

THURLOW NUNN STANDEN LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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THURLOW NUNN STANDEN LIMITED

COMPANY INFORMATION

Directors

J R Thurlow
J P Nunn
R Pipe
S A Tew
P H Addinall
S Bottomley
A H Brown
C Tew

Company secretary

P H Addinall

Company number

5310718

Registered office

Wisbech Road
Littleport
Ely
Ely
CB6 1RA

Auditor

PKF (UK) LLP
Cedar House
105 Carrow Road
Norwich
NR1 1HP

THURLOW NUNN STANDEN LIMITED

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THURLOW NUNN STANDEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company during the year was that of agricultural machinery distributors including sales, service and parts supply. The company is also involved in the construction of agricultural buildings.

Business review

The directors consider the following KPI's as important to their business -

	2010	2009
Gross profit %	15.3%	14.6%
Return before tax on sales	2.4%	2.1%
Current ratio	1.155	1.145

The improvement in current ratio, return of sales and gross profit percentage is encouraging.

Results and future developments

The profit for the year, after taxation, amounted to £602,000 (2009 - £500,000). The directors forecast that 2011 will again be challenging, but with a solid base, competent staff and a quality product range, the directors are optimistic the results will be in line with forecasts. The directors do not recommend payment of a dividend.

Directors

The directors who served during the year were

J R Thurlow
J P Nunn
R Pipe
S A Tew
P H Addinall
S Bottomley
A H Brown
C Tew

Risks and Uncertainties

The directors have reviewed the business and have identified the key risks to the business as follows -

- The increasingly competitive nature of the industry
- The performance of the local farming community

The directors have reviewed these risks and uncertainties and have put in place the necessary measures, controls and processes to mitigate these risks.

THURLOW NUNN STANDEN LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

Financial instruments

The company's treasury activities are operated within policies and procedures approved by the Board, which include defined controls on the use of financial instruments managing the company's risk

The company finances its operations by a mixture of retained profits, cash and the company seeks to ensure there is short term flexibility by the availability of overdraft facilities and stocking loans. The company monitors its cash balances and loans on a regular basis to ensure that all foreseeable future needs can be met from available resources

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

This report was approved by the board on *28 June 2011*

and signed on its behalf



P H Addinall
Secretary

THURLOW NUNN STANDEN LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2010**

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THURLOW NUNN STANDEN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THURLOW NUNN STANDEN LIMITED

We have audited the financial statements of Thurlow Nunn Standen Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. 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 to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2010 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.

THURLOW NUNN STANDEN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THURLOW NUNN STANDEN LIMITED

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

Pnt (un) LLP

Nicholas Buxton (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Norwich, UK

Date *28 June 2011*

THURLOW NUNN STANDEN LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £000	2009 £000
TURNOVER	1,2	34,213	33,626
Cost of sales		(28,983)	(28,704)
GROSS PROFIT		5,230	4,922
Administrative expenses		(4,374)	(4,201)
OPERATING PROFIT	3	856	721
Interest payable	6	(19)	(11)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		837	710
Tax on profit on ordinary activities	7	(235)	(210)
PROFIT FOR THE FINANCIAL YEAR	14	602	500

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 8 to 15 form part of these financial statements


THURLOW NUNN STANDEN LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2010**

	Note	£000	2010 £000	2009 £000
FIXED ASSETS				
Tangible fixed assets	8		593	580
CURRENT ASSETS				
Stocks	9	3,404		2,975
Debtors	10	3,169		1,942
Cash at bank		-		149
		<u>6,573</u>		<u>5,066</u>
CREDITORS: amounts falling due within one year	11	<u>(4,406)</u>		<u>(3,488)</u>
NET CURRENT ASSETS			<u>2,167</u>	<u>1,578</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,760</u>	<u>2,158</u>
CAPITAL AND RESERVES				
Called up share capital	13		100	100
Profit and loss account	14		<u>2,660</u>	<u>2,058</u>
SHAREHOLDERS' FUNDS	15		<u>2,760</u>	<u>2,158</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28 June 2011


J.R. Thurlow
Director

The notes on pages 8 to 15 form part of these financial statements

THURLOW NUNN STANDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The company has applied the provisions of FRS 1, regarding cash flows prepared by parent companies in which subsidiaries are included and has not prepared a cash flow statement

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax

In respect of building contracts turnover is recognised over the life of the contract based on its percentage of completion. The company recognises profit where it can be estimated with reasonable certainty. Any losses are recognised in full. This is assessed on a contract by contract basis

