

Registered number: 00077180

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014



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GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	J G Thurlow M A Thurlow Mrs S A Tew Ms N J Titley J R Thurlow
Company secretary	Mrs S A Tew
Registered number	00077180
Registered office	Wisbech Road Littleport Cambridgeshire CB6 1RA
Independent auditor	BDO LLP 2nd Floor, Yare House 62-64 Thorpe Road Norwich NR1 1RY

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report for the year.

Business review

Our group shows reasonable results for the year with turnover over £150 million in the year. Both divisions have seen reasonable 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 group opened a new franchise site in Milton Keynes in January 2014. Since the year end, the group has opened new franchise sites in Luton and Dunstable.

Principal risks and uncertainties

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

- The increasingly competitive nature of the 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.

Financial key performance indicators

The directors consider the following key performance indicators as important to their business:

Financial	2014	2013
Return on sales before tax	1.5%	1.4%
Return on shareholders funds	11.1%	10.5%
Gross profit %	14.72%	13.87%
Current ratio	1:1.23	1:1.20

The directors consider the staff's performance to be the key non financial indicator.

Future developments

The directors' focus for the group will be the continuing integration of recent acquisitions in its retail, service and parts operations from motor vehicle and agricultural distributors businesses.

The UK has seen a steady reduction in the unemployment figures and some clear indication that interest rates will remain at a low rate for the medium term. These two factors are important factors for the stability in auto retail and will reduce the risk of a market slow down.

Availability of financing has improved considerably since the difficult period of 2008/9, there is nothing to suggest that this will not continue at the good rates that have been enjoyed in the recent years.

The directors forecast that 2015 will prove to be challenging, but with a solid base, competent staff and a quality product range the directors are optimistic the results will be in line with forecasts.

This report was approved by the board on 12 JUNE 2015 and signed on its behalf.


J G Thurlow
Director

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £1,381,000 (2013 - £1,207,000).

During the year, the directors paid a final dividend of £1.50 per share in respect of the year ended 31 December 2013. The directors recommend a final dividend of £1.50 per share in respect of the year ended 31 December 2014.

Directors

The directors who served during the year were:

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

Strategic report

Information previously included in the directors report in respect of the business review, key performance indicators and principal risks and uncertainties can now be found in the strategic report under s414C(11) of the Companies Act 2006.

Financial risk management and objectives and policies

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

Interest rate 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, vehicle stocking loans and hire purchase. The group takes out longer term funding to finance major capital expenditure. 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.

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 aging and collection history.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

This report was approved by the board on 12 JUNE 2015

and signed on its behalf.



Mrs S A Tew
Secretary

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

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 group and company 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 group and company 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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) for the year ended 31 December 2014 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated 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 statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 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 strategic report and 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.

BDO LLP

Nicholas Buxton MA ACA (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Norwich
United Kingdom

22 JUNE 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
TURNOVER	1		
Continuing operations		158,233	140,263
Discontinued operations		-	1,172
		<u>158,233</u>	<u>141,435</u>
Cost of sales	4	<u>(135,104)</u>	<u>(121,825)</u>
GROSS PROFIT		23,129	19,610
Administrative expenses	4	(20,441)	(17,503)
Other operating income	3	<u>270</u>	<u>356</u>
OPERATING PROFIT			
Continuing operations		2,958	2,346
Discontinued operations		-	117
	5	2,958	2,463
Interest receivable and similar income		8	3
Interest payable and similar charges	9	<u>(594)</u>	<u>(455)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,372	2,011
Tax on profit on ordinary activities	10	<u>(550)</u>	<u>(420)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,822	1,591
Minority interests	24	<u>(441)</u>	<u>(384)</u>
PROFIT FOR THE FINANCIAL YEAR	21	<u><u>1,381</u></u>	<u><u>1,207</u></u>

The notes on pages 12 to 32 form part of these financial statements.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
PROFIT FOR THE FINANCIAL YEAR		1,381	1,207
Unrealised surplus on revaluation of investment properties		-	89
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		1,381	1,296

