

COMPANY REGISTRATION NUMBER: 00077180

George Thurlow & Sons (Holdings) Limited
Annual Report and Financial statements
31 December 2019



George Thurlow & Sons (Holdings) Limited

Annual Report and Financial statements

Year ended 31 December 2019

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George Thurlow & Sons (Holdings) Limited

Officers and professional advisers

The board of directors

J R Thurlow
S A Tew
N J Tittley
J G Thurlow
M A Thurlow

Company secretary

S A Tew

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

George Thurlow & Sons (Holdings) Limited

Strategic report

Year ended 31 December 2019

The board present the strategic report for the year ended 31 December 2019.

Business review

The performance of the group in 2019 was a profit of £Nil (2018: restated loss of £1.9m) in the year with the turnover slightly up to £219m from £211m in the previous year.

Motor vehicle dealerships

The performance of the company in 2019 was a reported loss before tax of £1.3m in the year from a turnover of £148m.

The result for the year of a pre-tax loss of £1.3m was disappointing but this does not entirely reflect the trading conditions in the year.

The company, as reported last year, migrated to a different computer system which after 3 months, had to revert back to the previous system. Although the majority of the impact was suffered in 2018 there has been a detrimental impact in the earlier months of 2019. The System is now operating effectively with all of the data contamination caused by the system changes last year eradicated.

The company has a well-defined strategic leadership plan that is based around recognising that our people are our principal attribute. The strategic plan is based on the core values of professionalism, trust, respect, caring and working together.

Agricultural and horticultural business

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 had 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 key performance indicators as important to their business:

	2019	2018
	£	£
Return on Sales (Total comprehensive income/Sales)	(0.2)%	(1.0)%
Return on Shareholders Funds (Total comprehensive income/Shareholder Funds)	(1.6)%	(9.7)%
Gross Profit Margin	14.96%	14.51%
Current Ratio	1.05:1	1.07:1

George Thurlow & Sons (Holdings) Limited

Strategic report *(continued)*

Year ended 31 December 2019

COVID-19

Motor vehicle dealerships

The trading in 2020 has been affected considerably by the COVID-19 outbreak in early 2020. As a retail business, the business was effectively closed from late March through to a gradual return from early June. The company has taken advantage of the Government's Furlough scheme and council rate supports.

Business levels since re-opening have been strong with a catch up of deferred purchases and service work.

Agricultural and horticultural business

The year 2020 has been affected by the COVID-19 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.

Future developments

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

The directors forecast that 2020 has and will continue to be challenging. But with a solid base, competent staff, good product range the forecast for the year will be an improvement on 2019.

George Thurlow & Sons (Holdings) Limited

Strategic report *(continued)*

Year ended 31 December 2019

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.
- The operating companies operate franchises, the loss of which would have a significant impact on the business. The board maintains close relationships with its brand partner to mitigate this risk.
- The business has significant stocking loans with interest rates linked to base rate. We believe that interest rates will not rise significantly in the medium term.
- The motor retail industry is highly competitive. The company competes with other franchise dealers who have greater scale and financial resource. By providing excellent customer service we strive to be our customer's first choice.
- The agricultural supply company faces consolidation of its customer base which 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 companies operate in a regulated environment, in particular the FCA. Non-compliance with these regulations could result in fines and ultimately suspension from selling finance of insurance produces. To ensure we do not commit any regulatory breaches we have a thorough training regime for all related staff.
- The motor retail industry is influenced by general economic conditions. Consumer confidence, interest rates and the availability of finance are key factors that influence the performance of the company.
- The impact of the UK's decision to leave the European Union is as yet unclear. However as the UK is the second largest market within the current EU and the Motor manufacturers within the EU employing significant numbers of staff in manufacturing we believe that the UK is in a strong position to negotiate reasonable trade terms. We further believe that any trading fluctuations would be supported by manufacturers to protect the UK market.

Financial risk management and objectives and policies

The group's treasury activities are operated with 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 liquidity risk and credit risk.

Liquidity risk

The group finances its operations by a mixture of retained profits and cash and the group seeks to ensure there is short term flexibility by the availability of overdraft facilities and vehicles stocking loans. 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 & Sons (Holdings) Limited

Strategic report *(continued)*

Year ended 31 December 2019

Section 172 statement

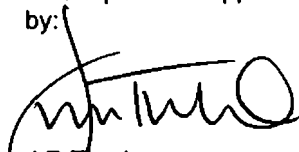
This section serves as our section 172 statement. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the group's and company's employees and other stakeholders, 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.

