (*Continued*)**

---

#### **Employees**

The group maintains and develops the involvement of all employees through both formal and informal systems of communication.

The group regularly monitors all aspects of its business with regard to requirements and legislation relating to health and safety at work.

The group supports the employment of disabled people wherever possible, by recruitment, by giving special consideration to retaining those who become disabled during their employment and generally through training, career development and promotion.

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

Baker Tilly were appointed as auditors of the company on 10 December 2004 and, having expressed their willingness to continue in office, are deemed to be re-elected in accordance with the elective resolutions currently in force.

#### **By order of the Board**



PS Saunders  
**Secretary**

21 June 2006

## THURLOW NUNN STANDEN LIMITED

### Independent auditors' report to the member of Thurlow Nunn Standen Limited

---

We have audited the financial statements on pages 4 to 14.

This report is made solely to the company's member in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it 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 for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.


#### **Basis of audit opinion**

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

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

#### **Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**BAKER TILLY**  
*Chartered Accountants  
and Registered Auditors*  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

21 June 2006

**THURLOW NUNN STANDEN LIMITED****Profit and loss account for the period ended 31 December 2005**

	<b>Note</b>	<b>2005 £'000</b>
<b>Turnover</b>	2	20,974
Cost of sales		(17,322)
<b>Gross profit</b>		<u>3,652</u>
Administrative expenses		(3,257)
<b>Operating profit</b>	5	<u>395</u>
Interest payable and similar charges	6	(69)
<b>Profit on ordinary activities before taxation</b>		<u>326</u>
Taxation on profit on ordinary activities	7	(62)
<b>Profit on ordinary activities after taxation</b>	15	<u><u>264</u></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account


The notes on pages 6 to 14 form part of these financial statements.

**THURLOW NUNN STANDEN LIMITED****Balance sheet at 31 December 2005**

	Note	2005 £'000	£'000
<b>Fixed assets</b>			
Tangible assets	8		551
<b>Current assets</b>			
Stocks	9	1,952	
Debtors	10	1,990	
Cash at bank and in hand		58	
		<u>4,000</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(4,161)</u>	
<b>Net current liabilities</b>			(161)
<b>Total assets less current liabilities</b>			<u>390</u>
<b>Creditors: amounts falling due after more than one year</b>	12		(25)
<b>Provision for liabilities and charges</b>	13		(1)
<b>Net assets</b>			<u>364</u>
<b>Capital and reserves</b>			
Called up share capital	14		100
Profit and loss account	15		264
<b>Shareholder's funds</b>	16		<u>364</u>

All shareholder's funds are attributable to equity interests.

The financial statements were approved by the Board on 21 June 2006.



CW Rutterford  
Director

The notes on pages 6 to 14 form part of these financial statements.

# THURLOW NUNN STANDEN LIMITED

## Notes forming part of the financial statements for the period ended 31 December 2005

---

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents sales to customers net of value added tax.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Plant, equipment, fixtures and fittings	-	3 to 8½ years
Motor vehicles	-	3 to 5 years

#### *Stocks and work in progress*

Stocks are valued at the lower of cost and net realisable value. Cost is arrived at as follows:

Work in progress and finished goods	-	Cost of direct materials and labour plus attributable overheads based on a normal level of activity.
Goods for resale	-	Purchase cost on a first in, first out basis.

Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### *Deferred taxation*

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### *Hire purchase and leased assets*

Where assets are financed by hire purchase or leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised in the case of finance leases is the present value of the minimum payments payable during the lease term. The corresponding hire purchase and leasing commitments are shown as amounts payable in creditors. Depreciation on the relevant assets is charged to the profit and loss account.

Monthly payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable under creditors.

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.



# THURLOW NUNN STANDEN LIMITED

Notes forming part of the financial statements for the period ended 31 December 2005 (*Continued*)

## 1 Accounting policies (*Continued*)

### *Pension costs*

The group operates a contributory pension scheme which provides benefits based on final pensionable salary.

Regular pension costs for the group are established in accordance with the recommendations of an independent actuary and are charged to the group profit and loss account based on the expected pension costs over the employees' service lives with the group. The current actuarial deficit is being spread over the remaining service lives. The company is unable to identify its share of the underlying assets and liabilities of the joint scheme and consequently accounts for the pension costs as though the scheme is a defined contribution scheme.

The group also operates a defined contribution pension scheme. The costs are charged to the profit and loss account as incurred.

### *Cash flow statement*

The company has taken advantage of the exemption in Financial Reporting Standard 1 from the requirement to produce a cashflow statement on the grounds that it is a subsidiary undertaking where 90% or more of the voting rights are controlled within the group and consolidated accounts are produced with a cashflow statement.

## 2 Turnover

As turnover arises substantially from one class of business within the United Kingdom, no analysis of turnover by geographical region or class of business has been provided.

