

"Co House"

Registered number. 77180

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010



GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	J G Thurlow M A Thurlow Mrs S A Tew N J Titley J R Thurlow
Company secretary	Mrs S A Tew
Company number	77180
Registered office	Wisbech Road Littleport Cambridgeshire CB6 1RA
Auditor	PKF (UK) LLP Cedar House 105 Carrow Road Norwich NR1 1HP

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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

Principal activities

The principal activity is that of a holding company providing management services to the group. The principal activities of subsidiary companies are the distribution of agricultural machinery and motor vehicles including sales, service and parts supply. The group operates from several branches in East Anglia.

Business review

Our group shows reasonable results for the year with turnover over £100 million for the fifth consecutive year. The motor division has seen improved returns during the year. The agricultural business continues to generate satisfactory returns. The overall group result is particularly satisfactory during this difficult economic period.

The directors wish to place on record their appreciation for the efforts of their staff.

The directors consider the following Key Performance Indicators as important to their business.

Financial	2010	2009
Gross Profit %	14.4%	14.3%
Return on Sales Before Tax	1.5%	1.2%
Current Ratio	1.1.21	1.1.23

The directors consider staff numbers and their performance to be the key non financial indicator.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £867,000 (2009 - £828,000).

During the year, the directors paid an interim dividend of £1.00 per share. No final dividend is being recommended.

Directors

The directors who served during the year were

J G Thurlow
M A Thurlow
Mrs S A Tew
N J Titley
J R Thurlow

Risks and uncertainties

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

- The increasingly competitive nature of the industries the group operate
- The recruitment of suitably qualified members of staff
- The constantly moving desirability of different manufacturers which causes cyclical sales and profit

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

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

Future developments

The directors forecast that 2011 will prove to be challenging, but with a solid base, competent staff and a quality product range the directors are optimistic that results will be in line with forecasts

Financial instruments

The group'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 group's risk

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

Employee involvement

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

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

Disabled employees

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

Provision of information to auditor

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

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



Mrs S A Tew
Secretary

28 June 2011

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

We have audited the financial statements of George Thurlow and Sons (Holdings) Limited for the year ended 31 December 2010 which comprise the group profit and loss account, the group and parent company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEORGE THURLOW AND SONS
(HOLDINGS) LIMITED**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

PKF(UK) LLP

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

28 June 2011

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

	Note	2010 £000	2009 £000
TURNOVER	1,2	106,017	103,488
Cost of sales		(90,722)	(88,639)
GROSS PROFIT		15,295	14,849
Administrative expenses		(13,430)	(13,323)
OPERATING PROFIT	3	1,865	1,526
Interest receivable and similar income		-	6
Interest payable and similar charges	7	(281)	(254)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,584	1,278
Tax on profit on ordinary activities	8	(442)	(203)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,142	1,075
Minority interests		(275)	(247)
PROFIT FOR THE FINANCIAL YEAR	18	867	828

All amounts relate to continuing operations

The notes on pages 11 to 26 form part of these financial statements

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 £000	2009 £000
PROFIT FOR THE FINANCIAL YEAR	867	828
Unrealised surplus on revaluation of investment properties	-	531
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	867	1,359

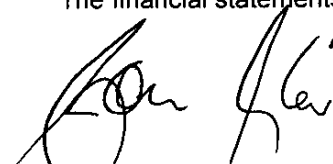
The notes on pages 11 to 26 form part of these financial statements

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED
REGISTERED NUMBER: 77180

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	2010 £000	2009 £000
FIXED ASSETS			
Tangible assets	9	10,148	10,286
Investment property	10	3,035	2,946
		<u>13,183</u>	<u>13,232</u>
CURRENT ASSETS			
Stocks	12	13,075	9,859
Debtors	13	5,094	4,255
Cash at bank and in hand		657	615
		<u>18,826</u>	<u>14,729</u>
CREDITORS amounts falling due within one year	14	<u>(15,509)</u>	<u>(11,983)</u>
NET CURRENT ASSETS		<u>3,317</u>	<u>2,746</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,500</u>	<u>15,978</u>
CREDITORS amounts falling due after more than one year	15	(462)	(980)
PROVISIONS FOR LIABILITIES			
Deferred tax	16	(19)	(32)
NET ASSETS		<u>16,019</u>	<u>14,966</u>
CAPITAL AND RESERVES			
Called up share capital	17	74	74
Investment property reserve	18	819	819
Profit and loss account	18	11,580	10,787
SHAREHOLDERS' FUNDS	19	<u>12,473</u>	<u>11,680</u>
MINORITY INTERESTS	21	<u>3,546</u>	<u>3,286</u>
		<u>16,019</u>	<u>14,966</u>

