

**SQUIRE FURNEAUX COBHAM LIMITED**

**Strategic Report, Directors' Report and**

**Financial Statements**

**for the Year Ended 31 December 2015**

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**SQUIRE FURNEAUX COBHAM LIMITED**

**Contents of the Financial Statements  
for the year ended 31 December 2015**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Directors' Report</b>	<b>4</b>
<b>Independent Auditors' Report</b>	<b>5</b>
<b>Statement of Comprehensive Income</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9</b>
<b>Trading and Profit and Loss Account</b>	<b>15</b>

**SQUIRE FURNEAUX COBHAM LIMITED**

**Company Information  
for the year ended 31 December 2015**

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**Directors:** C A Slaughter  
P Nott

**Registered office:** Sterling House  
177-181 Farnham Road  
Slough  
Berkshire  
SL1 4XP

**Registered number:** 00457299 (England and Wales)

**Auditors:** Haines Watts  
Chartered Accountants and Statutory Auditor  
Sterling House  
177-181 Farnham Road  
Slough  
Berkshire  
SL1 4XP

## SQUIRE FURNEAUX COBHAM LIMITED

### Strategic Report for the year ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

#### Review of business

As a main Volvo dealer, the company continues to deal in new and used motor vehicles, provide vehicle servicing and repairs and sell spare parts for Volvo vehicles. The company's activities are organised into the following five divisions:

- Sales of new vehicles
- Sales of used vehicles
- Sales of fleet vehicles
- Servicing and repairs
- Sales of spare parts

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and gross margin.

The turnover of the company by division was as follows:

	2015 £'000	2014 £'000
Sales of new vehicles	7,091	7,567
Sales of used vehicles	12,038	13,309
Sales of fleet vehicles	6,987	6,155
Servicing and repairs	1,993	2,621
Sales of spare parts	2,817	3,327
Other	1,060	891
	<u>31,986</u>	<u>33,870</u>

All divisions have performed well during the year given the continued competition from other dealerships and internet sales. Although turnover has fallen in the year, profit before tax has increased from £947k to £1,193k due to improvements over cost control. During 2015 the company successfully launched the new Volvo XC90 and the latter part of 2016 will see the launch of the new S90 and V90 ranges with more new products also expected during 2017.

Whilst the business environment in which we operate continues to be challenging and the car market in the UK remains highly competitive with pressure on margins a continual issue the Directors' remain confident that the company will continue to trade profitably and will seek to invest in the improvement of the facilities over the next two to three years as volumes grow and customer expectations increase.

## SQUIRE FURNEAUX COBHAM LIMITED

### Strategic Report for the year ended 31 December 2015

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#### Principal risks and uncertainties

The company's operations expose it to a variety of financial risks which include credit risk, liquidity risk and interest rate risk. The company has in place risk management policies which are implemented by the company's finance department. These policies, which are consistent with those from the previous year, seek to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and related finance costs.

#### Interest rate risk

The company's liquidity position does not place reliance on short term borrowings and hence such perceived risk is considered to be minimal.

#### Liquidity risk

The company makes efforts to manage the financial risk by the monitoring of cash flow to ensure that the company is able to meet its foreseeable debts as they fall due and to invest any cash assets profitably. A mixture of long-term and short-term debt finance is designed to ensure the company has sufficient funds available for operations and planned expansions.

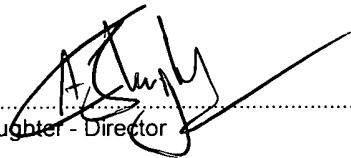
#### Credit risk

The company's principal financial assets are freehold property, stock and trade debtors. The credit risk associated with freehold property and stock is limited and therefore the principal credit risk arises from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. These credit limits are reviewed regularly by the directors together with the aged debtors and collection history.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

On behalf of the board:

  
.....  
C A Slaughter - Director

Date: 28/9/16 .....