## 3 Employees

	2005 £'000
Staff costs consist of:	
Wages and salaries	2,602
Social security costs	219
Pension costs	333
	<u>3,154</u>

The average monthly number of employees of the company during the period, including directors, was as follows:

	2005 Number
Sales and service	85
Office and management	28
	<u>113</u>

## THURLOW NUNN STANDEN LIMITED

### Notes forming part of the financial statements for the period ended 31 December 2005 (Continued)

#### 4 Directors

	2005 £'000
Directors emoluments consist of:	
Directors' remuneration (including benefits in kind)	210
Contributions to pension scheme	54
	<hr/>
Highest paid director – total emoluments	91
	<hr/>

During the year, contributions were paid to the company's defined benefit pension scheme in respect of 4 directors.

The highest paid director has, proportionately, the same accrued pension benefits as other senior executives based on service, using the Inland Revenue sixtieths per year formula to a maximum of 40/60 of pensionable salary.

#### 5 Operating profit

	2005 £'000
This has been arrived at after charging/(crediting):	
Depreciation	167
Operating lease rentals - other assets	119
Auditors' remuneration - audit services	20
- non audit services	3
Profit on sale of fixed assets	(17)
	<hr/>

#### 6 Interest payable and similar charges

	2005 £'000
Bank loans and overdrafts	66
Hire purchase contracts	3
	<hr/>
	69
	<hr/>

# THURLOW NUNN STANDEN LIMITED

## Notes forming part of the financial statements for the period ended 31 December 2005 *(Continued)*

### 7 Taxation

	2005 £'000
UK corporation tax - current period	61
Transfer to deferred taxation - current period	1
	<u>62</u>

The tax assessed for the period is lower than that calculated using the standard rate of corporation tax for the company in the UK -30%. The differences are explained below:

	2005 £'000
Profit on ordinary activities before taxation	326
Profit on ordinary activities multiplied by the standard rate of UK corporation tax at 30%	98
Effects of:	
Transfer pricing adjustment	(35)
Expenses not allowed for tax purposes	4
Capital allowances in excess of depreciation	(7)
Other short term timing differences	4
Marginal relief	(3)
Corporation tax for the current period	<u>61</u>

## THURLOW NUNN STANDEN LIMITED

Notes forming part of the financial statements for the period ended 31 December 2005 (Continued)

### 8 Tangible assets

	Plant, equipment, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<i>Cost</i>			
Transferred from Thurlow Nunn (Holdings) Limited on incorporation on 1 January 2005	464	736	1,200
Additions	35	185	220
Disposals	(17)	(163)	(180)
<b>At 31 December 2005</b>	<b>482</b>	<b>758</b>	<b>1,240</b>
<i>Depreciation</i>			
Transferred from Thurlow Nunn (Holdings) Limited on incorporation on 1 January 2005	295	378	673
Provided for the period	39	128	167
Disposals	(14)	(137)	(151)
<b>At 31 December 2005</b>	<b>320</b>	<b>369</b>	<b>689</b>
<i>Net book value</i>			
<b>At 31 December 2005</b>	<b>162</b>	<b>389</b>	<b>551</b>

The net book value of tangible fixed assets includes an amount of £121,000 in respect of assets held under hire purchase contracts. The related depreciation charge for the period was £14,000.

### 9 Stocks

	2005 £'000
Work in progress	19
Finished goods and goods for resale	1,767
Goods held for resale under stocking plans (note 11)	166
	<b>1,952</b>

There is no material difference between the replacement cost of stocks and the amounts stated above.

### 10 Debtors

	2005 £'000
Trade debtors	1,915
Other debtors	15
Prepayments and accrued income	60
	<b>1,990</b>

Included in other debtors are loans made to a company director of £15,000 - see note 18.

## THURLOW NUNN STANDEN LIMITED

Notes forming part of the financial statements for the period ended 31 December 2005 *(Continued)*

### 11 Creditors: amounts falling due within one year

	2005 £'000
Obligations under hire purchase contracts	37
Trade creditors	1,196
Stocking plan creditors	169
Amount owed to group undertakings	2,102
Amount owed to connected undertaking (note 18)	16
Corporation tax (note 7)	61
Other taxes and social security costs	354
Other creditors	67
Accruals and deferred income	159
	<u>4,161</u>

Stocking plan creditors represent amounts advanced to finance the purchase of goods for resale. The finance is secured on the underlying asset and is repayable subject to the terms of the agreement. The agreements in effect at the year end include full repayment on settlement, repayment by instalments and repayment on a predetermined date.