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


J.G. Thurlow
 Director

28 June 2011

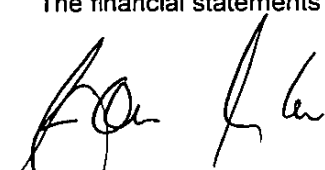
The notes on pages 11 to 26 form part of these financial statements

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2010**

	Note	2010 £000	2009 £000
FIXED ASSETS			
Tangible assets	9	3	3
Investment property	10	2,071	2,071
Investments	11	159	159
		<u>2,233</u>	<u>2,233</u>
CURRENT ASSETS			
Debtors	13	118	193
Cash at bank		42	37
		<u>160</u>	<u>230</u>
CREDITORS: amounts falling due within one year	14	<u>(132)</u>	<u>(192)</u>
NET CURRENT ASSETS		<u>28</u>	<u>38</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,261</u>	<u>2,271</u>
CREDITORS: amounts falling due after more than one year	15	<u>(46)</u>	<u>(97)</u>
NET ASSETS		<u><u>2,215</u></u>	<u><u>2,174</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	74	74
Investment property reserve	18	432	432
Profit and loss account	18	1,709	1,668
SHAREHOLDERS' FUNDS	19	<u><u>2,215</u></u>	<u><u>2,174</u></u>

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

28 JUNE 2011

J G Thurlow
 Director

The notes on pages 11 to 26 form part of these financial statements

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £000	2009 £000
Net cash flow from operating activities	22	1,139	4,527
Returns on investments and servicing of finance	23	(303)	(263)
Taxation		(318)	(244)
Capital expenditure and financial investment	23	(431)	(405)
Equity dividends paid		(74)	(74)
CASH INFLOW BEFORE FINANCING		13	3,541
Financing	23	(77)	(2,065)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(64)	1,476

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 £000	2009 £000
(Decrease)/Increase in cash in the year	(64)	1,476
Cash outflow from decrease in debt and lease financing	77	2,065
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	13	3,541
Other non-cash changes	(34)	-
MOVEMENT IN NET DEBT IN THE YEAR	(21)	3,541
Net debt at 1 January 2010	(5,521)	(9,062)
NET DEBT AT 31 DECEMBER 2010	(5,542)	(5,521)

The notes on pages 11 to 26 form part of these financial statements

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of George Thurlow and Sons (Holdings) Limited and all of its subsidiary undertakings ('subsidiaries')

1.3 Turnover

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

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

1.4 Tangible fixed assets and depreciation

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

Freehold property	-	50 years
Long term leasehold property	-	Over the term of the lease
Plant & machinery	-	3 to 8 years
Motor vehicles	-	2 1/2 to 8 years

Freehold land is not depreciated

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.6 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and the group.

1.7 Leasing and hire purchase

Assets obtained 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.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

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

1.9 Stocks and work in progress

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

Consignment vehicles in respect of which finance charges are levied are regarded as being effectively under the control of the group and, in accordance with FRS 5, are included within stocks on the balance sheet as the group has the significant risks and rewards of ownership even though legal title has not passed. The corresponding liability is included in creditors

1.10 Deferred taxation

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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

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

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

Deferred tax assets and liabilities are not discounted

1.11 Pensions

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

Regular pension costs for the group for the defined benefit scheme are established in accordance with recommendations of an independent actuary. The group is unable to identify its share of the underlying assets and liabilities of the joint scheme and consequently accounts for the pension costs as though the scheme is a defined contribution scheme

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

2. TURNOVER

The whole of the turnover is attributable to motor vehicle and agricultural distribution including building and machinery sales, service and parts supply