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 12 to 32 form part of these financial statements.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED
REGISTERED NUMBER: 00077180

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £000	2013 £000
FIXED ASSETS			
Intangible assets	11	434	65
Tangible assets	12	15,286	15,968
Investment property	13	4,072	4,072
		<u>19,792</u>	<u>20,105</u>
CURRENT ASSETS			
Stocks	15	25,042	19,624
Debtors	16	9,173	7,625
Cash at bank and in hand		26	848
		<u>34,241</u>	<u>28,097</u>
CREDITORS: amounts falling due within one year	17	<u>(27,855)</u>	<u>(23,450)</u>
NET CURRENT ASSETS		<u>6,386</u>	<u>4,647</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,178</u>	<u>24,752</u>
CREDITORS: amounts falling due after more than one year	18	(4,774)	(5,096)
PROVISIONS FOR LIABILITIES			
Deferred tax	19	(67)	(10)
NET ASSETS		<u>21,337</u>	<u>19,646</u>
CAPITAL AND RESERVES			
Called up share capital	20	74	74
Investment property reserve	21	908	908
Profit and loss account	21	15,483	14,212
SHAREHOLDERS' FUNDS	22	<u>16,465</u>	<u>15,194</u>
MINORITY INTERESTS	24	<u>4,872</u>	<u>4,452</u>
		<u>21,337</u>	<u>19,646</u>

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

12 JUNE 2015


J.G. Thurlow
 Director

The notes on pages 12 to 32 form part of these financial statements.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED
REGISTERED NUMBER: 00077180

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £000	2013 £000
FIXED ASSETS			
Tangible assets	12	3	3
Investment property	13	2,071	2,071
Investments	14	159	159
		<u>2,233</u>	<u>2,233</u>
CURRENT ASSETS			
Debtors	16	182	143
Cash at bank		21	27
		<u>203</u>	<u>170</u>
CREDITORS: amounts falling due within one year	17	(144)	(147)
NET CURRENT ASSETS		<u>59</u>	<u>23</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,292</u>	<u>2,256</u>
PROVISIONS FOR LIABILITIES			
Deferred tax	19	(6)	(6)
NET ASSETS		<u>2,286</u>	<u>2,250</u>
CAPITAL AND RESERVES			
Called up share capital	20	74	74
Investment property reserve	21	432	432
Profit and loss account	21	1,780	1,744
SHAREHOLDERS' FUNDS	22	<u>2,286</u>	<u>2,250</u>

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

12 JUNE 2015


J G Thurlow
 Director

The notes on pages 12 to 32 form part of these financial statements.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
Net cash flow from operating activities	25	(2,730)	5,200
Returns on investments and servicing of finance	26	(605)	(473)
Taxation		(510)	(461)
Capital expenditure and financial investment	26	(703)	(6,128)
Equity dividends paid		(110)	(110)
CASH OUTFLOW BEFORE FINANCING		(4,658)	(1,972)
Financing	26	4,334	1,344
DECREASE IN CASH IN THE YEAR		(324)	(628)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £000	2013 £000
Decrease in cash in the year	(324)	(628)
Cash inflow from increase in debt and lease financing	(4,334)	(1,344)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(4,658)	(1,972)
Other non-cash changes	(183)	(182)
MOVEMENT IN NET DEBT IN THE YEAR	(4,841)	(2,154)
Net debt at 1 January 2014	(15,313)	(13,159)
NET DEBT AT 31 DECEMBER 2014	(20,154)	(15,313)

The notes on pages 12 to 32 form part of these financial statements.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. In general this occurs when goods have been supplied or when the service has been completed.

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 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 3 years on a straight line basis.

1.5 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 - straight line
Leasehold property	-	Over the term of the lease - straight line
Plant & machinery	-	2 to 15 years - straight line
Motor vehicles	-	2 1/2 to 8 years - straight line
Assets in the course of construction	-	No depreciation

Freehold land is not depreciated.