**SQUIRE FURNEAUX COBHAM LIMITED**

**Directors' Report  
for the year ended 31 December 2015**

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The directors present their report with the financial statements of the company for the year ended 31 December 2015.

**Dividends**

No dividends will be distributed for the year ended 31 December 2015.

**Directors**

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

C A Slaughter  
P Nott

**Statement of directors' responsibilities**

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

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

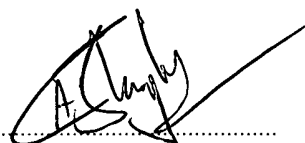
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**On behalf of the board:**



C A Slaughter - Director

Date: 28/1/16

**Independent Auditors' Report to the Members of  
Squire Furneaux Cobham Limited**

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We have audited the financial statements of Squire Furneaux Cobham Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 auditors**

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 Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion 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.

**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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Michael Davidson (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants and Statutory Auditor  
Sterling House  
177-181 Farnham Road  
Slough  
Berkshire  
SL1 4XP

Date: 28/9/16

**SQUIRE FURNEAUX COBHAM LIMITED**

**Statement of Comprehensive Income  
for the year ended 31 December 2015**

	<b>Notes</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Turnover</b>	<b>2</b>	<b>31,985,760</b>	<b>33,870,380</b>
Cost of sales		<u>(29,615,461)</u>	<u>(31,403,557)</u>
<b>Gross profit</b>		<b>2,370,299</b>	<b>2,466,823</b>
Administrative expenses		<u>(1,256,119)</u>	<u>(1,649,734)</u>
<b>Operating profit</b>		<b>1,114,180</b>	<b>817,089</b>
Income from shares in group undertakings		<b>116,542</b>	<b>114,313</b>
Interest receivable and similar income		<b>3,883</b>	<b>16,043</b>
		<u><b>1,234,605</b></u>	<u><b>947,445</b></u>
Interest payable and similar charges	<b>5</b>	<u>(41,462)</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>	<b>6</b>	<b>1,193,143</b>	<b>947,445</b>
Tax on profit on ordinary activities	<b>7</b>	<u>(238,729)</u>	<u>(200,298)</u>
<b>Profit for the financial year</b>		<b>954,414</b>	<b>747,147</b>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u><b>954,414</b></u></u>	<u><u><b>747,147</b></u></u>

The notes form part of these financial statements



Balance Sheet  
31 December 2015

	Notes	£	2015 £	2014 £
<b>Fixed assets</b>				
Tangible assets	8		117,177	103,446
Investments	9		1,463,902	1,347,360
			<u>1,581,079</u>	<u>1,450,806</u>
<b>Current assets</b>				
Stocks	10	2,085,298	1,914,811	
Debtors	11	4,231,523	2,776,466	
Cash in hand		133,283	398,023	
		<u>6,450,104</u>	<u>5,089,300</u>	
<b>Creditors</b>				
Amounts falling due within one year	12	3,625,846	3,094,647	
			<u>3,094,647</u>	
<b>Net current assets</b>			<u>2,824,258</u>	<u>1,994,653</u>
<b>Total assets less current liabilities</b>			<u>4,405,337</u>	<u>3,445,459</u>
<b>Provisions for liabilities</b>	16		10,056	4,592
			<u>10,056</u>	<u>4,592</u>
<b>Net assets</b>			<u>4,395,281</u>	<u>3,440,867</u>
<b>Capital and reserves</b>				
Called up share capital	17	37,200	37,200	
Retained earnings	18	4,358,081	3,403,667	
			<u>4,395,281</u>	<u>3,440,867</u>
<b>Shareholders' funds</b>			<u>4,395,281</u>	<u>3,440,867</u>

The financial statements were approved by the Board of Directors on  
signed on its behalf by:

28/9/16

and were

C A Slaughter - Director

**SQUIRE FURNEAUX COBHAM LIMITED**

**Statement of Changes in Equity  
for the year ended 31 December 2015**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2014</b>	37,200	2,656,520	2,693,720
<b>Changes in equity</b>			
Total comprehensive income	-	747,147	747,147
<b>Balance at 31 December 2014</b>	<u>37,200</u>	<u>3,403,667</u>	<u>3,440,867</u>
<b>Changes in equity</b>			
Total comprehensive income	-	954,414	954,414
<b>Balance at 31 December 2015</b>	<u><u>37,200</u></u>	<u><u>4,358,081</u></u>	<u><u>4,395,281</u></u>

The notes form part of these financial statements

## SQUIRE FURNEAUX COBHAM LIMITED

### Notes to the Financial Statements for the year ended 31 December 2015

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#### 1. Accounting policies

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 21 for an explanation of the transition.

Squire Furneaux Cobham Limited is a private limited company incorporated in England and Wales. The address of the registered office is Sterling House, 177-181 Farnham Road, Slough, Berkshire, SL1 4XP.

##### **Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

##### **Turnover**

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

Sales of motor vehicles and accessories are recognised on the earlier of full payment by, or delivery date to, the customer together with associated manufacturer vehicle bonus income. Any other manufacturer income in relation to achieving targets is recognised on an accrual basis. Servicing revenue is recognised on the completion of the agreed work

##### **Tangible fixed assets**

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

S/Term Leasehold Property	- Over the period of the lease
Plant & machinery	- 20 - 33% Straight line
Motor vehicles	- 25% Straight line
Fixtures & fittings	- 20% Straight line
Computer equipment	- 20 - 33% Straight line

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

##### **Investments**

Investments held as fixed assets are shown at cost less provision for impairment

**SQUIRE FURNEAUX COBHAM LIMITED**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2015**

**1. Accounting policies - continued**

**Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**2. Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the company.

All turnover arose within the UK.

**3. Staff costs**

	2015	2014
	£	£
Wages and salaries	1,779,673	1,810,824
Social security costs	111,985	153,684
Other pension costs	19,535	19,000
	<u>1,911,193</u>	<u>1,983,508</u>

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

	2015	2014
Sales	14	15
Servicing and parts	48	48
Administration	6	7
	<u>68</u>	<u>70</u>

**4. Directors' emoluments**

	2015	2014
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

**5. Interest payable and similar charges**

	2015	2014
	£	£
Financing interest	<u>41,462</u>	<u>-</u>

**SQUIRE FURNEAUX COBHAM LIMITED**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2015**

**6. Profit on ordinary activities before taxation**

The profit on ordinary activities is stated after charging:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Other operating leases	<b>348,432</b>	378,321
Depreciation - owned assets	<b>10,423</b>	38,796
Auditors' remuneration	<b>15,000</b>	13,000
	<u><b>          </b></u>	<u><b>          </b></u>

**7. Taxation**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	<b>233,265</b>	198,911
Deferred tax	<b>5,464</b>	1,387
	<u><b>          </b></u>	<u><b>          </b></u>
Tax on profit on ordinary activities	<b>238,729</b>	200,298
	<u><b>          </b></u>	<u><b>          </b></u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>1,193,143</b>	947,445
	<u><b>          </b></u>	<u><b>          </b></u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.247% (2014 - 21.493%)	<b>241,576</b>	203,634
Effects of:		
Capital allowances in excess of depreciation	<b>(5,759)</b>	(1,420)
Deferred tax movement	<b>5,464</b>	1,387
Difference between accounts and LLP profit share	<b>(2,552)</b>	(3,303)
	<u><b>          </b></u>	<u><b>          </b></u>
Total tax charge	<b>238,729</b>	200,298
	<u><b>          </b></u>	<u><b>          </b></u>