All turnover arose within the United Kingdom

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2010 £000	2009 £000
Depreciation of tangible fixed assets		
- owned by the group	533	521
- held under finance leases	3	-
Operating lease rentals		
- other operating leases	154	143
Profit on sale of tangible assets	(22)	(12)
	<hr/> <hr/>	<hr/> <hr/>

4. AUDITORS' REMUNERATION

	2010 £000	2009 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	6	6
Fees payable to the company's auditor and its associates in respect of		
The auditing of accounts of associates of the company pursuant to legislation	29	29
Other services relating to taxation	10	11
The auditing of the related pension schemes	4	4
All other services	8	9
	<hr/> <hr/>	<hr/> <hr/>

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010 £000	2009 £000
Wages and salaries	9,154	8,904
Social security costs	870	851
Other pension costs	737	760
	<hr/> <hr/> 10,761	<hr/> <hr/> 10,515

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

	2010 No.	2009 No
Sales and service	320	323
Office and management	76	79
	<hr/> <hr/> 396	<hr/> <hr/> 402

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

6. DIRECTORS' REMUNERATION

	2010 £000	2009 £000
Emoluments	<u>460</u>	<u>475</u>
Company pension contributions to defined contribution pension schemes	<u>82</u>	<u>80</u>

During the year retirement benefits were accruing to 3 directors (2009 - 3) in respect of defined benefit pension schemes

The highest paid director received remuneration of £151,000 (2009 - £174,000), with pension contributions of £39,000 (2009 - £Nil)

The highest paid director in 2010 has, proportionately, the same accrued pension benefits as other senior executives based on service, using the HM Revenue and Customs sixtieths per year formula to a maximum of 40/60 of pensionable salary

7. INTEREST PAYABLE

	2010 £000	2009 £000
On bank loans and overdrafts	96	126
On other loans	185	128
	<u>281</u>	<u>254</u>

8. TAXATION

	2010 £000	2009 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	466	391
Adjustments in respect of prior periods	(17)	(173)
Total current tax	<u>449</u>	<u>218</u>
Deferred tax (see note 16)		
Origination and reversal of timing differences	(7)	(15)
Tax on profit on ordinary activities	<u>442</u>	<u>203</u>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

8. TAXATION (continued)

Factors affecting tax charge for the year

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

	2010 £000	2009 £000
Profit on ordinary activities before tax	1,584	1,278
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	444	358
Effects of:		
Expenses not deductible for tax purposes	21	12
Fixed asset timing differences	5	29
Other short-term timing differences	-	(3)
Marginal rate relief	(4)	(5)
Adjustments to tax charge in respect of prior periods	(17)	(173)
Current tax charge for the year (see note above)	449	218

Factors that may affect future tax charges

There were no factors that may affect future tax charges

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

9. TANGIBLE FIXED ASSETS

Group	Land and buildings £000	Plant & machinery £000	Motor vehicles £000	Total £000
Cost				
At 1 January 2010	9,421	4,052	1,045	14,518
Additions	-	176	272	448
Disposals	-	(416)	(222)	(638)
At 31 December 2010	<u>9,421</u>	<u>3,812</u>	<u>1,095</u>	<u>14,328</u>
Depreciation				
At 1 January 2010	386	3,161	685	4,232
Charge for the year	68	283	185	536
On disposals	-	(408)	(180)	(588)
At 31 December 2010	<u>454</u>	<u>3,036</u>	<u>690</u>	<u>4,180</u>
Net book value				
At 31 December 2010	<u>8,967</u>	<u>776</u>	<u>405</u>	<u>10,148</u>
At 31 December 2009	<u>9,035</u>	<u>891</u>	<u>360</u>	<u>10,286</u>

At 31 December 2010, included within the net book value of land and buildings is £8,885,000 (2009 - £8,951,000) relating to freehold land and buildings and £82,000 (2009 - £84,000) relating to long term leasehold land and buildings

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

Group	2010 £000	2009 £000
Motor vehicles	<u>31</u>	<u>-</u>
Company		Motor vehicles £000
Cost		
At 1 January 2010 and 31 December 2010		<u>6</u>
Depreciation		
At 1 January 2010 and 31 December 2010		<u>3</u>
Net book value		
At 31 December 2010		<u>3</u>
At 31 December 2009		<u>3</u>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