### 12 Creditors: amounts falling due after more than one year

	2005 £'000
Obligations under hire purchase contracts	<u>25</u>

The obligations under finance leases and hire purchase contracts are secured on the underlying assets and the above amounts are due as follows:

	2005 £'000
Between one and two years	<u>25</u>

**THURLOW NUNN STANDEN LIMITED****Notes forming part of the financial statements for the period ended 31 December 2005 (Continued)****13 Deferred taxation**

	2005 £'000
Charge to profit and loss account	1
<b>Balance at 31 December</b>	<b>1</b>
<b>Deferred taxation</b>	
Accelerated capital allowances	1

**14 Called up share capital**

	Authorised 2005 £'000	Allotted, called up and fully paid 2005 £'000
Ordinary shares of £1 each	100	100

During the period 100,000 ordinary £1 shares were issued at par to provide capital for the business.

**15 Reserves**

	Profit and loss account 2005 £'000
Retained profit for the period	264
<b>At 31 December 2005</b>	<b>264</b>

**16 Reconciliation of movements in shareholder's funds**

	2005 £'000
Profit for the period	264
Issue of ordinary shares	100
Net addition to shareholder's funds	364
Opening shareholder's funds	-
<b>Closing shareholder's funds</b>	<b>364</b>

## THURLOW NUNN STANDEN LIMITED

### Notes forming part of the financial statements for the period ended 31 December 2005 (*Continued*)

#### 17 Pensions

The company is a participating employer of both the defined contribution and defined benefit pension schemes jointly operated by the group and other group companies. The assets of the schemes are held in separate trustee administered funds.

The pension cost of the defined benefit scheme is assessed in accordance with the advice of a professionally qualified actuary and the most recent actuarial valuation was carried out as at 6 April 2005. Details of the valuation are as follows:-

Method used	Attained age
Main assumptions:	
Return on investments	6% per annum
Increase in earnings	4% per annum
Market value on scheme assets at last valuation date	£8,527,000
Level of funding on an ongoing basis	68%

The scheme was closed to new members in 1994 and the cost as a percentage of the related pensionable payroll will tend to increase as the average age of membership rises. The actuary has recommended that the employers' contributions remain at 27.1%, together with a contribution of £31,833 per month for the period to 30 September 2014 to account for the minimum funding requirements. The company's share of the contributions has been made on this basis.

As disclosed in note 1, the company is unable to identify its share of the underlying assets and liabilities of the joint scheme and consequently accounts for the pension costs as though the scheme is a defined contribution scheme.

The pension cost of the defined contribution scheme represents the contributions payable for the period.

The pension charge for both schemes for the period was £333,827. No contributions were outstanding at the period end.

Since it is not possible to separately identify the proportion of the overall deficit of the group's defined benefit pension scheme that relates to the company, no FRS17 disclosures have been made in these financial statements. This is in accordance with the exemption under FRS17 relating to multi-employer schemes.

#### 18 Related party transactions

No disclosure of transactions with group companies has been provided as permitted by Financial Reporting Standard 8, as the company's figures are included in the consolidated financial statements of both the ultimate holding company, George Thurlow and Sons (Holdings) Limited and the immediate parent Thurlow Nunn (Holdings) Limited.

At 31 December 2005, the company had the following balances with related parties:

	2005 £'000
<i>Amounts owed to connected entity</i>	
Balsham (Buildings) Limited	16

## **THURLOW NUNN STANDEN LIMITED**

**Notes forming part of the financial statements for the period ended 31 December 2005 (Continued)**

---

### **18 Related party transactions (Continued)**

Included in other debtors is a loan of £15,000 made to JR Thurlow. The maximum amount outstanding during the period was £22,720.

During the period £7,720 was written off the loan to JR Thurlow.

During the period the company entered into the following arrangements with connected undertakings:

- Purchases of building supplies and services from Balsham (Buildings) Limited of £218,608.

Balsham (Buildings) Limited is under the control of Mr JG Thurlow and members of his close family.

Thurlow Nunn (Holdings) Limited is the company's immediate parent company and has common directors.

### **19 Contingent liabilities**

#### *Bank security*

The company's bankers hold a corporate guarantee that encompasses all borrowing owed to the bank, by Thurlow Nunn Standen Limited, Thurlow Nunn (Holdings) Limited, Thurlow Nunn (Motor Vehicles) Limited and Warwick Shubbrook Limited. At 31 December 2005 the total borrowings of the other group companies amounted to £2,673,000.

#### *VAT group registration*

The company together with Thurlow Nunn (Holdings) Limited and Thurlow Nunn (Motor Vehicles) Limited form a VAT group. All companies concerned are jointly and severally liable for the VAT liabilities of other group members. At 31 December 2005 £19,000 was payable to HM Revenue and Customs from other group companies.

### **20 Ultimate parent company and controlling interest**

Throughout the period, the company's ultimate parent company was George Thurlow and Sons (Holdings) Limited which was under the control of Mr JG Thurlow and members of his close family throughout the year.

Copies of the consolidated financial statements of George Thurlow and Sons (Holdings) Limited are available from Companies House.

Thurlow Nunn (Holdings) Limited was the immediate parent company throughout the period.