

R

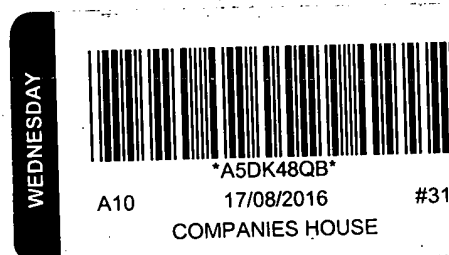
# Financial Statements

## Thurlow Nunn Standen Limited

---

For the year ended 31 December 2015

Registered number: 05310718



Thurlow Nunn Standen Limited  
Registered number:05310718

## Company Information

<b>Directors</b>	J R Thurlow J P Nunn R Pipe S A Tew P H Addinall S Bottomley A H Brown C Tew
<b>Company secretary</b>	P H Addinall
<b>Registered number</b>	05310718
<b>Registered office</b>	Wisbech Road Littleport Ely Cambridgeshire CB6 1RA
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB

**Thurlow Nunn Standen Limited**  
**Registered number:05310718**

## Contents

	Page
<b>Strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 4</b>
<b>Independent auditor's report</b>	<b>5 - 6</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 27</b>

## Strategic Report

For the year ended 31 December 2015

The board present the strategic report for the year.

### Business review and outlook

We are disappointed to report pre-tax loss of £75,000 with a turnover of £55 million. The results reflect the difficult market conditions within the farming community.

The directors focus for the company will be expansion of its retail, service and parts offering and the continued growth of the specialised installations division.

The UK has seen a steady reduction in the unemployment figures and some clear indication that interest rates will remain at a low rate for the medium term. These two factors are important factors in stability in the agricultural industry and will reduce the risk of market slow down over the long term. Whilst fluctuations in crop prices will have an impact on the short term profitability of the industry, at any given time, the directors are content that the long term strategic future of the sector is fundamentally sound.

### Key performance indicators

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

	2015 £000	2014 £000
Return before tax on sales	(0.1%)	1.8%
Return on shareholders funds	(1.8%)	17.9%
Gross profit %	12.9%	16.4%
Current ratio	1.44:1	1.43:1

The financial key performance indicators reflect the directors' disappointment with the performance in the year, and highlighting the difficult market conditions within the farming community.

The directors consider the staff's performance to be the key non-financial indicator and the directors believe that all staff have performed well.

Thurlow Nunn Standen Limited  
Registered number:05310718

## Strategic Report (continued)

For the year ended 31 December 2015

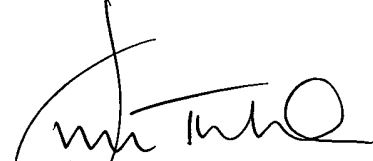
### Principal risks and uncertainties

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.

This report was approved by the board and signed on its behalf.



J R Thurlow  
Director

Date: 4/7/2016

## Directors' Report

For the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

### Principal activity

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.

### Results

The loss for the year, after taxation, amounted to £94,000 (2014 - profit of £791,000).

### 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

### Financial risk management and objectives and policies

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 the company's risk. The main risks arising from the company's financial instruments are interest rate risk and credit risk.

#### Liquidity risk

The company finances its operations through a mixture of retained profits and cash and the company seeks to ensure there is short term flexibility by the availability of overdraft facilities and wholegood 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.

#### Credit risk

The principal risk lies with trade receivables. The credit risk is managed by setting customer limits based on a combination of payment history, statutory accounts and third party references. These limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

### Matters covered in the strategic report

Information previously included in the directors' report in respect of the business review and outlook, key performance indicators and principal risks and uncertainties can now be found in the strategic report.

## Directors' Report

For the year ended 31 December 2015

### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting 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.

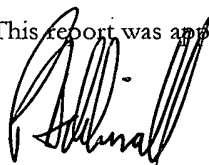
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

### Disclosure 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 relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board and signed on its behalf.



P H Addinall  
Director

Date: 4/7/2016



## Independent Auditor's Report to the Member of Thurlow Nunn Standen Limited

We have audited the financial statements of Thurlow Nunn Standen Limited for the year ended 31 December 2015, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity 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), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

This report is made solely to the Company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member 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 and express an opinion on 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2015 and of its loss 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.





## Independent Auditor's Report to the Member 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.

A handwritten signature in black ink, appearing to read "Anders Rasmussen".