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

Registered office:
Wisbech Road
Littleport
Ely
Cambridgeshire
CB6 1RA

George Thurlow & Sons (Holdings) Limited

Directors' report

Year ended 31 December 2019

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

Directors

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

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

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Employment of disabled persons

The group supports the employment 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.

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.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 33 to the financial statements.

Disclosure of information in the strategic report

Information previously included in the Directors' report in respect of the business review, key performance indicators, future developments and principal risks and uncertainties can now be found in the Strategic report.

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 group and the company and the profit or loss of the group for that period.

George Thurlow & Sons (Holdings) Limited

Directors' report *(continued)*

Year ended 31 December 2019

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;
- 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.

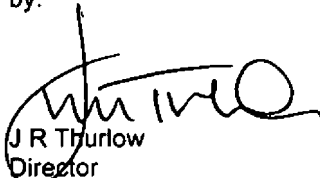
Auditor

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 group and 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 group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 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

Registered office:
Wisbech Road
Littleport
Ely
Cambridgeshire
CB6 1RA

George Thurlow & Sons (Holdings) Limited

Independent auditor's report to the members of George Thurlow & Sons (Holdings) Limited

Year ended 31 December 2019

Opinion

We have audited the financial statements of George Thurlow & Sons (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows 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 group's and of the parent company's affairs as at 31 December 2019 and of the group's 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 group 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 group's or the parent 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.

George Thurlow & Sons (Holdings) Limited

Independent auditor's report to the members of George Thurlow & Sons (Holdings) Limited *(continued)*

Year ended 31 December 2019

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 group and the parent 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 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.

George Thurlow & Sons (Holdings) Limited

Independent auditor's report to the members of George Thurlow & Sons (Holdings) Limited *(continued)*

Year ended 31 December 2019

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 group's and the parent 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 group or the parent 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.



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

George Thurlow & Sons (Holdings) Limited

Consolidated statement of comprehensive income

Year ended 31 December 2019

		2019	Restated 2018
	Note	£000	£000
Turnover	4	219,258	211,064
Cost of sales		(186,461)	(180,432)
Gross profit		32,797	30,632
Administrative expenses		(31,814)	(32,537)
Other operating income	5	248	237
Fair value movement on investment properties		—	565
Operating profit/(loss)	6	1,231	(1,103)
Interest payable and similar expenses	10	(1,083)	(946)
Profit/(loss) before taxation		148	(2,049)
Tax on profit/(loss)	11	(111)	99
Profit/(loss) for the financial year		37	(1,950)
Remeasurement of the net defined benefit plan		(425)	(367)
Total comprehensive income for the year		(388)	(2,317)

All the activities of the group are from continuing operations.

The notes on pages 17 to 35 form part of these financial statements.

George Thurlow & Sons (Holdings) Limited

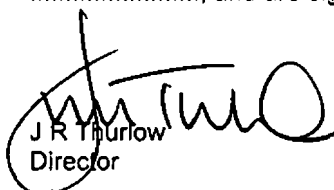
Consolidated statement of financial position

31 December 2019

	Note	2019 £000	Restated 2018 £000
Fixed assets			
Tangible assets	14	25,155	22,924
Current assets			
Stocks	16	48,999	54,373
Debtors	17	10,348	12,639
Cash at bank and in hand		95	288
		<u>59,442</u>	<u>67,300</u>
Creditors: Amounts falling due within one year	18	(56,920)	(62,677)
Net current assets		<u>2,522</u>	<u>4,623</u>
Total assets less current liabilities		<u>27,677</u>	<u>27,547</u>
Creditors: Amounts falling due after more than one year	19	(3,812)	(3,453)
Provisions	20	(471)	(361)
Net assets excluding defined benefit pension plan liability		<u>23,394</u>	<u>23,733</u>
Defined benefit pension plan liability	22	(161)	(112)
Net assets including defined benefit pension plan liability		<u>23,233</u>	<u>23,621</u>
Capital and reserves			
Called up share capital	25	74	74
Revaluation reserve	26	4,063	4,063
Profit and loss account	26	19,096	19,484
Shareholders funds		<u>23,233</u>	<u>23,621</u>

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: 00077180

The notes on pages 17 to 35 form part of these financial statements.

