

COMPANY NUMBER 00597708

WILLIAMS MOTOR CO (HOLDINGS) LIMITED

THIRTY-FIFTH

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1992



Williams Motor Co (Holdings) Limited

Directors M D Heeley, FCIB - Chairman
N J Cook, BSc, FCCA
Mrs M M Orton-Williams, BA
J S Cochrane, MA, LLB
N J Dunning

Secretary P Horsfield

Auditors Kidsons Impey
Chartered Accountants
Devonshire House
36 George Street
Manchester
M1 4HA

Registered Office 6 Hadfield Street
Cornbrook
Manchester
M16 9FG

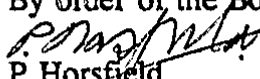
Williams Motor Co (Holdings) Limited

Notice of Annual General Meeting

Notice is hereby given that the thirty-fifth Annual General Meeting of the company will be held at St James's Club, Charlotte Street, Manchester on Friday 25 June 1993 at 12 noon for the following purposes:

1. To approve and adopt the directors' report and accounts for the financial year ended 31 December 1992 together with the auditors report thereon.
2. To declare a final dividend of 5% net of tax on the ordinary shares of the company.
3. To re-appoint Kidsons Impey, as auditors to the company and to authorise the directors to fix their remuneration.
4. To transact any other ordinary business of the company.

By order of the Board


P Horsfield

Secretary

2 June 1993

Registered Office:
6 Hadfield Street
Cornbrook
Manchester M16 9FG

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the company.

Williams Motor Co (Holdings) Limited

Directors' Report

The directors have pleasure in presenting their report and audited accounts for the year ended 31 December 1992. The accounts were approved by the board on 30 April 1993

Principal Activities

The main activities of the group are the sale and service of new and used motor vehicles and the sale of parts and accessories.

Trading Result

Group turnover amounted to £22,496,925 (1991: £23,124,434) and the group profit before taxation was £111,420 (1991: £197,600). After providing for dividends and taxation the retained profit for the year amounted to £51,338 (1991: £105,462).

Dividends

The directors recommend a final dividend for 1992 of £13,070 making a total of £23,526 (1991: £32,279) for the year on the ordinary share capital. If approved by shareholders the final dividend is proposed to be paid on 26 June 1993.

Post Balance Sheet Event

The company during the year acquired a plot of land in the centre of Liverpool with the intention of building a new dealership during 1993.

Share Capital

The company has during the year converted the 10% cumulative preference shares to 'C' ordinary shares on a one for one basis.

Under the employee profit sharing share scheme, 1,664 £1 'C' ordinary shares were issued to employees during the year at a value, agreed with the Inland Revenue of £3.75 per share.

Fixed Assets

The movement of fixed assets are shown in the notes to the accounts on page 10.

In the opinion of the Directors the market value of freehold and long leasehold property exceeds the amount at which they are stated in the accounts but they are unable to quantify the excess.

Employment of Disabled Persons

It is the policy of the group to give full and fair consideration to applications for employment by disabled persons having regard to their necessary abilities and skills for the position applied for. If an employee becomes disabled during employment with the group, every effort is made to retrain that employee for a position appropriate to his or her abilities.

Williams' Motor Co (Holdings) Limited

Directors' Report

Employee Involvement

It is company policy to ensure that employees are provided with information on all matters of concern to them. Accordingly appropriate steps are taken to ensure that employees or their representatives are aware of the financial and economic factors affecting the company's performance, are consulted wherever necessary and are encouraged generally to be involved in the company's overall performance.

Charitable and Political Donations

Donations for charitable purposes in 1992 were £2,000. There were no donations for political purposes in the year.

Directors

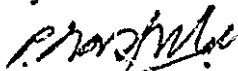
Directors who have served during the year and their interests in the company's shares were:-

	Shareholdings at 31 December 1992			Shareholdings at 1 January 1992		
	Ordinary B	C	Preference	Ordinary B	C	Preference
M D Heeley	-	-	-	-	-	-
N J Cook	-	627	-	-	549	-
Mrs M M Orton-Williams	1,130	52,219	-	1,130	45,919	100
N J Dunning	100	9,400	-	100	9,400	-
J S Cochrane) as	19	510	-	19	429	-
N J Cook) trustees	19	510	-	19	429	-

Auditors

Kidsons Impey, have expressed willingness to continue in office as auditors, their reappointment will be proposed at the next Annual General Meeting.