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant and equipment, fixtures and fittings	-	3 to 8 1/3 years per annum
Motor vehicles	-	3 to 8 years
Improvements to leasehold property	-	5 years

1.4 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

THURLOW NUNN STANDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES (continued)

1.7 Pensions

The company is a participating employer of both the defined contribution and defined benefit schemes jointly operated by the group and other companies

Regular pension costs for the group are established in accordance with recommendations of an independent actuary. 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 pension scheme

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

2. TURNOVER

All turnover arose within the United Kingdom

3. OPERATING PROFIT

The operating profit is stated after charging

	2010 £000	2009 £000
Depreciation of tangible fixed assets		
- owned by the company	234	202
Auditors' remuneration	9	9
Operating lease rentals		
- land and buildings	193	177
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010 £000	2009 £000
Wages and salaries	2,883	2,753
Social security costs	269	259
Other pension costs	322	316
	<u> </u>	<u> </u>
	<u>3,474</u>	<u>3,328</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No.	2009 No.
Sales and service	88	85
Office and management	25	28
	<u> </u>	<u> </u>
	<u>113</u>	<u>113</u>

THURLOW NUNN STANDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

5. DIRECTORS' REMUNERATION

	2010	2009
	£000	£000
Emoluments	484	503
	<u> </u>	<u> </u>
Company pension contributions	127	134
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 6 directors (2009 - 6) in respect of defined benefit pension schemes

The highest paid director received remuneration of £151,000 (2009 - £144,000)

The value of the company's contributions paid to the defined benefit pension scheme in respect of the highest paid director amounted to £39,000 (2009 - £38,000)

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

6. INTEREST PAYABLE

	2010	2009
	£000	£000
On bank loans and overdrafts	9	4
On other loans	10	7
	<u> </u>	<u> </u>
	19	11
	<u> </u>	<u> </u>

7. TAXATION

	2010	2009
	£000	£000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	235	204
Adjustments in respect of prior periods	(7)	2
	<u> </u>	<u> </u>
Total current tax	228	206
	<u> </u>	<u> </u>
Deferred tax (see note 12)		
Origination and reversal of timing differences	7	4
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	235	210
	<u> </u>	<u> </u>

THURLOW NUNN STANDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2009 - higher than) the standard rate of corporation tax in the UK (28%). The differences are explained below

	2010 £000	2009 £000
Profit on ordinary activities before tax	<u>837</u>	<u>710</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	234	199
Effects of:		
Expenses not deductible for tax purposes	6	5
Capital allowances for year in excess of depreciation	(1)	2
Adjustments to tax charge in respect of prior periods	(7)	2
Other short term timing differences	(4)	(2)
Current tax charge for the year	<u><u>228</u></u>	<u><u>206</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

8. TANGIBLE FIXED ASSETS

	Improvement to leasehold property £000	Plant, equipment, fixtures & fittings £000	Motor vehicles £000	Total £000
Cost				
At 1 January 2010	10	674	914	1,598
Additions	-	66	192	258
Disposals	-	(58)	(154)	(212)
At 31 December 2010	<u>10</u>	<u>682</u>	<u>952</u>	<u>1,644</u>
Depreciation				
At 1 January 2010	7	411	600	1,018
Charge for the year	3	71	160	234
On disposals	-	(50)	(151)	(201)
At 31 December 2010	<u>10</u>	<u>432</u>	<u>609</u>	<u>1,051</u>
Net book value				
At 31 December 2010	<u>-</u>	<u>250</u>	<u>343</u>	<u>593</u>
At 31 December 2009	<u>3</u>	<u>263</u>	<u>314</u>	<u>580</u>

THURLOW NUNN STANDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

9. STOCKS

	2010	2009
	£000	£000
Work in progress	61	71
Finished goods and goods for resale	3,343	2,904
	<u>3,404</u>	<u>2,975</u>

10 DEBTORS

	2010	2009
	£000	£000
Trade debtors	2,981	1,849
Other debtors	55	29
Prepayments and accrued income	110	41
Deferred tax asset (see note 12)	23	23
	<u>3,169</u>	<u>1,942</u>

11. CREDITORS:

Amounts falling due within one year

	2010	2009
	£000	£000
Bank overdrafts	334	-
Stocking plan creditors	561	490
Trade creditors	2,182	1,345
Payments received in advance	199	310
Amounts owed to group undertakings	-	190
Corporation tax	193	129
Social security and other taxes	486	456
Pension contributions	16	1
Accruals and deferred income	435	567
	<u>4,406</u>	<u>3,488</u>