George Thurlow & Sons (Holdings) Limited

Company statement of financial position

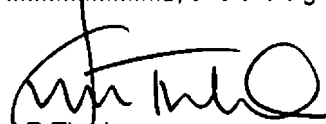
31 December 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	14	1,250	1,253
Investments	15	1,389	1,389
		<u>2,639</u>	<u>2,642</u>
Current assets			
Debtors	17	29	44
Cash at bank and in hand		89	282
		<u>118</u>	<u>326</u>
Creditors: Amounts falling due within one year	18	(18)	(26)
Net current assets		<u>100</u>	<u>300</u>
Total assets less current liabilities		<u>2,739</u>	<u>2,942</u>
Provisions	20	(60)	(60)
Net assets		<u>2,679</u>	<u>2,882</u>
Capital and reserves			
Called up share capital	25	74	74
Revaluation reserve	26	285	285
Profit and loss account	26	2,320	2,523
Shareholders funds		<u>2,679</u>	<u>2,882</u>

The loss for the financial year of the parent company was £203,000 (2018: £22,000).

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: 00077180

The notes on pages 17 to 35 form part of these financial statements.

George Thurlow & Sons (Holdings) Limited

Consolidated statement of changes in equity

Year ended 31 December 2019

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Equity attributable to the owners of the parent company £000	Non- controlling interests £000	Total £000
At 1 January 2018 (restated)	74	3,498	18,151	21,723	5,759	27,482
Loss for the year	–	–	(1,950)	(1,950)	–	(1,950)
Other comprehensive income for the year:						
Remeasure- ment of the net defined benefit plan 22	–	–	(367)	(367)	–	(367)
Reclassification from revaluation reserve to profit and loss account	–	565	(565)	–	–	–
Total comprehensive income for the year	–	565	(2,882)	(2,317)	–	(2,317)
Dividends paid and payable 12	–	–	(238)	(238)	–	(238)
Purchase of non- controlling interest shareholding	–	–	–	–	(1,306)	(1,306)
Transfer in respect of purchase of non- controlling interest	–	–	4,453	4,453	(4,453)	–
Total investments by and distributions to owners	–	–	4,215	4,215	(5,759)	(1,544)
At 31 December 2018 (restated)	74	4,063	19,484	23,621	–	23,621
Profit for the year	–	–	37	37	–	37
Other comprehensive income for the year:						
Remeasure- ment of the net defined benefit plan 22	–	–	(425)	(425)	–	(425)
Total comprehensive income for the year	–	–	(388)	(388)	–	(388)
At 31 December 2019	<u>74</u>	<u>4,063</u>	<u>19,096</u>	<u>23,233</u>	<u>–</u>	<u>23,233</u>

The notes on pages 17 to 35 form part of these financial statements.

George Thurlow & Sons (Holdings) Limited

Company statement of changes in equity

Year ended 31 December 2019

		Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total £000
At 1 January 2018		74	10	3,058	3,142
Loss for the year				(22)	(22)
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account		—	275	(275)	—
Total comprehensive income for the year		—	275	(297)	(22)
Dividends paid and payable	12	—	—	(238)	(238)
Total investments by and distributions to owners		—	—	(238)	(238)
At 31 December 2018		74	285	2,523	2,882
Loss for the year		—	—	(203)	(203)
Total comprehensive income for the year		—	—	(203)	(203)
At 31 December 2019		<u>74</u>	<u>285</u>	<u>2,320</u>	<u>2,679</u>

The notes on pages 17 to 35 form part of these financial statements.

George Thurlow & Sons (Holdings) Limited

Consolidated statement of cash flows

Year ended 31 December 2019

	2019 £000	Restated 2018 £000
Cash flows from operating activities		
Profit/(loss) for the financial year	37	(1,950)
<i>Adjustments for:</i>		
Depreciation of tangible assets	987	1,068
Amortisation of intangible assets	-	310
Fair value movement on investment properties	-	(565)
Interest payable and similar expenses	1,085	961
Loss/(gains) on disposal of tangible assets	81	-
Defined benefit pension plan employer contributions	(384)	(274)
Tax on (loss)/profit	111	(99)
<i>Changes in:</i>		
Stocks	5,374	(13,260)
Trade and other debtors	2,291	(496)
Trade and other creditors	(5,720)	15,233
Cash generated from operations	3,862	928
Interest paid	(1,085)	(961)
Tax (paid)/received	-	(432)
Net cash from/(used in) operating activities	<u>2,777</u>	<u>(465)</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,225)	(1,049)
Proceeds from sale of tangible assets	-	68
Purchase of non-controlling interest	-	(1,307)
HP interest paid	-	(1)
Net cash used in investing activities	<u>(3,225)</u>	<u>(2,289)</u>
Cash flows from financing activities		
Borrowing received	900	-
Repayment of loans	(595)	(459)
Payment of finance leases	-	(56)
Dividends paid	-	(238)
Net cash from financing activities	<u>305</u>	<u>(753)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(143)</u>	<u>(3,507)</u>
Cash and cash equivalents at beginning of year	<u>(4,418)</u>	<u>(911)</u>
Cash and cash equivalents at end of year	<u>(4,561)</u>	<u>(4,418)</u>

