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WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

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TWENTY-FOURTH
DIRECTORS' REPORT
AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31st DECEMBER, 1981



WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

DIRECTORS

D. D. KIDSON, M.A., F.C.A. — Chairman
D. SCHOFIELD, F.C.A. — Managing Director
B. DUNNING
MRS. M. WILLIAMS
MRS. M. M. DUNNING, B.A.
J. S. COCHRANE, M.A., LL.B.
D. J. MITCHELL, F.I.B.

SECRETARY

P. HORSFIELD

AUDITORS

GRUNDY, ANDERSON & KERSHAW
Chartered Accountants

REGISTERED OFFICE

325/327 DEANS_GATE,
MANCHESTER M3 4LS.

TRADING DIVISIONS

Williams — B.M.W. — Manchester,
Deansgate, Manchester

Williams — Fazakerley Engineering,
Field Lane, Liverpool

Williams — B.M.W. — Liverpool,
Scotland Road, Liverpool

Williams — Industrial Engines — Ford
Worsley Street, Manchester

Williams — B.M.W. — Bolton,
Manchester Road, Bolton

Williams — Newlands Garage — Datsun
Moor Lane, Bolton

Williams — Motor Vehicle Repair,
Great Bridgewater Street,
Manchester

Williams — Deansgate Sales and Production,
Wilmslow Road, Manchester

Williams — Motor Body Repair,
Vauxhall Road, Liverpool

Williams — Motor Body Repair,
Hadfield Street, Manchester

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the TWENTY-FOURTH ANNUAL GENERAL MEETING of the Company will be held at the Four Seasons, Hale Road, Hale Barns, Altrincham, on Thursday the 7th day of October, 1982 at 12.00 noon for the following purposes:

TO receive and consider the financial statement for the Year ended 31st December, 1981 together with the Reports of the Directors and the Auditors thereon.

TO re-appoint the Auditors.

TO approve the increase in Directors Fees to £2,500 per annum per Director.

TO transact any other ordinary business of the Company.

A member entitled to attend and vote is entitled to appoint a proxy who need not be a member the Company.

By order of the Board
P. HORSFIELD
P. HORSFIELD,
Secretary.

325/327 Deansgate,
Manchester, M3 4LS.
15th September, 1982.

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited financial statement for the year ended 31st December, 1981.

Mr Vincent J. Williams

It is with very deep regret that the Directors report the death of Mr. Vincent J. Williams on the 28th May, 1982. Mr. Vincent Williams, "VJ", was employed by the Company for over 55 years; he was Chairman and Managing Director from 1950 until 1977 and thereafter Executive Chairman until his death at the age of 74.

During this period VJ was largely responsible for building up the Company to its present size and profitability. On behalf of the shareholders, the staff and themselves the Directors would like to express the deepest appreciation of all that he did for the Company.

Board and Managerial Appointments

Consequent upon the death of Mr. V. J. Williams the following appointments have been made:—

Chairman — Mr. D. Derrick Kidson — a Practising Chartered Accountant who has been a Director of the Company since 1958 was appointed Chairman.

Managing Director — Mr. Donald Schofield who has been Chief Executive since 1977 was appointed Managing Director.

Activities

The principal activity of the Group is Distributor, Dealer and Repairer of Motor Vehicles and Engines.

Directors

Directors who have served during the year and their interests in the Company's shares were:

	Shareholdings at 31st December, 1981				Shareholdings at 1st January, 1981			
	Ordinary				Ordinary			
	A.	B.	C.	Preference	A.	B.	C.	Preference
V. J. Williams	765	10	25,425	516	765	10	25,425	516
D. Schofield	—	8	11,050	—	—	8	11,050	—
E. Dunning	—	8	2,050	—	—	8	2,050	—
Mrs. M. Williams	—	575	26,375	—	—	575	26,375	—
Mrs. M. M. Dunning	—	1,230	35,144	100	—	1,230	35,144	100
D. D. Kidson (as trustee)	—	19	19	—	—	19	19	—
J. S. Cochrane (as trustee)	—	19	19	—	—	19	19	—
D. J. Mitchell	—	—	—	—	—	—	—	—
V. J. Williams	—	—	20,300	—	—	—	22,000	—
Mrs. M. Williams	—	—	20,300	—	—	—	22,000	—
Mrs. M. M. Dunning	—	—	18,300	—	—	—	20,000	—

It is also with deep regret that the Directors have to report the death of Mr. Horace E. Williams on the 27th January, 1982, aged 85. Mr. Horace Williams was a Director of the Company for 33 years, retiring in 1966.