Anders Rasmussen (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Norwich  
Date: 21/2/2016

## Profit and Loss Account

For the year ended 31 December 2015

	Note	2015 £000	2014 £000
Turnover	4	55,045	56,830
Cost of sales		(46,355)	(47,495)
<b>Gross profit</b>		<b>8,690</b>	<b>9,335</b>
Administrative expenses		(8,617)	(8,198)
<b>Operating profit</b>	5	<b>73</b>	<b>1,137</b>
Interest receivable		-	8
Interest payable	9	(148)	(135)
<b>(Loss)/profit before tax</b>		<b>(75)</b>	<b>1,010</b>
Tax on (loss)/profit	10	(19)	(219)
<b>(Loss)/profit for the year</b>		<b>(94)</b>	<b>791</b>
<b>Other comprehensive income for the year</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(94)</b>	<b>791</b>

There was no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

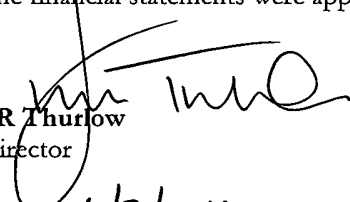
The notes on pages 10 to 27 form part of these financial statements.

## Balance Sheet

As at 31 December 2015

	Note	2015 £000	2014 £000
<b>Fixed assets</b>			
Tangible assets	11	1,011	944
<b>Current assets</b>			
Stocks	12	10,006	10,569
Debtors: amounts falling due within one year	13	4,665	5,254
Cash at bank and in hand	14	3	2
		<u>14,674</u>	<u>15,825</u>
Creditors: amounts falling due within one year	15	(10,220)	(11,297)
<b>Net current assets</b>		<u>4,454</u>	<u>4,528</u>
<b>Total assets less current liabilities</b>		<u>5,465</u>	<u>5,472</u>
Creditors: amounts falling due after more than one year	16	(117)	(30)
<b>Net assets</b>		<u><u>5,348</u></u>	<u><u>5,442</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	100	100
Profit and loss account	19	5,248	5,342
		<u><u>5,348</u></u>	<u><u>5,442</u></u>

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

  
J R Thurlow  
Director

Date: 4/7/2016

## Statement of Changes in Equity

For the year ended 31 December 2015

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2015	100	5,342	5,442
<b>Comprehensive income for the year</b>			
Loss for the year	-	(94)	(94)
<b>Total comprehensive income for the year</b>	-	(94)	(94)
<b>At 31 December 2015</b>	<b>100</b>	<b>5,248</b>	<b>5,348</b>

## Statement of Changes in Equity

For the year ended 31 December 2014

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2014	100	4,551	4,651
<b>Comprehensive income for the year</b>			
Profit for the year	-	791	791
<b>Total comprehensive income for the year</b>	-	791	791
<b>At 31 December 2014</b>	<b>100</b>	<b>5,342</b>	<b>5,442</b>

The notes on pages 10 to 27 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2015

## 1. Company Information

Thurlow Nunn Standen Limited is a private limited company, incorporated in England. The registered office is Wisbech Road, Littleport, Ely, Cambridgeshire, CB6 1RA.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of George Thurlow and Sons (Holdings) Limited as at 31 December 2015 and these financial statements may be obtained from Companies House.

### 2.3 Going concern

After reviewing the company's forecast and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2015

## 2. Accounting policies (continued)

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

#### Manufacturer bonuses

Manufacturer bonuses and related income are recognised in the period to which they relate providing they can be estimated with reasonable certainty.

# Notes to the Financial Statements

For the year ended 31 December 2015

## 2. Accounting policies (continued)

### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Improvements to leasehold property	- 4 years
Plant and equipment, fixtures and fittings	- 3 to 8 1/3 years
Motor vehicles	- 3 to 8 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Profit and loss account.

### 2.6 Leasing and hire purchase

Assets acquired under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### 2.7 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

## Notes to the Financial Statements

For the year ended 31 December 2015

### **2. Accounting policies (continued)**

#### **2.8 Stocks and work in progress**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### **2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



## Notes to the Financial Statements

For the year ended 31 December 2015

### 2. Accounting policies (continued)

#### 2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## Notes to the Financial Statements

For the year ended 31 December 2015

### **2. Accounting policies (continued)**

#### **2.13 Pensions**

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### **Multi-employer pension plan**

The Company is a member of a multi-employer plan. Where it is not possible for the Company to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

## Notes to the Financial Statements

For the year ended 31 December 2015

### 2. Accounting policies (continued)

#### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgments, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Stock, against which an estimated provision has been made based on a review of the age of goods in stock. The carrying value of stock can be found at note 12.