The notes on pages 17 to 35 form part of these financial statements.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements

Year ended 31 December 2019

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 the Republic of Ireland and the Companies Act 2006.

During the year ended 31 December 2019 the Group and Company has changed the accounting policy adopted with regard to the freehold land and buildings and has adopted certain transitional provisions from the triennial review of FRS 102 (in relation to intra-group investment properties). Details of these changes and a presentational correction to comparative information is given in note 24 to these financial statements.

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

The following principal accounting policies have been applied:

Going concern

Reference should be made to note 33 which details events after the 31 December 2019 that are relevant to the consideration of going concern. The most significant event relates to the ongoing COVID-19 pandemic; which while to date has had no material impact on the group's financial position has the potential to do so. Notwithstanding this risk the group has considerable financial resource. The directors therefore have a reasonable expectation that the group has adequate resources to continue for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

(a) No cash flow statement has been presented for the company.

Consolidation

The financial statements consolidate the financial statements of George Thurlow & Sons (Holdings) Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Stock, against which an estimated provision has been made. For motor vehicle stock, provision have been made for specific vehicles in line with available published industry data and taking into account further anticipated costs to sell. Agricultural machinery has been provided for at different rates determined by the age of the machinery in stock. Parts have been provided for at different rates determined by the age of the parts in stock. The carrying value of stock can be found in note 16.

Fair value of investment properties - Investment properties are recorded at their fair value. Such values require the application of judgment with regard to the nature of such properties relative to those that underpin the general indices used as the basis for the estimation of the value. The carrying value of investment property can be found in note 14.

Defined benefit pension scheme - The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Statement of financial position. The assumptions reflect historical experience and current trends. Further details in respect of the pension fund can be found in note 22.

Revenue recognition

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

Sale of goods

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

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

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

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 group 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.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	33% straight line
Development costs	-	33% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Tangible assets

Excepting freehold land and buildings, tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses. Land and buildings are carried at revalued amounts.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	50 years
Leasehold property	-	Over the term of the lease
Plant and machinery	-	2 to 15 years
Motor vehicles	-	2 to 8 years

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts *(continued)*

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Defined benefit plans

The company recognises a defined net benefit pension asset or liability in the statement of financial position as the net total of the present value of its obligations and the fair value of plan assets out of which the obligations are to be settled. The defined benefit liability is measured on a discounted present value basis using a rate determined by reference to market yields at the reporting date on high quality corporate bonds. Defined benefit obligations and the related expenses are measured using the projected unit credit method. Plan surpluses are recognised as a defined benefit asset only to the extent that the surplus is recoverable either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit asset or liability arising from employee service are recognised in profit or loss as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in profit or loss in the period in which they occur.

Net interest is determined by multiplying the net defined benefit liability by the discount rate, both as determined at the start of the reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest is recognised in profit or loss.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2019	2018
	£000	£000
Sale of goods	193,916	186,829
Rendering of services	22,697	21,394
Other income	2,645	2,841
	<u>219,258</u>	<u>211,064</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

5. Other operating income

	2019	2018
	£000	£000
Rental income	234	232
Other operating income	14	5
	<u>248</u>	<u>237</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£000	£000
Amortisation of intangible assets	–	156
Impairment of intangible assets	–	154
Depreciation of tangible assets	987	1,068
Other operating lease rentals	<u>1,027</u>	<u>1,184</u>

7. Auditor's remuneration

	2019	2018
	£000	£000
Fees payable for the audit of the financial statements	<u>50</u>	<u>58</u>
Fees payable to the company's auditor for other services:		
Taxation compliance services	<u>11</u>	<u>11</u>

8. Staff costs

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

	2019	2018
	No.	No.
Sales and service	548	540
Office and management	<u>93</u>	<u>103</u>
	<u>641</u>	<u>643</u>

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

	2019	2018
	£000	£000
Wages and salaries	18,884	18,608
Social security costs	1,809	1,860
Other pension costs	<u>438</u>	<u>472</u>
	<u>21,131</u>	<u>20,940</u>

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

9. Directors' remuneration

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

	2019 £000	2018 £000
Remuneration	417	497
Company contributions to defined contribution pension plans	3	3
	<u>420</u>	<u>500</u>

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

	2019 £000	2018 £000
Aggregate remuneration	<u>116</u>	<u>183</u>

There are no other key management personnel in addition to the directors.