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

Profit and Dividends

	1981	1980
	£	£
The Group Profit for the year before Taxation is ...	104,616	31,091
Corporation Tax Recoverable 14,176		8,261
Stock Relief no longer required —	14,176	484,939
Leaving the Group Profit after Taxation at	118,792	524,291
Dividends paid	32,305	24,255
Profit Retained	86,487	500,036

Employees

The average number of employees employed each week was 354 and their aggregate remuneration was £1,895,614.

Exports

The sales value of goods exported during the year was nil.

Charitable and Political Contributions

During the year, your Company made the following contributions:

Charitable £2,800
Political Nil

Auditors

Messrs. Grundy, Anderson & Kershaw have intimated their willingness to continue in office, subject to the approval of members in general meeting.

By order of the Board,

P. HORSFIELD,
Secretary.

325/327 Deansgate,
Manchester, M3 4LS.
15th September, 1982.

REPORT OF THE AUDITORS

TO THE MEMBERS OF WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

We have audited the financial statements on pages 6 to 12 in accordance with approved auditing standards.

In our opinion the financial statements which have been prepared under the historical cost convention (as modified by the revaluation of Freehold Land and Buildings) give a true and fair view of the state of affairs at 31st December, 1981, and of the profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 to 1981 in so far as the provisions of those Acts apply to these financial statements.

Accounts have not been prepared under the current cost convention in accordance with the requirements of Statement of Standard Accounting Practice No. 16.

Royal Exchange,
Manchester.
15th September, 1982.

GRUNDY, ANDERSON & KERSHAW,
Chartered Accountants

Grundy Anderson
Kershaw.

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT for the Year ended 31st December, 1981

	(Note)	1981		1980	
		£	£	£	£
TURNOVER (1)			<u>11,568,986</u>		<u>11,662,852</u>
TRADING PROFIT			271,243		197,480
Profit on Sale of Lease			<u>—</u>		<u>59,000</u>
			271,243		256,480
Directors' emoluments (2)		87,672		76,815	
Depreciation (1)		33,042		32,183	
Bank interest		33,363		104,941	
Auditors' remuneration		9,800		9,200	
Pensions		<u>2,750</u>		<u>2,250</u>	
			166,627		225,389
PROFIT BEFORE TAXATION ...			<u>104,616</u>		<u>31,091</u>
TAXATION (4)					
Corporation Tax Recoverable		14,176		8,261	
Stock Relief no longer required		<u>—</u>		<u>484,939</u>	
			14,176		493,200
PROFIT AFTER TAXATION			118,792		524,291
Dividends (3)			32,305		24,255
PROFIT RETAINED (6)			<u>86,487</u>		<u>500,036</u>

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

BALANCE SHEET as at 31st December, 1981

	(Note)	1981	1980
		£	£
FIXED ASSETS (7)		705,546	703,928
SUBSIDIARY COMPANIES (8)		—	—
CURRENT ASSETS			
Stock and Work in Progress (1)		1,611,369	1,639,854
Debtors		794,771	851,160
Cash		2,602	2,313
Taxation (4)		35,472	26,906
		<u>2,444,214</u>	<u>2,520,233</u>
LESS			
CURRENT LIABILITIES			
National Westminster Bank Ltd. ...		412,493	607,483
Lombard North Central Ltd. ...		47,566	40,972
Creditors		850,400	810,913
Dividend payable (3)		16,100	12,075
		<u>1,326,559</u>	<u>1,471,443</u>
NET CURRENT ASSETS		1,117,655	1,048,790
TOTAL NET ASSETS EMPLOYED ...		<u>1,823,201</u>	<u>1,752,718</u>
Represented by:—			
SHARE CAPITAL (9)		231,500	231,500
RESERVES (6)		1,591,701	1,505,214
		<u>1,823,201</u>	<u>1,736,714</u>
DEFERRED TAXATION (4)		—	16,004
		<u>1,823,201</u>	<u>1,752,718</u>

