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Registered number: 05310718

# THURLOW NUNN STANDEN LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017



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**THURLOW NUNN STANDEN LIMITED**

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**COMPANY INFORMATION**

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<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

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**THURLOW NUNN STANDEN LIMITED**

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## THURLOW NUNN STANDEN LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The board present the strategic report for the year.

#### Business review and outlook

The performance of the company in 2017 was strong with a reported profit before tax of £1,866,000 in the year from a turnover of £62.9m.

The successful year was aided by a weakened sterling during the year and the market for agricultural machinery has been stronger than in the previous year.

The UK has seen a steady reduction in the unemployment figures together with an increasing population. There are also clear indications that interest rates should remain at low levels in the short and medium term. These factors should provide reasonable stability in the agriculture machinery sector.

The directors forecast that 2018 will prove to be challenging. But with a solid base, competent staff and good product range the directors are optimistic the results for 2018 will be in line with forecasts.

#### Key performance indicators

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

	2017	2016
Return before tax on sales	3.0%	1.8%
Return on shareholders funds	20.3%	13.6%
Gross profit margin	17.9%	16.1%
Current ratio	1.51:1	1.34:1

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

#### Principal risks and uncertainties

Risk management remains a priority. We believe our key risks are detailed below:

- The success of the business depends to a large extent on the abilities of senior management and key employees.
- A significant part of the company's income is from our Agco franchise, the loss of which would have a significant impact on the business. The board maintain's close relationships with its brand partners to mitigate this risk.
- The business has stocking loans with interest rates linked to base rate. We believe that interest rates will not rise significantly in the medium term.
- The customer base for agricultural product is changing and the consolidation of the customer base could result in reducing market opportunity in the future. However we do not believe that a reduction would be significant but the company has plans in place to meet any change in the market.

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THURLOW NUNN STANDEN LIMITED

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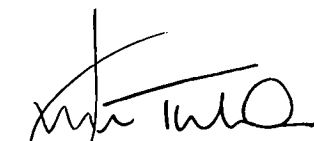
STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**Principal risks and uncertainties (continued)**

- The company operates in a regulated environment, in particular the FCA. Non-compliance with these regulations could result in fines and ultimately suspension from selling finance or insurance products. To ensure we do not commit any regulatory breaches we have a thorough training regime for all related staff.
- The impact of the UK's decision to leave the European Union is unknown. In particular the effect our departure will have on our customers regarding farming subsidies. However the national and global market for food increases each year so we are content that food production has a strong future.

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



J.R. Thurlow  
Director

Date:

19<sup>th</sup> June 2017.

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## THURLOW NUNN STANDEN LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### 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 profit for the year, after taxation, amounted to £1,544,000 (2016: £841,000).

#### 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 managing the company's risk. The main risks arising from the company's financial instruments are liquidity 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.

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**THURLOW NUNN STANDEN LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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 judgements 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;
- 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**


The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**P H Addinall**  
Director

Date: 19<sup>th</sup> June 2018.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THURLOW NUNN STANDEN LIMITED**

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### **Opinion**

We have audited the financial statements of Thurlow Nunn Standen Limited for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Who we are reporting to**

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.





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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THURLOW NUNN STANDEN LIMITED  
(CONTINUED)**

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**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THURLOW NUNN STANDEN LIMITED  
(CONTINUED)**

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**Matters on which we are required to report by the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

**Matters on which we are required to report by exception**

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

- 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.

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THURLOW NUNN STANDEN LIMITED  
(CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

*Grant Thornton UK LLP*

James Brown LLB ACA (Senior statutory auditor)  
for and on behalf of  
**Grant Thornton UK LLP**  
Chartered Accountants  
Statutory Auditor  
Norwich  
Date:

*6 July 2018*

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THURLOW NUNN STANDEN LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Note	2017 £000	2016 £000
Turnover	4	62,903	59,356
Cost of sales		(51,639)	(49,811)
<b>Gross profit</b>		<b>11,264</b>	<b>9,545</b>
Administrative expenses		(9,300)	(8,402)
<b>Operating profit</b>	5	<b>1,964</b>	<b>1,143</b>
Interest payable	9	(98)	(83)
<b>Profit before tax</b>		<b>1,866</b>	<b>1,060</b>
Tax on profit	10	(322)	(219)
<b>Profit for the year</b>		<b>1,544</b>	<b>841</b>

There was no other comprehensive income for 2017 (2016: £Nil).

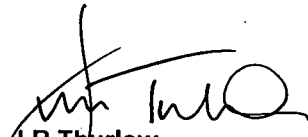
The notes on pages 12 to 28 form part of these financial statements.

