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COMPANY REGISTRATION NUMBER: 05310718

Thurlow Nunn Standen Limited

Annual Report and Financial statements

31 December 2019

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Thurlow Nunn Standen Limited

Annual Report and Financial statements

Year ended 31 December 2019

Contents

Thurlow Nunn Standen Limited

Officers and professional advisers

The board of directors	J R Thurlow J P Nunn S A Tew P H Addinall A H Brown C Tew
Company secretary	P H Addinall
Registered office	Wisbech Road Littleport Ely Cambridgeshire CB6 1RA
Auditor	Lovewell Blake LLP Chartered accountants & statutory auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB

Thurlow Nunn Standen Limited

Strategic report

Year ended 31 December 2019

The board present the strategic report for the year.

Business review and outlook

The performance of the company in 2019 was strong with a reported profit before tax of £1,116,000 (2018: £1,344,000) in the year from a turnover of £71.3m (2018: £70.9m).

The successful year was aided by a weakened sterling during the year and the market for agricultural machinery has remained strong.

During the 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.

Key performance indicators

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

	2019	2018
Return before tax on sales	1.6%	1.9%
Return on shareholders funds	9.6%	12.9%
Gross profit margin	15.5%	16.6%
Current ratio	1.39:1	1.40:1

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 maintains 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.
- 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 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 of 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.

Future developments

The year 2020 will be affected by the Covid19 outbreak but as an essential business supporting food production the effect was limited. The company has taken advantage of the Government's Furlough scheme together with some council rate support.

Business levels have remained strong in 2020 the company should have a satisfactory year in 2020.

Looking further forward the UK is likely to see continued increase in the unemployment figures and the economic outlook in currently uncertain with the effect of the final exit from Europe and the trade agreements that will be agreed. However it is clear that interest rates should remain at low levels in the short and medium term. The directors are a where that the business plan going forward needs to be flexible to meet the market conditions.

The directors forecast that the company will face challenges but with a solid base, competent staff, good product range the forecast for the future is satisfactory.

Section 172 statement

This section serves as our section 172 statement. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the group's and company's employees and other stakeholders, including the impact of its activities on the community, the environment and the group's reputation, when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the group and company for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail this year how the board engages with our stakeholders, thus complying with the requirement to include a statement setting out how our Directors have discharged this duty.

In this context we note the following:

- The directors are fully aware of their responsibilities to promote the success of the group and Company in accordance with section 172 of the Companies Act 2006. To ensure the group and company the board regularly reflects on how the group engages with its stakeholders and opportunities for enhancement in the future. Such reflections are facilitated by the board's composition; being made up of a mix of executive and non-executive members who combine a shareholder's perspective with that of management and independent members (who themselves have a wide range of experience).

- All strategic decisions are considered to account for the interests of the shareholder, employees, suppliers and customers of the group.

- The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom through information provided by management and also by direct engagement with stakeholders themselves.

- Customers are placed at the heart of the group's proposition and significant resource is invested in compliance functions across the group to ensure that robust monitoring processes are in place.

- The importance of supplier relationships is also recognised, as evidenced by paying suppliers to agreed terms.

Thurlow Nunn Standen Limited

Strategic report *(continued)*

Year ended 31 December 2019

The fundamental overriding principle in the governance of the group and company is that of ensuring transparent conduct which reflects fairness in all dealings with the shareholder, employees, customers and suppliers. The group places a high degree of importance on its core values as published on the group's website: integrity, honest, equality, fairness, openness and transparency, humility, service, simplicity, trust, benevolence. A testament to this is reflected in the significantly long length of service by most of our senior employees and the several long-standing relationships with customers and suppliers.

This report was approved by the board of directors on 28.10.2020 and signed on behalf of the board by:

J R Thurlow
Director

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Principal activities

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

Results

The profit for the year, after taxation amounted to £944,000 (2018: £1,148,000)

Directors

The directors who served the company during the year were as follows:

J R Thurlow	
J P Nunn	
R Pipe	(resigned 31 December 2019)
S A Tew	
P H Addinall	
A H Brown	
C Tew	

Dividends

The directors do not recommend the payment of a dividend.

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 of 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 limited based on 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.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 23 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor Appointment

The audit of the company transferred from Grant Thornton UK LLP to Lovewell Blake LLP on 23 March 2020.

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

This report was approved by the board of directors on 28.10.2020 and signed on behalf of the board by:

J R Thurlow
Director

Opinion

We have audited the financial statements of Thurlow Nunn Standen Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position 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 FRS 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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 UK, including the FRC'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.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions 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.

Matters on which we are required to report by exception

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.

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

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, 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.

