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WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

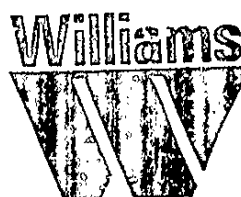
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TWENTY-SIXTH

DIRECTORS' REPORT

AND FINANCIAL STATEMENT

FOR THE YEAR ENDED 31st DECEMBER, 1983



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.
P. HARDCASTLE

SECRETARY

P. HORSFIELD

AUDITORS

GRUNDY, ANDERSON & KERSHAW
Chartered Accountants

REGISTERED OFFICE

325/327 DEANS GATE,
MANCHESTER M3 4LS.

TRADING DIVISIONS

B.M.W. Dealership — Deansgate, Manchester.
B.M.W. Dealership — Scotland Road, Liverpool.
Vehicle Sales and Service — Manchester Road, Bolton.
Motor Vehicle Repair — Great Bridgewater Street, Manchester.
Motor Body Repair — Hadfield Street, Manchester.
Motor Body Repair — Vauxhall Road, Liverpool.
Fazakerley Engineering — Field Lane, Liverpool.
Ford Power Products — Worsley Street, Manchester.
P.S.V. Sales and Production — Worsley Street, Manchester.

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the TWENTY-SIXTH ANNUAL GENERAL MEETING of the Company will be held at the Four Seasons, Hale Road, Hale Barns, Altrincham, on Thursday the 7th day of June, 1984 at 12.00 noon for the following purposes:

TO receive and consider the financial statement for the Year ended 31st December, 1983 together with the Reports of the Directors and the Auditors thereon.

TO re-appoint the Auditors.

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 of the Company.

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

325/327 Deansgate,
Manchester, M3 4LS.
16th May, 1984

REPORT OF THE DIRECTORS

The Directors submit their report and the audited financial statement for the year ended 31st December, 1983.

Activities

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

Financial Position

The profit for the year after tax and extraordinary items amounted to £84,413. It is recommended that a final ordinary dividend of £16,100 be paid, which with the interim ordinary dividend of £16,100 and the preference dividend of £105, a total of £32,305 will have been paid for the year (1983 £32,305). The balance of £52,108 is added to reserves.

The balance sheet at 31st December 1983 as detailed on page seven shows the financial position with shareholders' funds amounting to £1,897,958.

Significant Events

A new BMW dealership is presently under the course of construction in Manchester. The expenditure on this long leasehold property at 31st December 1983 was £278,167 and further expenditure of £672,000 has been authorised by the directors.

As a consequence of the above, a contraction of the dealership facility at Bolton took place during the year with trading transferred from Newlands Garage to Manchester Road Garage, and a further contraction of this branch is envisaged in 1984.

The subsequent movement in fixed assets is disclosed in note 12 to the financial statements.

Directors

The death on the 30th November, 1983, of Mr D. J. Mitchell is reported with deep regret. Don Mitchell's wisdom, loyalty and integrity were much appreciated by his colleagues.

Mr Paul Hardcastle the General Manager of our B.M.W. Manchester dealership was appointed a Director on the 1st February, 1984.

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

	Shareholdings at 31st December, 1983			Shareholdings at 1st January, 1983		
	Ordinary			Ordinary		
	A.	B.	C.	A.	B.	C.
D. Schofield	...	...	...	8	11,050	—
B. Dunning	...	...	...	8	2,050	—
Mrs. M. Williams	...	...	...	765	585	26,375
Mrs. M. M. Dunning	...	...	...	—	1,230	35,144
Mrs. M. M. Dunning	...	...	...	—	—	—
D. J. Mitchell	...	...	...	—	19	25,444
D. D. Kidson	...	...	...	—	—	—
Mrs. M. Williams	...	...	...	—	—	—
Mrs. M. M. Dunning	...	...	...	—	—	—
J. S. Cochrane	...	...	...	—	—	—

Employment of Disabled Persons

It is the policy of the group to give full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Wherever possible, arrangements are made for the continued employment of persons who have become disabled during service and for appropriate training, career development and promotion of disabled employees.

Charitable and Political Contributions

During the year, your Company made the following contributions:

Charitable £600
Political Nil

Auditors

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

325/327 Deansgate,
Manchester, M3 4LS.
16th May, 1984

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

REPORT OF THE AUDITORS

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

We have audited the financial statements on pages 6 to 14 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, 1983, 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.