**THURLOW NUNN STANDEN LIMITED**  
**REGISTERED NUMBER:05310718**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Tangible assets	11	1,101	877
<b>Current assets</b>			
Stocks	12	12,713	14,104
Debtors: amounts falling due within one year	13	5,670	5,407
Cash at bank and in hand	14	1,281	1,542
		<u>19,664</u>	<u>21,053</u>
Creditors: amounts falling due within one year	15	(13,032)	(15,685)
<b>Net current assets</b>		<u>6,632</u>	<u>5,368</u>
<b>Total assets less current liabilities</b>		<u>7,733</u>	<u>6,245</u>
Creditors: amounts falling due after more than one year	16	-	(56)
<b>Net assets</b>		<u><u>7,733</u></u>	<u><u>6,189</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	100	100
Profit and loss account		7,633	6,089
		<u><u>7,733</u></u>	<u><u>6,189</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

19<sup>th</sup> June 2018.

The notes on pages 12 to 28 form part of these financial statements.

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THURLOW NUNN STANDEN LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	100	6,089	6,189
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,544	1,544
<b>At 31 December 2017</b>	<b>100</b>	<b>7,633</b>	<b>7,733</b>

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

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	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2016	100	5,248	5,348
<b>Comprehensive income for the year</b>			
Profit for the year	-	841	841
<b>At 31 December 2016</b>	<b>100</b>	<b>6,089</b>	<b>6,189</b>

The notes on pages 12 to 28 form part of these financial statements.

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## THURLOW NUNN STANDEN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Company Information

Thurlow Nunn Standen Limited is a private company limited by shares, incorporated in England & Wales. 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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied (see note 3):

##### 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- 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 2017 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.

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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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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; and
- 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.



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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**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.

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 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 income from operating leases is credited to the Statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**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 reporting 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.

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## THURLOW NUNN STANDEN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 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 and loans to related parties.

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 debtors and creditors, 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 outright 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.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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2. Accounting policies (continued)

2.13 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.14 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 payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. 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.

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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge 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 reporting 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 Statement of financial position 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 reporting date.

3. Judgements 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 judgements, 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 has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities is 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.

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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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4. Turnover

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

	2017 £000	2016 £000
Sale of goods	51,846	48,834
Rendering of services	11,057	10,521
	<u>62,903</u>	<u>59,355</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	396	389
Other operating lease rentals	<u>326</u>	<u>319</u>

6. Auditor's remuneration

	2017 £000	2016 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12	11
Fees payable to the Company's auditor for taxation compliance services	<u>3</u>	<u>3</u>

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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**7. Employees**

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

	2017 £000	2016 £000
Wages and salaries	5,387	4,818
Social security costs	512	415
Cost of defined contribution scheme	149	166
	<u>6,048</u>	<u>5,399</u>

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

	2017 No.	2016 No.
Sales and service	140	130
Office and management	29	33
	<u>169</u>	<u>163</u>

**8. Directors' remuneration**

	2017 £000	2016 £000
Directors' emoluments	666	623
Company contributions to defined contribution pension schemes	39	40
	<u>705</u>	<u>663</u>

During the year retirement benefits were accruing to 3 directors (2016: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £195,000 (2016: £162,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2016: £Nil).

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**THURLOW NUNN STANDEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**9. Interest payable and similar charges**

	<b>2017 £000</b>	<b>2016 £000</b>
Bank interest payable	4	9
Other loan interest payable	90	66
Finance leases and hire purchase contracts	4	8
	<u>98</u>	<u>83</u>

**10. Taxation**

	<b>2017 £000</b>	<b>2016 £000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	342	237
Adjustments in respect of previous periods	(2)	3
<b>Total current tax</b>	<u>340</u>	<u>240</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4)	(21)
Adjustment in respect of previous periods	(14)	-
<b>Total deferred tax</b>	<u>(18)</u>	<u>(21)</u>
<b>Taxation on profit on ordinary activities</b>	<u>322</u>	<u>219</u>



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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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10. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016: *higher than*) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	1,866	1,060
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	359	212
Effects of:		
Expenses not deductible for tax purposes	38	25
Adjustments to tax charge in respect of prior periods	(16)	3
Other differences leading to an increase in taxation	1	6
Group relief claimed	(60)	(27)
<b>Total tax charge for the year</b>	<b>322</b>	<b>219</b>

**Factors that may affect future tax charges**

Legislation to reduce the main rate of corporation tax to 17% by 1 April 2020 was included in the Finance Act 2016 and has since become substantively enacted. Deferred tax has been provided for in these financial statements at 17%.