10 INVESTMENT PROPERTY

	Freehold investment property £000
Group	
Valuation	
At 1 January 2010	2,946
Additions at cost	89
	<u>3,035</u>
At 31 December 2010	<u>3,035</u>
Comprising	
Cost	2,088
Annual revaluation surplus:	
2010 - group share	819
2010 - minority interest share	128
	<u>947</u>
At 31 December 2010	<u>3,035</u>

The 2010 valuations were made by the directors, on an open market value for existing use basis

Revaluation reserves

At 1 January 2010 and 31 December 2010	<u>819</u>
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	Freehold investment property £000
Company	
Valuation	
At 1 January 2010 and 31 December 2010	<u>2,071</u>
Comprising	
Cost	1,639
Annual revaluation surplus 2010	432
At 31 December 2010	<u>2,071</u>

The 2010 valuations were made by the directors, on an open market value for existing use basis

Revaluation reserves

At 1 January 2010 and 31 December 2010	<u>432</u>
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GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

11 FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2010 and 31 December 2010	159
Net book value	
At 31 December 2010	159
At 31 December 2009	159

Details of the principal subsidiaries can be found under note number 33

12. STOCKS

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Consignment stock	-	91	-	-
Work in progress	67	77	-	-
Finished goods	13,008	9,691	-	-
	13,075	9,859	-	-

Consignment vehicles included in the balance sheet relate to categories of stock where allocation has in principle been made to the customer order. All other consignment vehicles are available for allocation to other retailers.

13 DEBTORS

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Trade debtors	4,347	3,315	-	-
Amounts owed by group and related undertakings	-	-	85	170
Other debtors	330	662	33	23
Prepayments and accrued income	417	278	-	-
	5,094	4,255	118	193

Included within other debtors due within one year are loans to directors amounting to **£75,000** (2009 **£44,000**) as detailed in note 30.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

**14. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Bank loans and overdrafts	1,268	1,122	50	50
Other loans	190	333	-	-
Vehicle stocking plan creditor	4,269	3,701	-	-
Net obligations under finance leases and hire purchase contracts	10	-	-	-
Trade creditors	7,187	4,547	49	93
Other creditors	199	-	-	-
Amounts owed to group undertakings	-	-	-	8
Corporation tax	598	457	17	19
Social security and other taxes	604	465	1	9
Pension fund loan payable	16	1	-	-
Accruals and deferred income	1,168	1,357	15	13
	15,509	11,983	132	192

The bank overdrafts, bank loans and other loans are secured by a charge over certain freehold properties of the group and company, and by a debenture over all the assets of the group and company. The loans are repayable over four years and bear interest at 7.47% and 5.75% per annum.

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

**15. CREDITORS:
Amounts falling due after more than one year**

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Bank loans	172	519	46	97
Other loans	271	461	-	-
Net obligations under finance leases and hire purchase contracts	19	-	-	-
	462	980	46	97

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Between one and five years	19	-	-	-

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

16 DEFERRED TAXATION

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
At beginning of year	32	47	-	-
Released during the year	(13)	(15)	-	-
At end of year	<u>19</u>	<u>32</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Fixed asset timing differences	37	50	-	-
Other timing differences	(18)	(18)	-	-
	<u>19</u>	<u>32</u>	<u>-</u>	<u>-</u>

In the event of a disposal of the group's investment properties at balance sheet values, a maximum tax liability of approximately **£220,000** (2009 - £227,000) would arise. Following roll-over claims on disposals in prior periods, a tax liability of approximately **£630,000** (2009 - £630,000) would arise in the event of a disposal of the group's freehold properties. No provision has been reserved in these accounts as it is not the directors' intention to sell these properties for the foreseeable future.

In the event of a disposal of the company's investment properties at balance sheet values, a maximum tax liability of approximately **£87,000** (2009 - £92,000) would arise. No provision has been reserved in these accounts as it is not the directors' intention to sell these properties for the foreseeable future.