10. Interest payable and similar expenses

	2019 £000	2018 £000
Interest on banks loans and overdrafts	292	270
Interest on obligations under finance leases and hire purchase contracts	–	1
Net finance costs in respect of defined benefit pension plans	(2)	(15)
Other interest payable and similar charges	793	690
	<u>1,083</u>	<u>946</u>

11. Tax on (loss)/profit

Major components of tax expense

	2019 £000	2018 £000
Current tax:		
Adjustments in respect of prior periods	1	(6)
Total current tax	<u>1</u>	<u>(6)</u>
Deferred tax:		
Origination and reversal of timing differences	110	(93)
Total deferred tax	<u>110</u>	<u>(93)</u>
Tax on (loss)/profit	<u>111</u>	<u>(99)</u>

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

11. Tax on (loss)/profit *(continued)*

Reconciliation of tax expense/(income)

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

The differences are explained below:-

	2019 £000	2018 £000
Profit/(loss) on ordinary activities before taxation	148	(2,049)
Profit/(loss) on ordinary activities by rate of tax	28	(389)
Adjustment to tax charge in respect of prior periods	1	(6)
Effect of expenses not deductible for tax purposes	5	98
Utilisation of tax losses	24	200
Other differences leading to an increase tax liability	53	(2)
Tax on (loss)/profit	111	(99)

12. Dividends

	2019 £000	2018 £000
Dividends paid during the year	—	238

13. Intangible assets

Group	Goodwill £000	Customer databases £000	Total £000
Cost			
At 1 January 2019 and 31 December 2019	556	557	1,113
Amortisation			
At 1 January 2019 and 31 December 2019	556	557	1,113
Carrying amount			
At 1 January 2019 and 31 December 2019	—	—	—
At 31 December 2018	—	—	—

The company has no intangible assets.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

14. Tangible assets

Group	Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost				
At 1 January 2019 (restated)	20,063	7,148	2,295	29,506
Additions	2,243	662	320	3,225
Disposals	—	(10)	(247)	(257)
At 31 December 2019	22,306	7,800	2,368	32,474
Depreciation				
At 1 January 2019 (restated)	330	4,924	1,328	6,582
Charge for the year	145	458	384	987
Disposals	—	(9)	(241)	(250)
At 31 December 2019	475	5,373	1,471	7,319
Carrying amount				
At 31 December 2019	21,831	2,427	897	25,155
At 31 December 2018	19,733	2,224	967	22,924
Company		Land and buildings £000	Motor vehicles £000	Total £000
Cost				
At 1 January 2019		1,250	6	1,256
Disposals		—	(6)	(6)
At 31 December 2019		1,250	—	1,250
Depreciation				
At 1 January 2019		—	3	3
Disposals		—	(3)	(3)
At 31 December 2019		—	—	—
Carrying amount				
At 31 December 2019		1,250	—	1,250
At 31 December 2018		1,250	3	1,253

Included within the above is investment property as follows:

	Group £000	Company £000
At 1 January 2019 and 31 December 2019	4,175	1,250
At 1 January 2019 and 31 December 2019	4,175	1,250

The most recent valuations were carried out by Rapleys LLP on 31 December 2018, on an open market value for existing use basis. The Directors do not believe the valuations to have materially changed from this period to the year end.

15. Investments

The group has no investments.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

15. Investments *(continued)*

Company	Shares in group undertakings £000
Cost	
At 1 January 2019 and 31 December 2019	<u>1,389</u>
Impairment	
At 1 January 2019 and 31 December 2019	<u>-</u>
Carrying amount	
At 1 January 2019 and 31 December 2019	<u>1,389</u>
At 31 December 2018	<u>1,389</u>

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Principle activity	Class of share	Percentage of shares held
Thurlow Nunn (Holdings) Limited	Intermediate holding company	Ordinary	100
Thurlow Nunn Standen Limited	Agricultural building and machinery distributors	Ordinary	100
Thurlow Nunn Limited	Motor vehicle distributors	Ordinary	100
Thurlow Nunn (MV) Limited	Dormant	Ordinary	100
Thurlow Nunn (Motor Vehicles) Limited	Dormant	Ordinary	100
WS East Anglia Limited	Dormant	Ordinary	100