By order of the Board


P Horsfield

Secretary

30 April 1993

6 Hadfield Street
Cornbrook
Manchester M16 9FG

Williams Motor Co (Holdings) Limited

Report of the Auditors to the Members

We have audited the accounts on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the accounts, give a true and fair view of the state of the company's affairs at 31 December 1992 and of its profit and cash flows for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

Kidsons Impey

KIDSONS IMPEY
Registered Auditors
Chartered Accountants

Devonshire House
36 George Street
Manchester
M1 4HA

30 April 1993

Williams Motor Co (Holdings) Limited

Profit and Loss Account

For the year ended 31 December 1992

	Note	1992 £	1991 £
Turnover	1	22,496,925	23,124,434
Cost of sales		(18,666,938)	(19,375,421)
Gross profit		3,829,987	3,749,013
Administrative expenses		(3,497,201)	(3,427,345)
Operating profit	2	332,786	321,668
Net interest payable	3	(221,366)	(117,818)
Employees profit share scheme		-	(6,250)
Profit on ordinary activities before taxation		111,420	197,600
Taxation	4	(36,556)	(59,746)
Profit on ordinary activities after taxation		74,864	137,854
Dividends	5	(23,526)	(32,392)
Retained profit for the year		51,338	105,462

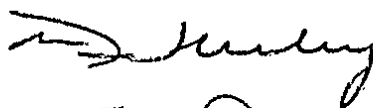
Williams Motor Co (Holdings) Limited

Balance Sheet - 31 December 1992

	Note	1992 £	1991 £
Fixed assets			
Tangible assets	8	3,593,746	3,384,815
Current assets			
Stocks	9	2,998,476	2,744,402
Debtors	10	753,034	802,895
Cash at bank and in hand		172,473	2,580
		<u>3,923,983</u>	<u>3,549,877</u>
Creditors: Amounts falling due within one year	11	(2,586,543)	(2,261,589)
Net current assets		<u>1,337,440</u>	<u>1,288,288</u>
Total assets less current liabilities		<u>4,931,186</u>	<u>4,673,103</u>
Creditors: Amounts falling due after more than one year	11	(1,237,235)	(1,036,730)
Net assets		<u>3,693,951</u>	<u>3,636,373</u>
Capital and reserves			
Called up share capital	14	261,395	259,731
Share premium account	15	123,736	119,160
Revaluation reserve	15	115,745	115,745
Profit and loss account	15	3,193,075	3,141,737
Shareholders' funds		<u>3,693,951</u>	<u>3,636,373</u>

The accounts were approved by the Directors on 30 April 1993.

M D Hesley)
N J Cook) Directors




Cash Flow Statement

For the year ended 31 December 1992

	1992		1991	
	£	£	£	£
Net cash inflow from operating activities		1,065,301		716,716
Returns on investment and servicing of finance				
Interest paid	(221,366)		(117,818)	
Employees profit share scheme	-		(6,250)	
Dividends paid	(27,241)		(44,282)	
Net cash outflow from returns on investments and servicing of finance		(248,607)		(168,350)
Taxation				
UK Corporation tax paid		(42,517)		(124,749)
Investing activities				
Purchase of fixed assets	(600,454)		(1,882,376)	
Sale of fixed assets	197,085		259,170	
Net cash outflow from investing activities		(403,369)		(1,623,206)
Net cash inflow/(outflow) before financing		370,808		(1,199,589)
Financing				
Issue of own shares	6,240		12,540	
Capital element of finance lease rentals	(30,559)		(24,664)	
Net cash outflow from financing		(24,319)		(12,124)
Increase/(decrease) in cash and cash equivalents		346,489		(1,211,713)

Additional information on the cash flow statement is set out in note 12.

1. Accounting Policies

- (a) **Basis of accounting** - the accounts have been prepared under the historical cost accounting convention except for freehold land and buildings which are stated at revalued amounts.
- (b) **Turnover** - turnover is the value of goods and services, less trade discounts but excluding value added tax and car tax on new vehicles.
- (c) **Deferred taxation** - the company does not provide for deferred tax unless there is a reasonable probability that the liability will arise in the foreseeable future.
- (d) **Depreciation** - is calculated to write off the cost or valuation of all tangible fixed assets, other than freehold land and buildings which are not depreciated, in equal annual instalments over their estimated useful lives at the following rates:-

Plant and machinery: Up to a maximum of twenty-five years
Motor vehicles: Up to a maximum of four years

No provision is made for depreciation in respect of freehold and long leasehold property. This policy is adopted because the value of these premises is maintained by the company and as a consequence any element of depreciation would in the director's opinion be immaterial.