17. SHARE CAPITAL

	2010 £000	2009 £000
Allotted, called up and fully paid		
73,630 Ordinary shares of £1 each	<u>74</u>	<u>74</u>

18. RESERVES

Group	Investment property revaluation reserve £000	Profit and loss account £000
At 1 January 2010	819	10,787
Profit for the year		867
Dividends		(74)
Equity capital		
At 31 December 2010	<u>819</u>	<u>11,580</u>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

18. RESERVES (continued)

	Investment property revaluation reserve £000	Profit and loss account £000
Company		
At 1 January 2010	432	1,668
Profit for the year		115
Dividends Equity capital		(74)
	<u>432</u>	<u>1,709</u>
At 31 December 2010	<u>432</u>	<u>1,709</u>

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £000	2009 £000
Group		
Opening shareholders' funds	11,680	10,395
Profit for the year	867	828
Dividends (Note 20)	(74)	(74)
Other recognised gains and losses during the year	-	531
	<u>12,473</u>	<u>11,680</u>
Closing shareholders' funds	<u>12,473</u>	<u>11,680</u>

	2010 £000	2009 £000
Company		
Opening shareholders' funds	2,174	1,997
Profit for the year	115	107
Dividends (Note 20)	(74)	(74)
Other recognised gains and losses during the year	-	144
	<u>2,215</u>	<u>2,174</u>
Closing shareholders' funds	<u>2,215</u>	<u>2,174</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The profit for the year dealt with in the accounts of the company was £115,000 (2009 - £107,000)

20. DIVIDENDS

	2010 £000	2009 £000
Dividends paid on equity capital	<u>74</u>	<u>74</u>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

21. MINORITY INTERESTS

Equity	£000
At 1 January 2010	(3,293)
Proportion of profit after taxation for the year	(275)
Proportion of dividends for the year	22
	<hr/>
At 31 December 2010	(3,546)
	<hr/>

The minority interests identified above comprise minority interests in Thurlow Nunn (Holdings) Limited of **£3,520,000** (2009 - £3,270,000) and in Thurlow Nunn (JV) Limited of **£26,000** (2009 - £23,000)

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2010 £000	2009 £000
Operating profit	1,865	1,526
Depreciation of tangible fixed assets	536	520
Profit on disposal of tangible fixed assets	(22)	(12)
(Increase)/decrease in stocks	(3,216)	581
(Increase)/decrease in debtors	(824)	1,278
Increase in creditors	2,800	634
	<hr/>	<hr/>
Net cash inflow from operating activities	1,139	4,527
	<hr/>	<hr/>

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2010 £000	2009 £000
Returns on investments and servicing of finance		
Interest received	-	6
Interest paid	(281)	(254)
Dividends paid to minority interests	(22)	(15)
	<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance	(303)	(263)
	<hr/>	<hr/>
	2010 £000	2009 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(414)	(428)
Sale of tangible fixed assets	72	29
Purchase of investment properties	(89)	(6)
	<hr/>	<hr/>
Net cash outflow from capital expenditure	(431)	(405)
	<hr/>	<hr/>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2010 £000	2009 £000
Financing		
New secured loans	568	-
Repayment of loans and stocking plan loan	(307)	(2,059)
Repayment of other loans	(333)	(6)
Finance leases	(5)	-
Net cash outflow from financing	(77)	(2,065)

24. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2010 £000	Cash flow £000	Other non-cash changes £000	31 December 2010 £000
Cash at bank and in hand	615	42	-	657
Bank overdraft	(854)	(106)	-	(960)
	(239)	(64)	-	(303)
Debt:				
Finance leases	-	5	(34)	(29)
Debts due within one year	(601)	601	(498)	(498)
Debts falling due after more than one year	(980)	39	498	(443)
Vehicle stocking loans	(3,701)	(568)	-	(4,269)
Net debt	(5,521)	13	(34)	(5,542)

25. MAJOR NON-CASH TRANSACTIONS

During the year, the group entered into hire purchase contracts with a value of £34,000 (2009 - £Nil)

26. CONTINGENT LIABILITIES

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

During the year, the company entered into a guarantee over the bank debts of Balsham Buildings Limited, a company in which the directors have an interest. The balance owed to the bank by Balsham Buildings Limited at 31 December 2010 amounted to **£359,000** (2009 £Nil).