16. Stocks

	2019 £000	Group 2018 £000	2019 £000	Company 2018 £000
Work in progress	53	72	-	-
Finished goods and goods for resale (note 18)	<u>48,946</u>	<u>54,301</u>	<u>-</u>	<u>-</u>
	<u>48,999</u>	<u>54,373</u>	<u>-</u>	<u>-</u>

17. Debtors

	2019 £000	Group 2018 £000	2019 £000	Company 2018 £000
Trade debtors	7,820	9,499	-	-
Prepayments and accrued income	725	596	-	-
Other debtors	<u>1,803</u>	<u>2,544</u>	<u>29</u>	<u>44</u>
	<u>10,348</u>	<u>12,639</u>	<u>29</u>	<u>44</u>

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements (continued)

Year ended 31 December 2019

18. Creditors: Amounts falling due within one year

	2019	Group	2019	Company
	£000	2018	£000	2018
		£000		£000
Bank loans and overdrafts	5,197	5,301	—	—
Trade creditors	23,889	25,405	—	—
Accruals and deferred income	2,775	4,992	18	26
Social security and other taxes	2,111	803	—	—
Vehicle stocking loans	22,948	26,176	—	—
	<u>56,920</u>	<u>62,677</u>	<u>18</u>	<u>26</u>

The bank overdraft and bank 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 five years and bear interest at 2.75% over LIBOR.

The vehicle stocking loans represent amounts advanced to finance the purchase of goods for resale. The finance is secured on the underlying assets.

Included with trade creditors is £15,872,000 (2018: £18,062,000) relating to vehicles consigned from Groupe PSA. The creditor is secured against the vehicles which are included within the year end stock.

19. Creditors: Amounts falling due after more than one year

	2019	Group	2019	Company
	£000	2018	£000	2018
		£000		£000
Other loans	900	—	—	—
Bank loans and overdrafts	2,912	3,453	—	—
	<u>3,812</u>	<u>3,453</u>	<u>—</u>	<u>—</u>

The bank overdraft and bank 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 five years and bear interest at 2.75% over LIBOR. The other loan is secured by a charge over certain freehold properties of the group, and bears interest at a rate of 4% per annum.

20. Provisions

Group	Deferred tax (note 21) £000
At 1 January 2019	361
Additions	8
Charged to the profit or loss	110
Credited to other comprehensive income	(8)
At 31 December 2019	<u>471</u>
Company	Deferred tax (note 21) £000
At 1 January 2019	60
At 31 December 2019	<u>60</u>

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

21. Deferred tax

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

	2019	Group	2019	Company
	£000	2018	£000	2018
		£000		£000
Included in provisions (note 20)	<u>471</u>	<u>361</u>	<u>60</u>	<u>60</u>

The provision for deferred taxation is made up as follows:

	2019	Group	2019	Company
	£000	2018	£000	2018
		£000		£000
Fixed asset timing difference	13	112	1	1
Capital gains	379	378	59	59
Pension deficit	(27)	(19)	-	-
Other timing differences	<u>106</u>	<u>(110)</u>	<u>-</u>	<u>-</u>
	<u>471</u>	<u>361</u>	<u>60</u>	<u>60</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £438,165 (2018: £337,916).

Defined benefit plans

The statement of financial position net defined benefit liability is determined as follows:

	2019	2018
	£000	£000
Present value of defined benefit obligations	(29,842)	(26,974)
Fair value of plan assets	<u>29,681</u>	<u>26,862</u>
	<u>(161)</u>	<u>(112)</u>

Changes in the present value of the defined benefit obligations are as follows:

	2019	2018
	£000	£000
At 1 January 2019	26,974	28,019
Current service cost	-	134
Interest expense	792	748
Benefits paid	(1,123)	(651)
Remeasurements:		
Actuarial (gains) and losses	<u>3,199</u>	<u>(1,276)</u>
At 31 December 2019	<u>29,842</u>	<u>26,974</u>

Changes in the fair value of plan assets are as follows:

	2019	2018
	£000	£000
At 1 January 2019	26,862	28,370
Interest income	794	763
Benefits paid	(1,123)	(651)
Contributions by employer	382	393
Remeasurements:		
Return on plan assets, excluding amount included in interest income	<u>2,766</u>	<u>(2,013)</u>
At 31 December 2019	<u>29,681</u>	<u>26,862</u>