- (e) **Stocks** - stocks are valued at the lower of cost and net realisable value.
- (f) **Finance leases** - assets financed by lease agreements are capitalised as tangible assets and depreciated over their useful lives. Outstanding obligations under finance leases are included as a liability.
- (g) **Pensions** - the company operates pension schemes whose assets are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of the pensions over the employees working lives with the company.

2. Operating Profit

	1992 £	1991 £
Operating profit is stated after charging:		
Auditors' remuneration	11,000	10,750
Depreciation of tangible fixed assets		
Owned assets	197,474	193,737
Assets held under finance leases	29,568	30,959
Directors' remuneration (note 6)	134,005	151,582

Williams Motor Co (Holdings) Limited

Notes to the Accounts - for the year ended 31 December 1992 (continued)

3. Net Interest Payable

	1992 £	1991 £
Bank overdraft repayable within five years	18,496	25,098
Bank loan not totally repayable within five years	161,038	43,283
Stock finance and lease charges	41,832	49,437
	221,366	117,818

4. Taxation

United Kingdom corporation tax based on the profit for the year at 33%	30,971	59,746
Underprovision in respect of prior years	5,585	-
	36,556	59,746

Deferred taxation calculated on a full liability method which has not been provided in the accounts amounts to £165,777 (1991: £124,496).

5. Dividends

Preference	-	113
Interim ordinary		
4% (5.33% gross) paid 2 December 1992	10,456	15,494
Final ordinary		
5% (6.45% gross)	13,070	16,785
	23,526	32,392

Williams Motor Co (Holdings) Limited

Notes to the Accounts - for the year ended 31 December 1992 (continued)

6. Directors' Remuneration

	1992 £	1991 £
Fees	30,000	33,500
Executive remuneration and benefits	84,593	93,743
Pensions paid	11,500	11,500
Pension contributions	7,912	12,839
	134,005	151,582
Remuneration excluding pension contributions		
Chairman	33,870	20,000
Highest paid director	59,354	54,645
Number of other directors in the scale:		
£ 5,001 - £10,000	3	3
£30,001 - £35,000	-	1

7. Staff Costs

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

Productive	40	39
Sales and distribution	74	74
Administrative	31	35
	145	148

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

	£	£
Wages and salaries	2,097,434	1,954,080
Social security costs	175,308	186,601
Other pension costs	101,652	83,704
	2,374,394	2,224,385

Williams Motor Co (Holdings) Limited

Notes to the Accounts - for the year ended 31 December 1992 (continued)

8. Tangible Fixed Assets

Cost or valuation	Freehold Land and Buildings £	Long Leasehold Land and Buildings £	Plant and Machinery £	Motor Vehicles £	Total £
At 1 January 1992	771,335	1,330,596	1,617,730	438,004	4,157,665
Additions	315,163	21,327	57,651	235,416	629,557
Disposals	-	-	(12,883)	(234,837)	(247,720)
At 31 December 1992	1,086,498	1,351,923	1,662,498	438,583	4,539,502
Depreciation					
At 1 January 1992	-	-	684,808	88,042	772,850
Disposals	-	-	(9,654)	(44,482)	(54,136)
Charge for year	-	-	147,127	79,915	227,042
At 31 December 1992	-	-	822,281	123,475	945,756
Net book value					
At 31 December 1992	1,086,498	1,351,923	840,217	315,108	3,593,746
Net book value					
At 31 December 1991	771,335	1,330,596	932,922	349,962	3,384,815

Notes:

(a) Included in tangible fixed assets are:	1992 £	1991 £
Plant and machinery held under finance leases	130,622	100,519
Accumulated depreciation	(95,827)	(66,259)
	<u>34,795</u>	<u>34,260</u>

Depreciation allocated to these assets for the year amounts to £29,568 (1991: £30,959).

(b) The cost of land and buildings includes the revaluation surplus of £115,745 resulting from a professional valuation in 1984. On an historical cost basis land and buildings would have been included at £2,322,676 (1991: £1,986,186).