Stocking plan creditors represent amounts advanced to finance purchase of goods for resale. The finance is secured on the underlying asset and 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. DEFERRED TAX ASSET

	2010	2009
	£000	£000
At beginning of year	23	27
Released during/(charged for) year	-	(4)
	<u>23</u>	<u>23</u>

THURLOW NUNN STANDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

12. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows

	2010	2009
	£000	£000
Accelerated capital allowances	(13)	(6)
Other timing differences	36	29
	<u>23</u>	<u>23</u>

13. SHARE CAPITAL

	2010	2009
	£000	£000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. RESERVES

	Profit and loss account £000
At 1 January 2010	2,058
Profit for the year	602
	<u>2,660</u>
At 31 December 2010	

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010	2009
	£000	£000
Opening shareholders' funds	2,158	1,658
Profit for the year	602	500
	<u>2,760</u>	<u>2,158</u>
Closing shareholders' funds		

16. CONTINGENT LIABILITIES

The company's bankers hold a corporate guarantee that encompasses all borrowings owed to the bank by Thurlow Nunn Standen Limited, Thurlow Nunn (Holdings) Limited, Thurlow Nunn (Motor Vehicles) Limited, Thurlow Nunn (JV) Limited and WS East Anglia Limited. At 31 December 2010 the total borrowings of the group companies amounted to **£730,000** (2009 £1,032,000)

The company, together with Thurlow Nunn (Holdings) Limited, George Thurlow and Sons (Holdings) Ltd, Thurlow Nunn (Motor Vehicles) Limited, Thurlow Nunn (JV) Limited and WS East Anglia Limited form a VAT group. All companies concerned are jointly and severally liable for the VAT liabilities of other group members. At 31 December 2010 **£419,000** (2009 £79,000) was payable to HM Revenue and Customs by the group.

THURLOW NUNN STANDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

17. PENSION COMMITMENTS

The company is a participating employer of both the defined contribution and defined benefit schemes jointly operated by the group and other 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 2008. Details of the valuation are as follows:-

Method used	Attained Age
Main assumptions	
Return on investments	6.6% per annum
Increase in earnings	4% per annum
Market value of scheme assets at last valuation	£12,871,000
Level of funding on an ongoing basis	79%

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 the membership rises. The actuary has recommended that the employers' contributions remain at 27.1% together with a contribution of £32,000 per month for the period to 1 February 2016 to account for the minimum funding requirements. The company's share of the contributions has been made on this basis.

As disclosed in the accounting policies, 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 year. The pension charge for both schemes for the year was **£295,000** (2009 £288,000).

Since it is not possible to separately identify the proportion of the overall deficit of the group's defined benefit 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. OPERATING LEASE COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2010	2009
	£000	£000
Expiry date:		
Between 2 and 5 years	21	21

19. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

Included in other debtors is a loan of **£52,000** (2009 £29,000) made to JR Thurlow. The maximum amount outstanding during the year was **£58,000** (2009 £38,000). During the year, an additional sum of **£32,000** (2009 £Nil) was advanced.

During the year **£9,000** (2009 £9,000) was written off the loan to JR Thurlow.

THURLOW NUNN STANDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

20. RELATED PARTY TRANSACTIONS

No disclosure of transactions with 100% group companies has been provided as permitted by Financial Reporting Standard 8

At 31 December 2010, the company owed Balsham (Buildings) Limited **£6,000** (2009 - £21,000)

During the year the company purchased building supplies from Balsham (Buildings) Limited amounting to **£506,000** (2009 £948,000) and sold goods and services to Balsham (Buildings) Limited totalling **£4,000** (2009 £2,000)

At 31 December 2010, the company owed Thurlow Nunn (JV) Limited **£NIL** (2009 - £190,000)

During the year the company purchased goods and services from Thurlow Nunn (JV) Limited amounting to **£112,000** (2009 £186,000) and sold goods and services to Thurlow Nunn (JV) Limited totalling **£24,000** (2009 £5,000)

Thurlow Nunn (JV) Limited is 99% owned by Thurlow Nunn (Holdings) Limited, the immediate parent undertaking of this company

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

The company's ultimate parent company was George Thurlow and Sons (Holdings) Limited which was under the control of Mr J G Thurlow and members of his close family

Copies of the consolidated financial statements of George Thurlow and Sons (Holdings) Limited are available from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