**SQUIRE FURNEAUX COBHAM LIMITED**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2015**

**8. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>Cost</b>				
At 1 January 2015	450,941	375,723	15,181	841,845
Additions	24,154	-	-	24,154
At 31 December 2015	<u>475,095</u>	<u>375,723</u>	<u>15,181</u>	<u>865,999</u>
<b>Depreciation</b>				
At 1 January 2015	419,568	303,650	15,181	738,399
Charge for year	6,799	3,624	-	10,423
At 31 December 2015	<u>426,367</u>	<u>307,274</u>	<u>15,181</u>	<u>748,822</u>
<b>Net book value</b>				
At 31 December 2015	<u>48,728</u>	<u>68,449</u>	<u>-</u>	<u>117,177</u>
At 31 December 2014	<u>31,373</u>	<u>72,073</u>	<u>-</u>	<u>103,446</u>

**9. Fixed asset investments**

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2015	1,347,360
Share of profit/(loss)	116,542
At 31 December 2015	<u>1,463,902</u>
<b>Net book value</b>	
At 31 December 2015	<u>1,463,902</u>
At 31 December 2014	<u>1,347,360</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Squire Furneaux LLP**

Nature of business: Property investment

Class of shares:  
Capital account

%  
holding  
95.00

	2015 £	2014 £
Total members' interests	1,509,496	1,386,820
Profit for the year	<u>122,676</u>	<u>120,329</u>

**10. Stocks**

	2015 £	2014 £
Stocks	<u>2,085,298</u>	<u>1,914,811</u>

**SQUIRE FURNEAUX COBHAM LIMITED**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2015**

**11. Debtors: amounts falling due within one year**

	2015	2014
	£	£
Trade debtors	436,744	551,262
Amounts owed by group undertakings	3,434,424	1,750,000
Other debtors	25,583	191,933
Prepayments and accrued income	334,772	283,271
	<u>4,231,523</u>	<u>2,776,466</u>

**12. Creditors: amounts falling due within one year**

	2015	2014
	£	£
Bank loans and overdrafts (see note 13)	1,092,103	-
Trade creditors	675,379	1,151,746
Amounts owed to group undertakings	367,642	103,859
Tax	233,764	306,157
Social security and other taxes	46,557	44,384
VAT	172,483	383,533
Other creditors	676,847	732,083
Accruals and deferred income	361,071	372,885
	<u>3,625,846</u>	<u>3,094,647</u>

**13. Loans**

An analysis of the maturity of loans is given below:

	2015	2014
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,092,103</u>	<u>-</u>

**14. Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2015	2014
	£	£
Within one year	160,000	160,000
Between one and five years	800,000	800,000
In more than five years	93,333	253,333
	<u>1,053,333</u>	<u>1,213,333</u>

**15. Secured debts**

Within other creditors is a vehicle funding balance of £676,847 (2014: £732,083) which is secured over the stock items to which it relates.

**16. Provisions for liabilities**

	2015	2014
	£	£
Deferred tax	<u>10,056</u>	<u>4,592</u>

**SQUIRE FURNEAUX COBHAM LIMITED**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2015**

**16. Provisions for liabilities - continued**

	Deferred tax £
Balance at 1 January 2015	4,592
Charge to Statement of Comprehensive Income during year	5,464
	<u>10,056</u>
Balance at 31 December 2015	<u>10,056</u>

**17. Called up share capital**

**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2015 £	2014 £
18,600	Ordinary	1	18,600	18,600
18,600	Preference	1	18,600	18,600
			<u>37,200</u>	<u>37,200</u>

**18. Reserves**

	Retained earnings £
At 1 January 2015	3,403,667
Profit for the year	954,414
	<u>4,358,081</u>
At 31 December 2015	<u>4,358,081</u>

**19. Ultimate parent company**

The immediate parent company is Grafise Holdings Limited, a company incorporated in the UK.

The ultimate controlling party is the Slaughter family.

Copies of the group financial statements of Grafise Holdings Limited, can be obtained from:

140 Tonbridge Road  
Hildenborough  
Kent  
TN11 9HJ

**20. Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**21. First year adoption**

The company has adopted FRS 102 for the period ended 31 December 2015, however there are no differences in accounting treatment from UK GAAP to FRS102 for this company, therefore the comparatives do not require restating.