(c) Commitments for future capital expenditure:-	£	£
Contracted for	-	14,196
Authorised but not contracted for	1,000,000	300,000
	<u>1,000,000</u>	<u>314,196</u>

Williams Motor Co (Holdings) Limited

Notes to the Accounts - for the year ended 31 December 1992 (continued)

9. Stocks

	1992 £	1991 £
Vehicles	2,447,462	2,244,820
Parts and other stocks	551,014	499,582
	<u>2,998,476</u>	<u>2,744,402</u>

10. Debtors

	£	£
Amounts falling due within one year		
Trade debtors	524,453	558,593
Prepayments and accrued income	219,436	215,450
	<u>743,889</u>	<u>774,043</u>
Amounts falling due after one year		
Advanced corporation tax recoverable	9,145	28,852
	<u>753,034</u>	<u>802,895</u>

11. Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	1992 £	1991 £	1992 £	1991 £
Medium term loan	100,000	-	1,200,000	1,000,000
Bank overdrafts	-	476,596	-	-
Trade creditors	1,005,312	702,460	-	-
Other creditors	898,094	520,652	-	-
Advanced corporation tax	3,518	10,779	-	-
Corporation tax payable	30,971	49,378	-	-
Other taxation and social security	107,556	31,517	-	-
Accruals and deferred income	413,659	424,598	12,500	25,000
Proposed dividend	13,070	16,785	-	-
Obligations under finance leases	14,363	28,824	24,735	11,730
	<u>2,586,543</u>	<u>2,261,589</u>	<u>1,237,235</u>	<u>1,036,730</u>

The medium term loan facility is repayable over a seven year period, and together with the overdraft is secured by a debenture charge on all assets of the company.

Other creditors which represents new vehicle stocking finance is secured by a charge on the vehicles concerned, which are shown in vehicle stocks.

A commercial rate of interest is charged on all loans and overdrafts.

Notes to the Accounts - for the year ended 31 December 1992 (continued)

12. Cash Flow

(a) Reconciliation of operating profit to net cash inflow from operating activities.			
	1992	1991	
	£	£	
Operating profit	332,786	321,668	
Depreciation on fixed assets	227,042	224,696	
Profit on sale of fixed assets	(3,501)	(8,951)	
(Increase)/decrease in stocks	(254,074)	1,402,144	
Decrease/(increase) in debtors	30,154	(32,381)	
Increase/(decrease) in operating creditors	732,894	(1,190,460)	
Net cash inflow from operating activities	1,065,301	716,716	
(b) Analysis of the balances of cash and cash equivalents as shown in the balance sheet			
	1992	1991	Change in year
	£	£	£
Cash at bank and in hand	172,473	2,580	169,893
Bank loans and overdrafts	(1,300,000)	(1,476,596)	176,596
	(1,127,527)	(1,474,016)	346,489
	1991	1990	Change in year
	£	£	£
Cash at bank and in hand	2,580	2,960	(380)
Bank loans and overdrafts	(1,476,596)	(265,263)	(1,211,333)
	(1,474,016)	(262,303)	(1,211,713)
(c) Analysis of changes in financing during the year			
	1992	1991	
	£	£	
Balance at 1 January 1992	40,554	53,735	
New finance lease contracts	29,103	11,483	
Capital elements of finance lease rentals	(30,559)	(24,664)	
Balance at 31 December 1992	39,098	40,554	

Notes to the Accounts - for the year ended 31 December 1992 (continued)

13. Leasing Commitments

	1992 £	1991 £
Future commitments due under finance leases at 31 December 1992 are as follows:-		
Year to 31 December 1993	14,363	28,824
Year to 31 December 1994	12,009	6,568
Thereafter	12,726	5,162
	<u>39,098</u>	<u>40,554</u>

14. Share Capital

	Authorised		Allotted, Issued and Fully Paid	
	1992 £	1991 £	1992 £	1991 £
10% Cumulative preference shares of £1 each	-	1,500	-	1,500
'B' Ordinary shares of £1 each	5,000	5,000	5,000	5,000
'C' Ordinary shares of £1 each	295,000	293,500	256,395	253,231
	<u>300,000</u>	<u>300,000</u>	<u>261,395</u>	<u>259,731</u>

During the year 1,664 'C' ordinary shares were issued at a premium of £2.75 per share and 1,500 10% cumulative preference shares of £1 each were converted into 'C' ordinary shares of £1 each.

15. Reserves

	Share Premium account £	Revaluation reserve £	Profit and loss account £
At 1 January 1992	119,160	115,745	3,141,737
Retained profit for the year	-	-	51,338
On shares issued during the year	4,576	-	-
	<u>123,736</u>	<u>115,745</u>	<u>3,193,075</u>
At 31 December 1992	<u>123,736</u>	<u>115,745</u>	<u>3,193,075</u>

Williams Motor Co (Holdings) Limited

Notes to the Accounts - for the year ended 31 December 1992 (continued)

16. Subsidiary Companies

	1992 £	1991 £
Shares at valuation 1 January 1992	7,000	7,000
Less: current accounts	7,000	7,000
	-	-

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 both 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.