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

27. CAPITAL COMMITMENTS

At 31 December 2010 the group and company had capital commitments as follows

	<u>Group</u>		<u>Company</u>	
	2010	2009	2010	2009
	£000	£000	£000	£000
Contracted for but not provided in these financial statements	15	75	-	-

28. PENSION COMMITMENTS

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

The pension cost of the defined benefit scheme is assessed in accordance with the advice of a professionally qualified actuary and the most recent actuarial valuation was carried out as at 6 April 2008. Details of the valuation are as follows:

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

The scheme was closed to new members in 1994 and the cost as a percentage of the related pensionable payroll will tend to increase as the average age of the membership rises. The actuary has recommended that the employers' contributions remain at 27.1% together with a contribution of £32,000 per month for the period to 1 February 2016 to account for the minimum funding requirements. The group's share of the contributions has been made on this basis.

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

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

The pension charge for both schemes for the year was **£737,000** (2009 - £760,000).

Since it is not possible to separately identify the proportion of the overall deficit of the joint defined benefit scheme that relates to the group, no Financial Reporting Standard number 17 (FRS 17) disclosures have been made in these financial statements. This is in accordance with the exemption under FRS 17 relating to multi-employer schemes.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

29. OPERATING LEASE COMMITMENTS

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

Group	Land and buildings	
	2010	2009
Expiry date:	£000	£000
Within 1 year	30	30
Between 2 and 5 years	86	126

30. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

Group and company

Included in other debtors is a loan to J G Thurlow, a director, of **£23,000** (2009 - £15,000) The maximum balance outstanding in the year was **£31,000** (2009 - £23,000) During the year **£8,000** (2009 - £8,000) was written off the loan During the year, an additional sum of **£16,000** (2009 - £Nil) was advanced

Group

Also included in other debtors is a loan to J R Thurlow, a director, of **£52,000** (2009 - £29,000) The maximum balance outstanding in the year was **£58,000** (2009 - £38,000) During the year **£9,000** (2009 - £9,000) was written off the loan During the year, an additional sum of **£32,000** (2009 - £Nil) was advanced

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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

31. RELATED PARTY TRANSACTIONS

Group

At the year end, the group had a creditor balance of **£53,000** (2009 - £111,000) with Balsham (Buildings) Limited, a company in which J G Thurlow has an interest. During the year the group purchased building supplies amounting to **£534,000** (2009 - £1,065,000), and made sales of motor vehicles, parts and repairs amounting to **£42,000** (2009 - £40,000). The group also received rent of **£70,000** (2009 - £70,000) and charged management fees of **£20,000** (2009 - £20,000).

Company

At the year end, the company had a creditor balance of **£93,000** (2009 - £93,000) with Balsham (Buildings) Limited, a company in which J G Thurlow has an interest. During the year the company received rent from Balsham (Buildings) Limited of **£70,000** (2009 - £70,000) and charged management fees of **£20,000** (2009 - £20,000) to the company.

Included within the dividend paid during the year are the following amounts paid to directors

J G Thurlow	£13,000 (2009 - £21,000)
M A Thurlow	£13,000 (2009 - £12,000)
J R Thurlow	£9,000 (2009 - £7,000)
S A Tew	£5,000 (2009 - £3,000)
N J Titley	£5,000 (2009 - £3,000)

Also included within the dividend are payments of **£10,000** (2009 - £10,000) to a trust in which all of the above directors are beneficiaries and **£18,000** (2009 - £18,000) to a trust in which J R Thurlow, S A Tew and N J Titley are beneficiaries.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 not to disclose related party transactions which occurred during the year with other group companies included in the group's consolidated financial statements.

32. CONTROLLING PARTY

The company is controlled by J G Thurlow and members of his immediate family.

33. PRINCIPAL SUBSIDIARIES

Company name	Percentage Shareholding	Description
Thurlow Nunn (Holdings) Limited	75.06	Motor vehicle distributors and intermediate holding company
Thurlow Nunn (JV) Limited	99	Motor vehicle distributors (owned by Thurlow Nunn (Holdings) Limited)
Thurlow Nunn Standen Limited	100	Agricultural building and machinery distributors (owned by Thurlow Nunn (Holdings) Limited)
Thurlow Nunn (Motor Vehicles) Limited	100	Dormant (owned by Thurlow Nunn (Holdings) Limited)
WS East Anglia Limited	100	Dormant (owned by Thurlow Nunn (Holdings) Limited)