THURLOW NUNN STANDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Tangible fixed assets

	Leasehold property improvements £000	Plant, equipment, fixtures & fittings £000	Motor vehicles £000	Total £000
<b>Cost</b>				
At 1 January 2017	38	1,121	1,823	2,982
Additions	48	159	456	663
Disposals	-	(63)	(256)	(319)
At 31 December 2017	86	1,217	2,023	3,326
<b>Depreciation</b>				
At 1 January 2017	38	848	1,220	2,106
Charge for the year	-	85	311	396
Disposals	-	(29)	(248)	(277)
At 31 December 2017	38	904	1,283	2,225
<b>Net book value</b>				
At 31 December 2017	48	313	740	1,101
At 31 December 2016	-	273	603	876

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

	2017 £000	2016 £000
Motor vehicles	84	150

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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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12. Stocks

	2017 £000	2016 £000
Work in progress	54	48
Finished goods and goods for resale	12,659	14,056
	<u>12,713</u>	<u>14,104</u>

Stock recognised in cost of sales during the year as an expense was £45,685,000 (2016: £43,049,000).

An impairment loss of £158,000 (2016: £181,000) 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

	2017 £000	2016 £000
Trade debtors	5,165	5,037
Other debtors	212	122
Prepayments and accrued income	239	212
Deferred taxation (note 17)	54	36
	<u>5,670</u>	<u>5,407</u>

14. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	<u>1,281</u>	<u>1,542</u>

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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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15. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Payments received on account	113	134
Trade creditors	4,521	3,145
Amounts owed to group undertakings	-	11
Corporation tax	207	143
Other taxation and social security	617	526
Obligations under finance lease and hire purchase contracts	56	81
Stocking plan loans	5,661	10,539
Accruals and deferred income	1,857	1,106
	<u>13,032</u>	<u>15,685</u>

Stocking plan loans represent amounts advanced to finance purchase of goods for resale. The finance is secured on the underlying asset.

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

	2017 £000	2016 £000
Net obligations under finance leases and hire purchase contracts	-	56

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

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THURLOW NUNN STANDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**17. Deferred taxation**

	2017 £000	2016 £000
At beginning of year	36	15
Credited to profit or loss	18	21
<b>At end of year</b>	<b>54</b>	<b>36</b>

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Fixed asset timing differences	44	32
Other timing differences	10	4
	<b>54</b>	<b>36</b>

**18. Share capital**

	2017 £000	2016 £000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
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.

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## THURLOW NUNN STANDEN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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, Thurlow Nunn (MV) Limited and Thurlow Nunn Limited. At 31 December 2017 the total borrowings of the group companies amount to £4,507,000 (2016: £5,090,000).

The company, together with Thurlow Nunn (Holdings) Limited, George Thurlow and Sons (Holdings) Limited, Thurlow Nunn (Motor Vehicles) Limited, Thurlow Nunn Limited, Thurlow Nunn (MV) 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 2017 £785,000 (2016: £1,085,000) 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 to future accrual on 6 April 2016. The actuary has recommended employers' contributions of 6.1% together with a contribution of £32,000 per month 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 £149,000 (2016: £166,000).

#### 22. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Not later than 1 year	78	105
Later than 1 year and not later than 5 years	70	119
	<u>148</u>	<u>224</u>

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**THURLOW NUNN STANDEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**23. Related party transactions**

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

During the year the company contracted building work to Balsham (Buildings) Limited amounting to £1,627,000 (2016: £1,164,000). At 31 December 2017, the company owed Balsham (Buildings) Limited £549,000 (2016: £Nil). Balsham (Buildings) Limited is a company under common control.

During the year the company purchased goods and services from Thurlow Nunn Limited amounting to £474,000 (2016: £268,000). At 31 December 2017, the company owed Thurlow Nunn Limited £Nil (2016: £Nil). Thurlow Nunn Limited was 99% owned by Thurlow Nunn (Holdings) Limited, the immediate parent undertaking of this company.

**During the year the company entered into the following arrangements with directors:**

Included in other debtors is a loan of £30,000 (2016: £58,000) made to J R Thurlow. The maximum amount outstanding during the year was £87,000 (2016: £118,000). During the year £53,000 (2016: £42,000) was advanced. During the year £81,000 (2016: £60,000) was written off the loan to J R Thurlow.

Included in other debtors is a loan of £36,000 (2016: £42,000) made to S A Tew. The maximum amount outstanding during the year was £64,000 (2016: £73,000). During the year £28,000 (2016: £47,000) was advanced. During the year £34,000 (2016: £31,000) was written off the loan to S A Tew.

The loans are interest free.

**24. Controlling party**

Throughout the year, the company's ultimate parent company was George Thurlow and Sons (Holdings) Limited which was under the control 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.

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