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

22. Employee benefits *(continued)*

The total costs for the year in relation to defined benefit plans are as follows:

	2019 £000	2018 £000
Recognised in profit or loss:		
Current service credit	–	(134)
Net interest expense	2	15
	<u>2</u>	<u>(119)</u>
Recognised in other comprehensive income:		
Changes in assumptions underlying the present value of the scheme liabilities	–	351
Remeasurement of the liability:		
Actuarial gains and losses	(3,199)	1,276
Return on plan assets, excluding amounts included in net interest	2,766	(2,013)
	<u>(433)</u>	<u>(386)</u>

The fair value of the major categories of plan assets are as follows:

	2019 £000	2018 £000
Equity instruments	16,117	18,803
Property	613	309
Cash and cash equivalents	1,700	2,720
Bonds	314	3,718
Diversified growth fund	6,811	785
Insured Pensions	515	527
LDI	3,611	–
	<u>29,681</u>	<u>26,862</u>

The principal actuarial assumptions as at the statement of financial position date were:

	2019 %	2018 %
Discount rate	2.10	3.00
Inflation assumption (RPI)	3.12	3.30
Inflation assumption (CPI)	2.12	2.30
Mortality rates:		
Current pensioners at 65 - male	21.60	21.80
Current pensioners at 65 - female	23.90	23.70
Future pensioners at 65 - male	22.60	22.90
Future pensioners at 65 - female	<u>25.00</u>	<u>24.90</u>

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

23. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group	
	2019	2018
	£000	£000
Financial assets that are debt instruments measured at amortised cost	<u>9,718</u>	<u>12,305</u>

Financial liabilities measured at amortised cost

	Group	
	2019	2018
	£000	£000
Financial liabilities measured at amortised cost	<u>(58,524)</u>	<u>(65,327)</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed from group undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, amounts owed to group undertakings, vehicle stocking loans and accruals.

24. Prior year adjustment/restatement of comparative information

The comparative information for the year ended 31 December 2018 has been restated in respect of the following:

(i) **Group:** In the year ended 31 December 2018 the fair value movement on investment properties was incorrectly included in Other Comprehensive Income, rather than as a fair value movement in calculating the Group's profit/(loss) for the financial year. This has been corrected and results in a decrease in the reported loss for the financial year of £565,000. There is no impact in respect of this adjustment on the reported net assets or value of investment properties as at 31 December 2018.

(ii) **Group:** A decision has been made to change the accounting policy relating to land and buildings (non-investment properties). Historically shown at cost these are now reported on a revaluation basis. As a change in accounting policy this is applied retrospectively. Accordingly, the following summarises the impact on previously reported comparative information (there is no material change to reported profit/loss or total comprehensive income for the financial year ended 31 December 2018):

	As previously reported	Adjustment	As restated
	£'000	£'000	£'000
NBV of tangible fixed assets			
At 1 January 2018	20,577	1,870	22,447
At 31 December 2018	21,054	1,870	22,924
Net assets			
At 1 January 2018	25,700	1,782	27,482
At 31 December 2018	21,839	1,782	23,621
Revaluation reserve			
At 1 January 2018	1,628	1,870	3,498
At 31 December 2018	2,193	1,870	4,063

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements (continued)

Year ended 31 December 2019

25. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>73,630</u>	<u>73,630</u>	<u>73,630</u>	<u>73,630</u>

26. Reserves

Revaluation reserve

Includes all current and prior periods property revaluations.

Profit and loss account

Includes all current and prior period retained profits and losses and actuarial movements on the pension scheme.

27. Analysis of changes in net debt

	1 Jan 2019	Cash flows	31 Dec 2019
	£000	£000	£000
Cash at bank and in hand	288	(193)	95
Debt due within one year	(5,301)	104	(5,197)
Debt due after one year	<u>(3,453)</u>	<u>(359)</u>	<u>(3,812)</u>
	<u>(8,466)</u>	<u>(448)</u>	<u>(8,914)</u>

28. Cash and cash equivalents

	2019	2018
	£000	£000
Cash at bank and in hand	95	288
Less: bank overdrafts	<u>(4,656)</u>	<u>(4,706)</u>
	<u>(4,561)</u>	<u>(4,418)</u>

29. Operating leases

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

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Not later than 1 year	288	645	–	–
Later than 1 year and not later than 5 years	1,630	1,875	–	–
Later than 5 years	<u>–</u>	<u>13</u>	<u>–</u>	<u>–</u>
	<u>1,918</u>	<u>2,533</u>	<u>–</u>	<u>–</u>

30. Loans

The loans fall due as follows

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Amounts falling due within a year	541	595	–	–
Amounts falling due 1-2 years	1,279	541	–	–
Amounts falling due 2-5 years	<u>2,533</u>	<u>2,912</u>	<u>–</u>	<u>–</u>
	<u>4,353</u>	<u>4,048</u>	<u>–</u>	<u>–</u>

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

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 contribution scheme represents the contributions payable for the year.