Royal Exchange,
Manchester
16th May, 1984

Grundy Anderson & Kershaw
GRUNDY, ANDERSON & KERSHAW,
Chartered Accountants

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT for the Year ended 31st December, 1983

BALANCE SHEET as at 31st December, 1983

(Note)	1983 £	1982 £
TURNOVER (1)	13,705,753	12,352,985
Cost of Sales (1)	10,772,227	9,586,329
Gross Profit	2,933,531	2,766,656
Administrative Expenses (1)	2,680,181	2,624,883
Other Operating Income	253,350	141,773
Interest Payable (2)	6,724	—
OPERATING PROFIT	260,074	141,773
Interest Payable (2)	77,369	75,718
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (2)	182,705	66,055
Taxation (6)	—	11,101
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION (9)	182,705	54,954
Extraordinary Item	98,292	—
PROFIT FOR THE FINANCIAL YEAR	84,413	54,954
Dividends (5)	32,305	32,305
RETAINED PROFIT FOR THE FINANCIAL YEAR	52,108	22,649

(Note)	1983 £	1982 £
FIXED ASSETS		
Tangible Assets (12)	1,049,605	719,465
CURRENT ASSETS		
Stock and Work in Progress ... (1)	1,956,897	1,673,090
Debtors (10)	1,090,681	930,236
Cash	3,412	1,521
CREDITORS		
Amounts falling due within one year (11)	3,050,990	2,604,847
NET CURRENT ASSETS	2,104,345	1,478,462
NET CURRENT ASSETS	946,645	1,126,385
TOTAL ASSETS LESS CURRENT LIABILITIES	1,996,250	1,845,850
PROVISIONS FOR LIABILITIES AND CHARGES (9)	98,292	—
NET ASSETS	1,897,958	1,845,850
CAPITAL AND RESERVES		
Called up Share Capital (14)	231,500	231,500
Revaluation Reserve (8)	248,722	348,722
Profit and Loss Account (8)	1,317,736	1,265,628
SHAREHOLDERS' FUNDS	1,897,958	1,845,850

These financial statements were approved by
the Board of Directors on 19th April, 1984.

[Signature] D. KIDSON } Directors.
[Signature] D. SCHOFIELD }

[Signature] D. Schofield

NOTES ON THE FINANCIAL STATEMENT

1. ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING — the financial statements have been prepared under the historical cost accounting rules except for freehold land and buildings which are stated at revalued amounts.

(b) TURNOVER — represents the total of the sales invoices, excluding VAT, after deducting all credit notes, allowances and trade discounts. All sales are made within the United Kingdom.

(c) COST OF SALES — cost of sales is stated as those costs directly incurred by the company, in order to bring each product sold to its saleable condition and to provide the services to customers.

(d) ADMINISTRATIVE EXPENSES — all expenses, other than cost of sales, are deemed to be in the nature of administrative expenses, as the company does not incur any distribution expenses.

(e) 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

(f) STOCK AND WORK IN PROGRESS — is valued at the lower of cost and 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:

	1983	1982
	£	£
Vehicles	1,061,744	800,868
Parts and Petrol	630,303	535,861
Work in Progress	264,850	336,361
	<u>1,956,897</u>	<u>1,673,090</u>

NOTES ON THE FINANCIAL STATEMENT

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Is stated after charging:—

	1983	1982
	£	£
Interest payable on loans repayable within 5 years	75,107	71,700
Bank Overdraft	2,262	4,018
Other loans		
	<u>77,369</u>	<u>75,718</u>
Depreciation	36,150	31,635
Auditors remuneration	10,600	10,250
Directors' emoluments (including pension contributions)	105,190	95,565

and after crediting:

Profit on sale of fixed assets	713	30,334
Rents from properties	9,833	4,600

3. STAFF COSTS

(a) The average number of persons including directors employed by the company during the year was:

	1983	1982
Productive	181	206
Administrative	141	140

(b) The aggregate costs of employment were as follows:

	£	£
Wages and salaries	1,713,270	1,743,372
Social security costs	196,169	199,616
Other pension costs	41,638	41,266
	<u>1,951,077</u>	<u>1,984,254</u>

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTES ON THE FINANCIAL STATEMENT

DIRECTORS' EMOLUMENTS	1983 £	1982 £
Fees	17,292	17,500
Executives	65,837	61,442
Pensions paid	10,400	6,316
Pension scheme contributions	11,661	10,307
	<u>105,190</u>	<u>95,565</u>

Directors' emoluments excluding pension contributions

Chairman	9,000	5,550
Highest paid Director	<u>39,989</u>	<u>31,958</u>

Other directors whose emoluments

- (a) did not exceed £5,000 were 2
 (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 £20,000 but did not exceed £25,000 were 1

5. DIVIDENDS

Preference - 7% (10% gross) - Paid	105	105
Interim Ordinary		
7% (10% gross) Paid 3rd December, 1983 ..	16,100	16,100
Final Ordinary		
7% (10% gross) Payable 1st June, 1984 ...	<u>16,100</u>	<u>16,100</u>
	<u>32,305</u>	<u>32,305</u>

6. TAXATION

Advanced Corporation Tax written off	1983 £	1982 £
Overprovision for tax for prior years	—	13,845 (2,744)
	<u>—</u>	<u>11,101</u>

Advanced Corporation Tax paid or payable on dividends paid or proposed was formerly written off. It is now anticipated that it will be recovered in the foreseeable future and it has therefore been included in debtors (see note 10).