# Notes to the Financial Statements

For the year ended 31 December 2015

## 4. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2015 £000	2014 £000
Sale of goods	45,719	48,920
Rendering of services	9,326	7,910
	<u>55,045</u>	<u>56,830</u>

All turnover arose within the United Kingdom.

## 5. Operating profit

The operating profit is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets	407	372
Operating lease rentals - land and buildings	319	302
	<u>726</u>	<u>674</u>

## 6. Auditor's remuneration

	2015 £000	2014 £000
Fees payable to the Company's auditor for the audit of the financial statements	11	10
Fees payable to the Company's auditor for taxation compliance services	3	3
	<u>14</u>	<u>13</u>

# Notes to the Financial Statements

For the year ended 31 December 2015

## 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £000	2014 £000
Wages and salaries	4,832	4,524
Social security costs	464	456
Pension costs	288	328
	<u>5,584</u>	<u>5,308</u>

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

	2015 No.	2014 No.
Sales and service	146	130
Office and management	33	33
	<u>179</u>	<u>163</u>

## 8. Directors' remuneration

	2015 £000	2014 £000
Directors' emoluments	422	523
Company contributions to defined contribution pension schemes	84	123
	<u>506</u>	<u>646</u>

During the year retirement benefits were accruing to 6 directors (2014 -6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £95,000 (2014 -£153,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2014 -£22,000).

# Notes to the Financial Statements

For the year ended 31 December 2015

## 9. Interest payable and similar charges

	2015 £000	2014 £000
Bank interest payable	16	10
Other loan interest payable	125	117
Finance leases and hire purchase contracts	7	6
Other interest payable	-	2
	<u>148</u>	<u>135</u>

## 10. Taxation

	2015 £000	2014 £000
<b>Corporation tax</b>		
Current tax on profits for the year	28	248
Adjustments in respect of previous periods	(26)	2
<b>Total current tax</b>	<u>2</u>	<u>250</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(19)	(19)
Adjustments in respect of previous periods	36	(12)
<b>Total deferred tax</b>	<u>17</u>	<u>(31)</u>
<b>Taxation on profit on ordinary activities</b>	<u>19</u>	<u>219</u>

# Notes to the Financial Statements

For the year ended 31 December 2015

## 10. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 -higher than) the average standard rate of corporation tax in the UK of 20.25% (2014 -21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	(75)	1,010
Profit on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 20.25% (2014 -21.5%)	(15)	217
<b>Effects of:</b>		
Expenses not deductible for tax purposes	20	7
Other timing differences leading to an increase tax charge	4	5
Adjustments to tax charge in respect of prior periods	10	(10)
<b>Total tax charge for the year</b>	<b>19</b>	<b>219</b>

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

During the year the UK corporation tax rate was decreased. Following Budget 2015 announcements, there will be a further reduction in the main rate of corporation tax to 18% from 1 April 2020. Deferred tax has been provided for at 18% in these financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2015

## 11. Tangible fixed assets

	Leasehold property improvements £000	Plant, equipment, fixtures & fittings £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>				
At 1 January 2015	38	1,072	1,564	2,674
Additions	-	78	427	505
Disposals	-	(35)	(237)	(272)
At 31 December 2015	38	1,115	1,754	2,907
<b>Depreciation</b>				
At 1 January 2015	37	682	1,011	1,730
Charge owned for the period	1	117	289	407
Disposals	-	(23)	(218)	(241)
At 31 December 2015	38	776	1,082	1,896
<b>Net book value</b>				
At 31 December 2015	-	339	672	1,011
At 31 December 2014	1	390	553	944

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £000	2014 £000
Motor vehicles	230	106
	<u>230</u>	<u>106</u>



# Notes to the Financial Statements

For the year ended 31 December 2015

## 12. Stocks

	2015 £000	2014 £000
Work in progress	42	45
Finished goods and goods for resale	9,964	10,524
	<u>10,006</u>	<u>10,569</u>

Stock recognised in cost of sales during the year as an expense was £41,085,000 (2014 - £43,261,000).

An impairment loss of £647,000 (2014 - £168,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

The total carrying amount of stock is pledged as security for the group's bank loans.

## 13. Debtors

	2015 £000	2014 £000
Trade debtors	4,234	4,927
Amounts owed by group undertakings	18	2
Other debtors	159	115
Prepayments and accrued income	239	178
Deferred taxation	15	32
	<u>4,665</u>	<u>5,254</u>

An impairment gain of £3,000 (2014 - loss of £24,000) was recognised in administrative expenses against trade debtors during the year.