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.7 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.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 Operating leases

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

1.10 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.

1.11 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.

1.12 Pensions

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 defined benefit scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the shares of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS 17 'Retirement Benefits' the company accounts for the scheme as if it were a defined contribution scheme. The amount charged to the profit and loss account represents contributions payable to the scheme in respect of the accounting period.

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

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. SEGMENTAL ANALYSIS

The group operates in two principal areas of activity, that of motor vehicles and agricultural distribution.

Turnover, group profit on ordinary activities before tax and net assets are analysed as follows:

	Turnover £000	2014 Net profit before tax £000	Net assets £000	Turnover £000	2013 Net profit before tax £000	Net assets £000
By class of business						
Motor vehicles	101,411	1,287	10,199	84,177	1,160	9,227
Agricultural distribution	56,822	1,137	8,196	57,258	1,082	7,888
	<u>158,233</u>	<u>2,424</u>	<u>18,395</u>	<u>141,435</u>	<u>2,242</u>	<u>17,115</u>
Common income		533	-		221	-
Net interest		(585)			(452)	
Other unallocated assets/(liabilities)			2,942			2,531
		<u>2,372</u>	<u>21,337</u>		<u>2,011</u>	<u>19,646</u>
	£000	£000	£000	£000	£000	£000
By geographical location						
UK	<u>158,233</u>	<u>2,372</u>	<u>21,337</u>	<u>141,435</u>	<u>2,011</u>	<u>19,646</u>

Unallocated net assets primarily comprise investment properties less bank overdraft.

3. OTHER OPERATING INCOME

	2014 £000	2013 £000
Management fees receivable	14	17
Net rents receivable	256	239
Sale of goodwill	-	100
	<u>270</u>	<u>356</u>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4. ANALYSIS OF OPERATING PROFIT

	2014		2013	
	Continuing £000	Discontinued £000	Continuing £000	Discontinued £000
Turnover	158,233	-	140,263	1,172
Cost of sales	(135,104)	-	(120,715)	(1,110)
Gross profit	23,129	-	19,548	62
Administrative expenses	(20,441)	-	(17,458)	(45)
Other operating income	270	-	256	100
	2,958	-	2,346	117

Discontinued activities represent Toyota operation at St Ives.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £000	2013 £000
Amortisation - intangible fixed assets	113	38
Depreciation of tangible fixed assets:		
- owned by the group	733	583
- held under finance leases	83	42
Operating lease rentals:		
- other operating leases	505	513
Profit on sale of tangible assets	(200)	(46)

6. AUDITORS' REMUNERATION

	2014 £000	2013 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5	5
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the company	34	32
Taxation compliance services	8	8
The auditing of the related pension schemes	5	4
All other services not included above	11	9

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

7. STAFF COSTS

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

	2014 £000	2013 £000
Wages and salaries	12,300	10,853
Social security costs	1,207	1,035
Other pension costs	781	789
	<u>14,288</u>	<u>12,677</u>

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

	2014 No.	2013 No.
Sales and service	384	347
Office and management	86	80
	<u>470</u>	<u>427</u>

8. DIRECTORS' REMUNERATION

	2014 £000	2013 £000
Remuneration	<u>529</u>	<u>512</u>
Company pension contributions	<u>38</u>	<u>85</u>

During the year retirement benefits were accruing to 3 directors (2013 - 3) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £168,000 (2013 - £159,000).