[Handwritten signatures]

D. D. KIDSON }
D. SCHOFIELD } Directors.

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTES ON THE FINANCIAL STATEMENT

1. ACCOUNTING POLICIES

- (a) **TURNOVER** – represents the total of the sales invoices excluding V.A.T., and after deducting all credit notes, allowances and trade discounts.
- (b) **DEPRECIATION** – the basis, consistently applied, is calculated to write off the cost of Fixed Assets over their expected life. The rates applied are as follows:
- Freehold Land and Buildings – nil
 - Plant and machinery – 10% of reducing value
 - Motor vehicles – 25% of cost
- (c) **STOCK AND WORK IN PROGRESS** – is valued at the lower of cost or net realisable value on bases and methods which are consistent from one year to another. Cost comprises expenditure in acquiring the materials and bringing them to their current condition. Net realisable value is the estimated amount realisable upon disposal in the normal course of business. Stocks are classified as follows:

	1981	1980
	£	£
Vehicles	589,734	759,159
Parts and Petrol	697,610	687,542
Work in Progress	324,025	193,153
	<u>1,611,369</u>	<u>1,639,854</u>

2. DIRECTORS' EMOLUMENTS

Fees	8,000	7,500
Executives	78,272	67,915
Pensions to former Directors	1,400	1,400
	<u>87,672</u>	<u>76,815</u>

Directors' emoluments

Chairman	31,025	26,722
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Other directors whose emoluments

(a) did not exceed £5,000 were	5	5
(b) exceeded £5,000 but did not exceed £10,000 were	—	1
(c) exceeded £10,000 but did not exceed £15,000 were	1	—
(d) exceeded £15,000 but did not exceed £20,000 were	1	1

3. DIVIDENDS

Preference – 7% (10% gross) – Paid	105	105
Interim Ordinary		
7% (10% gross) Paid 1st December, 1981 ...	16,100	12,075
Final Ordinary		
7% (10% gross) Paid 4th June, 1982 ...	16,100	12,075
	<u>32,200</u>	<u>24,150</u>
	<u>32,305</u>	<u>24,255</u>

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTES ON THE FINANCIAL STATEMENT

4. TAXATION	1981	1980
	£	£
Corporation Tax recoverable at 1st January 1981 ...	42,870	—
Corporation Tax recoverable at 52% (1980: 52%) based on the profit for the year ...	14,176	8,261
Reduction in Deferred Taxation ...	(16,618)	34,609
	(2,442)	42,870
Advance Corporation Tax recoverable ...	1,966	—
Corporation Tax payable ...	476	—
Corporation Tax recoverable ...	42,394	42,870
Less: Advance Corporation Tax payable ...	6,922	15,964
	35,472	26,906
DEFERRED TAXATION		
	<i>Fixed Assets</i>	<i>Losses</i>
Balance at 1st January, 1981 ...	71,574	(40,000)
Taxation deferred for the year ...	3,382	(20,000)
	74,956	(60,000)
Less: Provision no longer required ...	—	—
	74,956	(60,000)
Less: Advance Corporation Tax ...	—	—
	—	—

Deferred Taxation is provided at the current rate of Taxation (52%) on the excess of the Book values of Fixed Assets over their values for Taxation purposes after offsetting trading losses carried forward. No provision has been made for Deferred Taxation on increases in stock values following changes introduced in the Finance Act 1981. Advance Corporation Tax recoverable has been carried forward only to the extent of the Deferred Taxation Account. The excess Advance Corporation Tax of £7,581 available to be carried forward against future Corporation Tax due has been written off and reduced the Taxation Credit to £14,176.

5. CONTINGENT LIABILITY

In the event of realization of Freehold and Long Leasehold Land and Buildings at their revised book values, there would be a tax liability of £104,450. No provision for this has been incorporated in these financial statements.