Auditor's 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lovewell Blake LLP

Tobias Wilson BA (Hons) FCA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

5 November 2020

Thurlow Nunn Standen Limited

Statement of income and retained earnings

Year ended 31 December 2019

	Note	2019 £000	2018 £000
Turnover	4	71,332	70,985
Cost of sales		(59,321)	(59,212)
Gross profit		12,011	11,773
Administrative expenses		(10,666)	(10,264)
Operating profit	5	1,345	1,509
Interest payable and similar expenses	9	(229)	(165)
Profit before taxation		1,116	1,344
Taxation	10	(172)	(196)
Profit for the financial year and total comprehensive income		944	1,148
Retained earnings at the start of the year		8,781	7,633
Retained earnings at the end of the year		9,725	8,781

All the activities of the company are from continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

Thurlow Nunn Standen Limited

Statement of financial position

31 December 2019

	Note	£000	2019 £000	£000	2018 £000
Fixed assets					
Tangible fixed assets	11		1,910		1,330
Current assets					
Stocks	12	21,505		19,279	
Debtors	13	5,969		6,596	
Cash at bank and in hand		519		512	
		27,993		26,387	
Creditors: Amounts falling due within one year	15	(20,078)		(18,836)	
Net current assets			7,915		7,551
Total assets less current liabilities			9,825		8,881
Net assets			9,825		8,881
Capital and reserves					
Called up share capital	18		100		100
Profit and loss account	19		9,725		8,781
Shareholders funds			9,825		8,881

These financial statements were approved by the board of directors and authorised for issue on 28.10.2020, and are signed on behalf of the board by:

J R Thurlow
Director

Company registration number: 05310718

The notes on pages 12 to 25 form part of these financial statements.

1. **General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Wisbech Road, Littleport, Ely, Cambridgeshire, CB6 1RA.

2. **Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. **Accounting policies**

Basis of preparation

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 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 (see policy below).

The following principal accounting policies have been applied:

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)(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 Disclosure paragraph 33.7

This information is included in the consolidated financial statements of George Thurlow and Sons (Holdings) Limited as at 31 December 2019 and these financial statements may be obtained from Companies House.

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. To date the Company has not been materially impacted by the effects of the ongoing COVID-19 pandemic (see note 23).

3. Accounting policies *(continued)*

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 at fair value of the consideration received of 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 reward of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with the ownership not 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 on 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.

3. Accounting policies *(continued)*

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 Statement of comprehensive income.

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 were 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 payments 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.

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.

3. Accounting policies *(continued)*

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimate 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 costs.

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 and loss.

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.

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 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.

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 trade debt deferred belong normal business terms of 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 Statement of Comprehensive income.

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.

3. Accounting policies *(continued)*

Creditors

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

Foreign currency translation

Functional currency translation

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 translation at period-end exchange rates of monetary assets and liabilities denominate din foreign currencies are recognised in the Statement of comprehensive income expect when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowing 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'.

Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective method interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in proceeds of the associated capital instrument.

3. Accounting policies *(continued)*

Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a 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 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.

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 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 probably 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 respected 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 liability acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates an laws that have been enacted or substantively enacted by the reporting date.

3. Accounting policies *(continued)*

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 adjustments 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.

4. Turnover

Turnover arises from:

	2019	2018
	£000	£000
Sale of goods	55,015	55,124
Rendering of services	15,177	14,820
Other income	1,140	1,041
	71,332	70,985

All turnover arose within the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£000	£000
Depreciation of tangible fixed assets	461	446
Gains on disposal of tangible fixed assets	(61)	(47)
Other operating lease rentals	417	335

6. Auditor's remuneration

	2019	2018
	£000	£000
Fees payable for the audit of the financial statements	13	12

Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	3	3

7. Employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Sales and service	151	144
Office and management	33	37
	184	181

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£000	£000
Wages and salaries	5,971	5,899
Social security costs	617	598
Other pension costs	220	177
	6,808	6,674

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£000	£000
Remuneration	558	627
Company contributions to defined contribution pension plans	50	32
	608	659

Remuneration of the highest paid director in respect of qualifying services:

	2019	2018
	£000	£000
Aggregate remuneration	143	174
Company contributions to defined contribution pension plans	22	-
	165	174

During the year retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £143,000 (2018 - £174,000).

The value of the company's contributions paid to defined contribution pension scheme in respect of the highest paid director amounted to £22,000 (2018 - £NIL).