9. INTEREST PAYABLE

	2014 £000	2013 £000
On bank loans and overdrafts	228	162
On other loans	358	287
On finance leases and hire purchase contracts	6	6
Other interest payable	2	-
	<u>594</u>	<u>455</u>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. TAXATION

	2014 £000	2013 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	557	459
Adjustments in respect of prior periods	(64)	(38)
Total current tax	<u>493</u>	<u>421</u>
Deferred tax		
Origination and reversal of timing differences	(32)	(1)
Effect of reduced tax rate on opening liability	(8)	-
Underprovisions in prior year	97	-
Total deferred tax (see note 19)	<u>57</u>	<u>(1)</u>
Tax on profit on ordinary activities	<u><u>550</u></u>	<u><u>420</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	<u>2,372</u>	<u>2,011</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	510	468
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14	23
Depreciation for year in excess of capital allowances/(Capital allowances in excess of depreciation)	34	(52)
Adjustments to tax charge in respect of prior periods	(64)	(38)
Losses carried back	-	34
Short term timing difference on fixed assets leading to a decrease in taxation	(15)	-
Capital gains	11	-
Other differences leading to an increase/(decrease) in the tax charge	4	(14)
Marginal relief	(1)	-
Current tax charge for the year (see note above)	<u><u>493</u></u>	<u><u>421</u></u>

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 2014**

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £000
Cost	
At 1 January 2014	117
Additions	482
	<hr/>
At 31 December 2014	599
	<hr/>
Amortisation	
At 1 January 2014	52
Charge for the year	113
	<hr/>
At 31 December 2014	165
	<hr/>
Net book value	
At 31 December 2014	434
	<hr/> <hr/>
At 31 December 2013	65
	<hr/> <hr/>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

12. TANGIBLE FIXED ASSETS

Group	Land and buildings £000	Plant & machinery £000	Motor vehicles £000	Assets in the course of construction £000	Total £000
Cost					
At 1 January 2014	8,752	4,759	1,565	5,706	20,782
Additions	62	499	309	-	870
Disposals	(705)	(356)	(271)	-	(1,332)
Transfer between classes	5,679	27	-	(5,706)	-
At 31 December 2014	<u>13,788</u>	<u>4,929</u>	<u>1,603</u>	<u>-</u>	<u>20,320</u>
Depreciation					
At 1 January 2014	581	3,202	1,031	-	4,814
Charge for the year	147	416	253	-	816
On disposals	(4)	(324)	(268)	-	(596)
Transfer between classes	(27)	27	-	-	-
At 31 December 2014	<u>697</u>	<u>3,321</u>	<u>1,016</u>	<u>-</u>	<u>5,034</u>
Net book value					
At 31 December 2014	<u>13,091</u>	<u>1,608</u>	<u>587</u>	<u>-</u>	<u>15,286</u>
At 31 December 2013	<u>8,171</u>	<u>1,557</u>	<u>534</u>	<u>5,706</u>	<u>15,968</u>

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

Group	2014 £000	2013 £000
Plant and machinery	248	-
Motor vehicles	106	131
	<u>354</u>	<u>131</u>

At 31 December 2014, included within the net book value of land and buildings is £13,090,000 (2013 - £8,160,000) relating to freehold land and buildings and £1,000 (2013 - £11,000) relating to short term leasehold land and buildings.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

12 TANGIBLE FIXED ASSETS (continued)

Company	Motor vehicles £000
Cost	
At 1 January 2014 and 31 December 2014	<u>6</u>
Depreciation	
At 1 January 2014 and 31 December 2014	<u>3</u>
Net book value	
At 31 December 2014	<u>3</u>
At 31 December 2013	<u>3</u>

13. INVESTMENT PROPERTY

Group	Freehold investment property £000
Valuation	
At 1 January 2014 and 31 December 2014	<u>4,072</u>
Comprising	
Cost	3,006
Annual revaluation surplus: 2013	<u>1,066</u>
At 31 December 2014	<u>4,072</u>

The 2014 valuations were made by the directors, on an open market value for existing use basis.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. INVESTMENT PROPERTY (continued)

Company Valuation	Freehold investment property £000
At 1 January 2014 and 31 December 2014	2,071
Comprising	
Cost	1,639
Annual revaluation surplus: 2013	432
At 31 December 2014	2,071

The 2014 valuations were made by the directors, on an open market value for existing use basis.