6. RESERVES

Balance at 1st January, 1981 ...	1,505,214	1,120,178
Profit retained in year ...	86,487	500,036
Less: Bonus Issue ...	—	(115,000)
	1,591,701	1,505,214

The Reserves include the sum of £348,722 being the surplus on the revaluation of Freehold Land and Buildings.

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTES ON THE FINANCIAL STATEMENT

7. FIXED ASSETS

	<i>Freehold Land and Buildings</i>	<i>Leasehold Land and Buildings</i>	<i>Plant and Machinery</i>	<i>Motor Vehicles</i>	<i>Total</i>
COST OR VALUATION					
Cost 1st January, 1981 ...	—	34,182	201,737	95,129	331,048
Valuation 1st January, 1981	544,175	—	—	—	544,175
Expenditure	—	—	22,605	46,155	68,760
Disposals	—	—	(5,538)	(40,326)	(45,864)
31st December, 1981 ...	<u>544,175</u>	<u>34,182</u>	<u>218,804</u>	<u>100,958</u>	<u>898,119</u>
AGGREGATE DEPRECIATION					
1st January, 1981	325	34,182	99,551	37,237	171,295
Disposals	—	—	(891)	(10,873)	(11,764)
Charge for year	—	—	13,719	19,323	33,042
31st December, 1981 ...	<u>325</u>	<u>34,182</u>	<u>112,379</u>	<u>45,687</u>	<u>192,573</u>
 Net Book Value	 <u>543,850</u>	 <u>—</u>	 <u>106,425</u>	 <u>55,271</u>	 <u>705,546</u>

Note: The cost of Freehold Land and Buildings includes the revaluation surplus of £348,722 resulting from a professional valuation in 1979.

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTES ON THE FINANCIAL STATEMENT

8. SUBSIDIARY COMPANIES

	1981	1980
	£	£
Shares at Valuation 1st January, 1981	7,000	11,000
Less: Current Accounts	7,000	11,000
	<u> </u>	<u> </u>

The undermentioned are subsidiary companies. The companies are incorporated in Great Britain and registered in England, and the parent company owns 100% of the share capital of all companies.

Williams Motor Co. Limited, Williams Motor Co. (Manchester) Limited,

In the opinion of the Directors, no useful purpose would be served by the presentation of group accounts.

During the year application was made to delete the former under-mentioned subsidiaries from the Register of Companies.

Williams Motor Co. (Fallowfield) Limited, Williams Motor Co. (Walton) Limited,
Williams Power Products Limited, Williams Motor Co. (Sales) Limited.

9. SHARE CAPITAL

The Share Capital of Williams Motor Co. (Holdings) Limited is authorised, issued and fully paid as follows:

Authorised	Issued and fully paid	
	1981	1980
£	£	£
1,500 10% Cumulative Preference Shares of £1 each ...	1,500	1,500
765 'A' Ordinary Shares of £1 each	765	765
4,235 'B' Ordinary Shares of £1 each	4,235	4,235
243,500 'C' Ordinary Shares of £1 each	225,000	225,000
<u>250,000</u>	<u>231,500</u>	<u>231,500</u>

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

SOURCE AND APPLICATION OF FUNDS STATEMENT for the year ended 31st December, 1981

	1981		1980	
	£	£	£	£
SOURCE				
TRADING				
Profit before Taxation		104,616		31,091
Depreciation		33,042		32,183
		<u>137,658</u>		<u>63,274</u>
OTHERS				
Proceeds from Disposal of Fixed Assets ...	34,100		33,033	
Decrease in Stocks	28,485		80,259	
Decrease in Debtors	56,389		151,433	
Increase in Creditors	39,487		(55,722)	
		<u>158,461</u>		<u>209,003</u>
		<u>296,119</u>		<u>272,277</u>
APPLICATION				
MOVEMENT IN NET LIQUID FUNDS				
Decrease in Bank Overdraft	188,396		86,108	
Increase in Cash Balance	289		(270)	
		<u>188,685</u>		<u>85,838</u>
EXPENDITURE				
Dividends paid	28,280		24,255	
Taxation paid	10,394		25,446	
Purchase of Fixed Assets	68,760		67,988	
Repayment of Loans	—		68,750	
		<u>107,434</u>		<u>186,439</u>
		<u>296,119</u>		<u>272,277</u>