The defined benefit 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 the funding requirements. The group's share of the contributions has been made on this basis.

The most recent triennial valuation was 6 April 2017 and full details of this valuation, updated to December 2019 are shown in note 22.

32. Contingencies

The company, together with Thurlow Nunn Standen Limited, Thurlow Nunn (Holdings) Limited, Thurlow Nunn (Motor Vehicles) Limited, Thurlow Nunn Limited, WS East Anglia Limited and Thurlow Nunn (MV) Limited form a VAT group. All companies concerned are jointly and severally liable for the VAT liabilities of the other group members. At 31 December 2019 £1,488,000 (2018: £651,000 due from HMRC) was payable to HM Revenue & Customs from the group.

The group's bankers hold a corporate guarantee that encompasses all borrowings owed to the bank by Thurlow Nunn (Holdings) Limited, Thurlow Nunn Standen Limited, Thurlow Nunn (Motor Vehicles) Limited, WS East Anglia Limited, Thurlow Nunn (MV) Limited and Thurlow Nunn Limited. At 31 December 2019, the total borrowing of the group companies amounted to £3,453,000 (2018: £4,048,000).

33. Events after the end of the reporting period

Motor vehicle dealerships

The trading in 2020 has been affected considerably by the COVID-19 outbreak in early 2020. As a retail business, the business was effectively closed from late March through to a gradual return from early June. The company has taken advantage of the Government's Furlough scheme and council rate supports.

Business levels since re-opening have been strong with a catch up of deferred purchases and service work, albeit there remains a residual level of risk relating to the ongoing pandemic. The group seeks to mitigate such risks by extensive safety measures to protect employees and customers on all our premises.

Agricultural and horticultural business

The year 2020 will be affected by the COVID-19 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.

George Thurlow & Sons (Holdings) Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2019

34. Related party transactions

Company

Group

Included in other debtors is a loan of £Nil (2018 - £14,000) made to J G Thurlow, a director. The maximum amount outstanding during the year was £14,000 (2018 - £27,000). During the year £14,000 (2018 - £14,000) was written off the loan.

Included in other debtors is a loan of £13,000 (2018 - £Nil) made to N Titley, a director. The maximum amount outstanding during the year was £16,000 (2018 - £Nil). During the year £16,000 (2018 - £Nil) was advanced. During the year £3,000 (2018 - £Nil) was written off the loan.

Included in other debtors is a loan of £128,000 (2018 - £93,000) made to J R Thurlow, a director. The maximum amount outstanding during the year was £245,000 (2018 - £195,000). During the year £218,000 (2018 - £186,000) was advanced. During the year £90,000 (2018 - £100,000) was written off the loan and £93,000 was repaid (2018 - £Nil).

Included in other debtors is a loan of £48,000 (2018 - £29,000) made to S A Tew, a director. 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.

The above loans are all interest free and repayable on demand.

At the year end the group had a creditor balances of £485,000 (2018 - £46,000) with Balsham (Buildings) Limited, a company under common control. During the year the group purchased building supplies amounts to £1,718,000 (2018 - £1,428,000).

During the year the group received management charges totalling £14,000 (2018: £14,000) from Balsham (Buildings) Limited, a company under common control.

Company

Included in other debtors is a loan of £Nil (2018 - £14,000) made to J G Thurlow, a director. The maximum amount outstanding during the year was £14,000 (2018 - £27,000). During the year £14,000 (2018 - £14,000) was written off the loan.

Included in other debtors is a loan of £13,000 (2018 - £Nil) made to N Titley, a director. The maximum amount outstanding during the year was £16,000 (2018 - £Nil). During the year £16,000 (2018 - £Nil) was advanced. During the year £3,000 (2018 - £Nil) was written off the loan.

During the year the company received management charges totalling £14,000 (2018: £14,000) from Balsham (Buildings) Limited, a company under common control.

35. Controlling party

There is no ultimate controlling party