14. FIXED ASSET INVESTMENTS

Company Cost or valuation	Investments in subsidiary companies £000
At 1 January 2014 and 31 December 2014	159
Net book value	
At 31 December 2014	159
At 31 December 2013	159

Details of the principal subsidiaries can be found under note number 37.

15. STOCKS

	Group		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Work in progress	54	51	-	-
Finished goods	24,988	19,573	-	-
	25,042	19,624	-	-

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade debtors	7,229	6,151	-	-
Amounts owed by group and related undertakings	-	-	85	135
Other debtors	1,249	1,012	97	8
Prepayments and accrued income	695	462	-	-
	9,173	7,625	182	143

17. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Bank loans and overdrafts	2,213	2,710	-	-
Other loans	-	91	-	-
Vehicle stocking loans	13,039	8,202	-	-
Net obligations under finance leases and hire purchase contracts	154	61	-	-
Trade creditors	8,856	8,095	101	101
Other creditors	246	487	-	-
Corporation tax	274	317	23	25
Other taxation and social security	639	1,005	-	-
Accruals and deferred income	2,434	2,482	20	21
	27,855	23,450	144	147

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 vehicle stocking loans represent 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.

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

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
Bank loans	4,647	5,013	-	-
Net obligations under finance leases and hire purchase contracts	127	83	-	-
	<u>4,774</u>	<u>5,096</u>	<u>-</u>	<u>-</u>

The bank loans and other loans are secured by a charge over certain freehold properties of the group and the company, and by a debenture over all the assets of the group and the company. The loans are repayable over four years and bear interest at 2.75% over LIBOR and 1.75% over LIBOR per annum.

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

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
Between one and five years	127	83	-	-

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

19. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
At beginning of year	10	11	6	7
Charge for/(released during) the year (P&L)	57	(1)	-	(1)
At end of year	<u>67</u>	<u>10</u>	<u>6</u>	<u>6</u>

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£000	£000	£000	£000
Fixed asset timing differences	83	9	6	6
Other timing differences	(16)	1	-	-
	<u>67</u>	<u>10</u>	<u>6</u>	<u>6</u>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

19. DEFERRED TAXATION (continued)

In the event of a disposal of the group's investment properties at balance sheet values, a maximum tax liability of approximately **£98,000** (2013 - £119,000) would arise. Following roll-over claims on disposals in prior periods, a tax liability of approximately **£575,000** (2013 - £575,000) 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 **£45,000** (2013 - £48,000) 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.

20. SHARE CAPITAL

	2014 £000	2013 £000
Allotted, called up and fully paid		
73,630 Ordinary shares of £1 each	<u>74</u>	<u>74</u>

21. RESERVES

	Investment property revaluation reserve £000	Profit and loss account £000
Group		
At 1 January 2014	908	14,212
Profit for the financial year		1,381
Dividends: Equity capital		(110)
	<u>908</u>	<u>15,483</u>
At 31 December 2014		
	<u>908</u>	<u>15,483</u>
	Investment property revaluation reserve £000	Profit and loss account £000
Company		
At 1 January 2014	432	1,744
Profit for the financial year		146
Dividends: Equity capital		(110)
	<u>432</u>	<u>1,780</u>
At 31 December 2014		
	<u>432</u>	<u>1,780</u>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2014 £000	2013 £000
Opening shareholders' funds	15,194	14,008
Profit for the financial year	1,381	1,207
Dividends (Note 23)	(110)	(110)
Other recognised gains and losses during the year	-	89
	<u>16,465</u>	<u>15,194</u>
Closing shareholders' funds	<u>16,465</u>	<u>15,194</u>

Company	2014 £000	2013 £000
Opening shareholders' funds	2,250	2,212
Profit for the financial year	146	148
Dividends (Note 23)	(110)	(110)
	<u>2,286</u>	<u>2,250</u>
Closing shareholders' funds	<u>2,286</u>	<u>2,250</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 £146,000 (2013 - £148,000).