No provision has been made for deferred taxation on the excess of the book value of Fixed Assets over their values for taxation purposes as there are trading losses carried forward which exceed that amount.

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTES ON THE FINANCIAL STATEMENT

7. 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.

8. RESERVES

	Revaluation Reserve £	Profit and Loss Account £
Balance at 1st January, 1983	348,722	1,265,628
Profit retained in year	—	52,108
Balance at 31st December 1983	<u>348,722</u>	<u>1,317,736</u>

9. EXTRAORDINARY ITEM & PROVISION FOR LIABILITIES AND CHARGES

The provision relates to expected losses in the contraction of the Bolton and P. S. V. Divisions.

10. DEBTORS

	1983 £	1982 £
Due within one year:		
Trade debtors	952,176	740,072
Prepayments	124,657	190,164
	<u>1,076,833</u>	<u>930,236</u>
Due in more than one year:		
Advanced Corporation Tax recoverable	<u>13,848</u>	<u>—</u>
	<u>1,090,681</u>	<u>930,236</u>

11. CREDITORS

	1983 £	1982 £
Due within one year:		
Bank overdraft	852,234	498,895
Trade creditors	831,196	444,864
Taxation	130,088	126,921
Social Security	16,347	15,126
Other creditors	1,890	61,008
Accruals	256,490	315,548
Proposed dividend	<u>16,100</u>	<u>16,100</u>
	<u>2,104,345</u>	<u>1,478,462</u>

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTES ON THE FINANCIAL STATEMENT

1983	1982
£	£
7,000	7,000
7,000	7,000
—	—

13. SUBSIDIARY COMPANIES

Shares at Valuation 1st January, 1983	...	...	...	...	...
Less: Current Accounts	...	...	...	...	...

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.

14. SHARE CAPITAL

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

1983	1982
£	£
1,500	1,500
765	765
4,235	4,235
243,500	225,000
250,000	231,500

10% Cumulative Preference Shares of £1 each
'A' Ordinary Shares of £1 each
'B' Ordinary Shares of £1 each
'C' Ordinary Shares of £1 each

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

NOTES ON THE FINANCIAL STATEMENT

12. TANGIBLE ASSETS

	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery	Motor Vehicles	Assets under Construction	Total
£	£	£	£	£	£	£
COST OR VALUATION						
Cost 1st January, 1983	—	34,182	241,424	85,219	17,438	378,263
Valuation 1st January, 1983	544,175	—	—	—	—	544,175
Expenditure	16,430	—	65,135	25,937	260,729	368,231
Disposals	—	—	(4,327)	(7,673)	—	(12,000)
31st December, 1983	560,605	34,182	302,232	103,483	278,167	1,278,669

AGGREGATE DEPRECIATION

1st January, 1983	325	34,182	128,046	40,420	—	202,973
Disposals	—	—	(3,625)	(7,662)	—	(11,287)
Charge for year	—	—	18,965	18,413	—	37,378
31st December, 1983	325	34,182	143,386	51,171	—	229,064
Net Book Value	560,280	—	158,846	52,312	278,167	1,049,605
Net Book Value (1982)	543,850	—	113,378	44,799	17,438	719,465

Notes:-

- The assets under construction relate to long leasehold land and buildings
- The cost of Freehold Land and Buildings includes the revaluation surplus of £348,722 resulting from a professional valuation in 1979. On an historical cost basis freehold land and buildings would have been included at

1983	1982
£	£
211,883	195,453
- Commitments for future capital expenditure

Contracted for	189,900
Authorised but not contracted for	589,000

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

SOURCE AND APPLICATION OF FUNDS STATEMENT for the year ended 31st December, 1983

	1983		1982	
	£	£	£	£
SOURCE				
TRADING				
Profit before Taxation		182,705		66,055
Depreciation		37,378		31,635
		<u>220,083</u>		<u>97,690</u>
OTHERS				
Proceeds from Disposal of Fixed Assets	713		30,334	
Loan		—	61,008	
Taxation received		—	45,137	
		<u>713</u>	<u>136,479</u>	
		<u>220,796</u>	<u>234,169</u>	
APPLICATION				
EXPENDITURE				
Dividend paid		32,305	32,305	
Taxation paid		—	13,845	
Purchase of Fixed Assets		107,502	58,450	
Assets under Construction		260,729	17,438	
Loan repayment		61,008	—	
		<u>461,544</u>	<u>122,038</u>	
		<u>(240,748)</u>	<u>112,131</u>	
MOVEMENT IN WORKING CAPITAL				
Stocks		283,807	61,721	
Debtors		160,445	135,465	
Creditors		(361,905)	9,568	
		<u>82,347</u>	<u>206,754</u>	
MOVEMENT IN NET LIQUID FUNDS				
Bank Overdraft		(324,986)	(93,542)	
Cash Balance		1,891	(1,081)	
		<u>(323,095)</u>	<u>(94,623)</u>	
		<u>(240,748)</u>	<u>112,131</u>	