## 14. Cash and cash equivalents

	2015 £000	2014 £000
Cash at bank and in hand	3	2
Less: bank overdrafts	(755)	(412)
	<u>(752)</u>	<u>(410)</u>

# Notes to the Financial Statements

For the year ended 31 December 2015

## 15. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Bank overdrafts	755	412
Payments received on account	91	246
Trade creditors	2,304	2,594
Corporation tax	6	147
Taxation and social security	617	610
Obligations under finance lease and hire purchase contracts	109	69
Stocking plan loans	5,489	6,063
Accruals and deferred income	849	1,156
	<u>10,220</u>	<u>11,297</u>

Stocking plan loans 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 installments and repayment on a predetermined date.

The bank overdraft is secured by a fixed and floating charge over the company's assets.

The obligations under finance leases and hire purchase contracts are secured on the underlying assets.

## 16. Creditors: Amounts falling due after more than one year

	2015 £000	2014 £000
Net obligations under finance leases and hire purchase contracts	<u>117</u>	<u>30</u>

The obligations under finance leases and hire purchase contracts are secured on the underlying assets.

# Notes to the Financial Statements

For the year ended 31 December 2015

## 17. Deferred taxation

	Deferred tax £000
At 1 January 2015	32
Charged to the profit or loss	(17)
<b>At 31 December 2015</b>	<b>15</b>

The deferred tax asset is made up as follows:

	2015 £000	2014 £000
Accelerated capital allowances	11	23
Other timing differences	4	9
	<b>15</b>	<b>32</b>

## 18. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<b>100</b>	<b>100</b>

## 19. Reserves

Profit and loss account - includes all current and prior period retained profits and losses.

# Notes to the Financial Statements

For the year ended 31 December 2015

## 20. Contingent liabilities

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, WS East Anglia Limited and Thurlow Nunn (JV) Limited. At 31 December 2014 the total borrowings of the group companies amount to £6,910,000 (2014 - £6,859,000).

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 from a VAT group. All companies concerned are jointly and severally liable for the VAT liabilities of other group members. At 31 December 2015 £1,094,000 (2014 - £28,000) was payable to HM Revenue and Customs by the group.

## 21. 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 defined benefit pension 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 31 May 2017 to account for the minimum funding requirements. The company's share of the contributions has been made on this basis.

As disclosed in the account 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. An agreement has been made between the participating employers of the scheme, whereby Thurlow Nunn (Holdings) Limited has agreed to take responsibility for the whole of the pension deficit on its balance sheet. This will continue to be funded jointly by the participating employers by way of the contributions they pay to the 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 £288,000 (2014 - £328,000).

## 22. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
Not later than 1 year	73	73
Later than 1 year and not later than 5 years	230	303
	<u>303</u>	<u>376</u>

## Notes to the Financial Statements

For the year ended 31 December 2015

### 23. Transactions with directors

Included in other debtors is a loan of £76,000 (2014 - £47,000) made to J R Thurlow. The maximum amount outstanding during the year was £81,000 (2014 - £63,000). During the year £75,000 (2014 - £18,000) was advanced.

During the year £46,000 (£35,000) was written off the loan to J R Thurlow.

Included in other debtors is a loan of £27,000 (2014 - £33,000) made to S A Tew. The maximum amount outstanding during the year was £33,000 (2014 - £40,000). During the year £18,000 (2014 £17,000) was advanced.

During the year £24,000 (2014 - £24,000) was written off the loan to S A Tew.

The loans are interest free.

### 24. Related party transactions

No disclosure of transactions with 100% group companies has been provided as permitted by Financial Reporting Standard 102, Section 33.

During the year the company entered into the following arrangements with undertakings under common control:

During the year the company purchased building supplied from Balsham (Buildings) Limited amounting to £1,351,000 (2014 - £633,000).

At 31 December 2015, the company owed Balsham (Buildings) Limited £10,000 (2014 - £53,000).

Balsham (Buildings) Limited is a company under common control.

During the year the company purchased goods and services from Thurlow Nunn (JV) Limited amounting to £469,000 (2014 - £277,000). At 31 December 2015, the company owed Thurlow Nunn (JV) Limited £1,000 (2014 - £4,000).

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

### 25. 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, Maindy, Cardiff, CF14 3UZ.

# Notes to the Financial Statements

For the year ended 31 December 2015

## **26. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.