23. DIVIDENDS

	2014 £000	2013 £000
Dividends paid on equity capital	<u>110</u>	<u>110</u>

Since the year end the directors have proposed a dividend of £110,000.

24. MINORITY INTERESTS

Equity	£000
At 1 January 2014	4,452
Proportion of profit after taxation for the year	441
Proportion of dividends for the year	(21)
	<u>4,872</u>
At 31 December 2014	<u>4,872</u>

The minority interests identified above comprise minority interests in Thurlow Nunn (Holdings) Limited of **£4,824,000** (2013 - £4,413,000) and in Thurlow Nunn (JV) Limited of **£48,000** (2013 - £40,000).

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

25. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £000	2013 £000
Operating profit	2,958	2,463
Exceptional items	-	(2)
Amortisation of intangible fixed assets	113	38
Depreciation of tangible fixed assets	816	624
Profit on disposal of tangible fixed assets	(200)	(46)
(Increase)/decrease in stocks	(5,418)	565
(Increase)/decrease in debtors	(1,548)	287
Increase in creditors	549	1,271
Net cash (outflow)/inflow from operating activities	(2,730)	5,200

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

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	8	3
Interest paid	(586)	(448)
Hire purchase interest	(6)	(6)
Dividends paid to minority interests	(21)	(22)
Net cash outflow from returns on investments and servicing of finance	(605)	(473)

	2014 £000	2013 £000
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(482)	(32)
Purchase of tangible fixed assets	(1,157)	(6,244)
Sale of tangible fixed assets	936	148
Net cash outflow from capital expenditure	(703)	(6,128)

	2014 £000	2013 £000
Financing		
New stocking loans	4,837	(2,091)
Repayment of loans	(366)	(170)
New bank loans	-	3,750
Repayment of other loans	(91)	(93)
Finance leases	(46)	(52)
Net cash inflow from financing	4,334	1,344

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

27. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2014 £000	Cash flow £000	Other non-cash changes £000	31 December 2014 £000
Cash at bank and in hand	848	(822)	-	26
Bank overdraft	(2,344)	498	-	(1,846)
	<u>(1,496)</u>	<u>(324)</u>	<u>-</u>	<u>(1,820)</u>
Debt:				
Finance leases	(144)	46	(183)	(281)
Debts due within one year	(458)	457	(366)	(367)
Debts falling due after more than one year	(5,013)	-	366	(4,647)
Vehicle stocking loans	(8,202)	(4,837)	-	(13,039)
	<u>(15,313)</u>	<u>(4,658)</u>	<u>(183)</u>	<u>(20,154)</u>
Net debt	<u>(15,313)</u>	<u>(4,658)</u>	<u>(183)</u>	<u>(20,154)</u>

28. MAJOR NON-CASH TRANSACTIONS

During the year, the group entered into hire purchase contracts with a value of **£183,000** (2013 - £182,000).

29. 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 2014 **£28,000** (2013 - £133,000) was payable to HM Revenue and Customs by the group.

During the year, the company entered into a cross-guarantee with 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 2014 amounted to **£Nil** (2013 - £88,000).

30. CAPITAL COMMITMENTS

At 31 December 2014 the group and company had capital commitments as follows:

	<u>Group</u>		<u>Company</u>	
	2014 £000	2013 £000	2014 £000	2013 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>305</u>	<u>-</u>	<u>-</u>

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

31. 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 2011. Details of the valuation are as follows:-

The group operates a defined benefit pension scheme.

Method Used	Attained Age
Main Assumptions:	
Return on investments	6.5% per annum
Increase in earnings	4.1% per annum
Market value on scheme assets at last valuation date	£17,021,000
Level of funding on an ongoing basis	90%

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

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

31. PENSION COMMITMENTS (continued)

The pension charge for both schemes for the year was **£781,000** (2013 - £789,000).

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.