9. Interest payable and similar expenses

	2019	2018
	£000	£000
Interest on banks loans and overdrafts	1	5
Interest on obligations under finance leases and hire purchase contracts	–	1
Other interest payable and similar charges	228	159
	229	165

10. Taxation

Major components of tax expense

	2019	2018
	£000	£000
Current tax:		
UK current tax expense	186	209
Adjustments in respect of prior periods	1	(5)
Total current tax	187	204
Deferred tax:		
Origination and reversal of timing differences	(15)	(8)
Taxation	172	196

Tax recognised as other comprehensive income or equity

The tax assessed for the year is lower than (2018: lower than) the average standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£000	£000
Profit on ordinary activities before tax	1,116	1,344
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	212	255
Effects of:		
Expenses not deductible for tax purposes	–	47
Adjustments to tax charge in respect of prior periods	1	(5)
Other differences leading to an increase in taxation	(5)	1
Group relief claimed	(36)	(102)
Total tax charge for the year	172	196

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%.

11. Tangible fixed assets

	Leasehold improvements £000	Plant, equipment, fixtures & fittings £000	Motor vehicles £000	**Total £000**
Cost				
At 1 January 2019	154	1,305	2,209	3,668
Additions	662	93	296	1,051
Disposals	–	(16)	(241)	(257)
At 31 December 2019	816	1,382	2,264	4,462
Depreciation				
At 1 January 2019	44	982	1,312	2,338
Charge for the year	6	78	377	461
Disposals	–	(9)	(238)	(247)
At 31 December 2019	50	1,051	1,451	2,552
Carrying amount				
At 31 December 2019	766	331	813	1,910
At 31 December 2018	110	323	897	1,330

12. Stocks

	2019 £000	2018 £000
Work in progress	43	58
Finished goods and goods for resale	21,462	19,221
	21,505	19,279

13. Debtors

	2019 £000	2018 £000
Trade debtors	5,334	6,024
Amounts owed by group undertakings	63	–
Deferred tax asset	78	62
Prepayments and accrued income	228	242
Other debtors	266	268
	5,969	6,596

14. Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	519	512

15. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	3,794	4,303
Amounts owed to group undertakings	52	218
Accruals and deferred income	1,672	2,161
Social security and other taxes	993	426
Stocking plan loans	13,567	11,728
	20,078	18,836

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

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£000	£000
Included in debtors (note 13)	78	62

	2019	2018
	£000	£000
At beginning of year	62	54
Credited to the profit or loss	16	8
At end of year	78	62

The deferred tax asset is made up as follows:

	2019	2018
	£000	£000
Fixed asset timing differences	58	40
Other timing differences	20	22
	78	62

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £219,529 (2018: £176,510).

18. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

19. Reserves

Profit and loss account

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

20. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£000	£000
Not later than 1 year	260	78
Later than 1 year and not later than 5 years	163	180
Later than 5 years	-	13
	423	271

21. 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 2019 the total borrowings of the group companies amount to £3,453,000 (2018: £4,048,000).

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 from a VAT group. All companies concerned are jointly and severally liable for the VAT liabilities of other group members. At 31 December 2019 £1,488,000 (2018: £651,000 payable from HMRC) was payable to HM Revenue and Customs from the group.

22. 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 administrated funds.

The defined benefit pension scheme was closed to new members in 1994 and to future accrual on 6 April 2016. Contributions of £32,000 per month are made for 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 it's 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 £220,000 (2018: £177,000).

23. Events after the end of the reporting period

The year 2020 will be affected by the Covid19 outbreak but as an essential business supporting food production the effect was limited. The company has taken advantage of the Government's Furlough scheme together with some council rate support.

Business levels have remained strong in 2020 the company should have a satisfactory year in 2020, albeit there remains a residual level of risk relating to the ongoing pandemic.

24. 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 £1,718,000 (2018: £1,428,000). At 31 December 2019, the company owed Balsham (Buildings) Limited £485,000 (2018: £46,000). Balsham (Buildings) Limited is a company under common control.

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

Included in other debtors is a loan of £Nil (2018: £93,000) made to J R Thurlow. The maximum amount outstanding during the year was £93,000 (2018: £195,000). During the year £Nil (2018: £186,000) was advanced. During the year £93,000 was repaid (2018: £100,000 written off).

Included in other debtors is a loan of £48,000 (2018: £29,000) made to S A Tew. The maximum amount outstanding during the year was £72,000 (2018: £69,000). During the year £48,000 (2018: £39,000) was advanced. During the year £29,000 (2018: £39,000) was written off the loan to S A Tew.

Included in other debtors is a loan of £38,000 (2018: £44,000) made to C Tew. The maximum amount outstanding during the year was £44,000 (2018: £46,000). During the year £Nil (2018: £50,000) was advanced. During the year £6,000 (2018: £Nil) was written off the loan to C Tew.

The loans are interest free and are repayable on demand.

25. Controlling party

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

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.