32. OPERATING LEASE COMMITMENTS

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings	
	2014	2013
Expiry date:	£000	£000
Within 1 year	28	11
Between 2 and 5 years	280	274
After more than 5 years	168	159

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

33. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

Group

Included in other debtors is a loan to J R Thurlow, a director, of **£101,000** (2013 - £63,000). The maximum balance outstanding in the year was **£117,000** (2013 - £73,000). During the year, an additional sum of **£72,000** (2013 - £30,000) was advanced. During the year **£35,000** (2013 - £12,000) was written off the loan.

Also included in other debtors is a loan made by the group to Mrs S A Tew, a director, of **£33,000** (2013 - £40,000). The maximum amount outstanding during the year was **£40,000** (2013 - £42,000). During the year a sum of **£17,000** (2013 - £Nil) was advanced. During the year **£24,000** (2013 - £2,000) was written off the loan.

Included in other debtors is a loan to J G Thurlow, a director, of **£16,000** (2013 - £Nil). The maximum balance outstanding in the year was **£25,000** (2013 - £5,000). During the year a sum of **£25,000** (2013 - £Nil) was advanced. During the year **£9,000** (2013 - £5,000) was written off the loan.

All loans are interest free.

Company

Included in other debtors is a loan to J G Thurlow, a director, of **£16,000** (2013 - £Nil). The maximum balance outstanding in the year was **£25,000** (2013 - £5,000). During the year a sum of **£25,000** (2013 - £Nil) was advanced. During the year **£9,000** (2013 - £5,000) was written off the loan.

Also included in other debtors is a loan to J R Thurlow, a director, of **£54,000** (2013 - £Nil). The maximum balance outstanding in the year was **£54,000** (2013 - £Nil). During the year a sum of **£54,000** (2013 - £Nil) was advanced.

All loans are interest-free.

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

34. RELATED PARTY TRANSACTIONS

Group

At the year end, the group had a creditor balance of **£149,000** (2013 - £195,000) with Balsham (Buildings) Limited, a company under common control. During the year the group purchased building supplies amounting to **£633,000** (2013 - £1,124,000), and made sales of motor vehicles, parts and repairs amounting to **£112,000** (2013 - £53,000). The group also received rent of **£29,000** (2013 - £28,000) and charged management fees of **£14,000** (2013 - £14,000).

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

J G Thurlow	£20,000 (2013 - £20,000)
M A Thurlow	£20,000 (2013 - £20,000)
J R Thurlow	£13,000 (2013 - £13,000)
Mrs S A Tew	£8,000 (2013 - £8,000)
Ms N J Titley	£8,000 (2013 - £8,000)

Also included within the dividend are payments of **£14,000** (2013 - £14,000) to a trust in which all of the above directors are beneficiaries and **£27,000** (2013 - £27,000) to a trust in which J R Thurlow, Mrs S A Tew and Ms N J Titley are beneficiaries.

Company

At the year end, the company had a creditor balance of **£101,000** (2013 - £101,000) with Balsham (Buildings) Limited, a company under common control. During the year the company received rent from Balsham (Buildings) Limited of **£29,000** (2013 - £28,000) and charged management fees of **£14,000** (2013 - £14,000) to the company.

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

J G Thurlow	£20,000 (2013 - £20,000)
M A Thurlow	£20,000 (2013 - £20,000)
J R Thurlow	£13,000 (2013 - £13,000)
Mrs S A Tew	£8,000 (2013 - £8,000)
Ms N J Titley	£8,000 (2013 - £8,000)

Also included within the dividend are payments of **£14,000** (2013 - £14,000) to a trust in which all of the above directors are beneficiaries and **£27,000** (2013 - £27,000) to a trust in which J R Thurlow, Mrs S A Tew and Ms 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.

35. POST BALANCE SHEET EVENTS

Since the year end, the company has commenced trading from dealerships in Dunstable and Luton. The Luton dealership was acquired in January for £299,000.

36. CONTROLLING PARTY

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

GEORGE THURLOW AND SONS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

37. 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)