

Williams Motor Co. (Holdings) Limited

Company Information

31 December 1995

DIRECTORS

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

SECRETARY

J Roberts

REGISTERED OFFICE

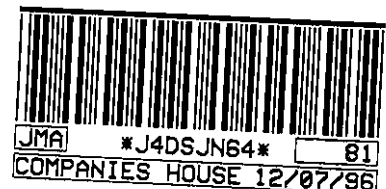
6 Hadfield Street
Cornbrook
Manchester
M16 9FG

BANKERS

National Westminster Bank Plc
Liverpool City Office
PO Box 138
22 Castle Street
Liverpool
L69 2BE

AUDITORS

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



Williams Motor Co. (Holdings) Limited

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Williams Motor Co. (Holdings) Ltd will be held at the St James's Club, Charlotte Street, Manchester on Friday, 28 June 1996 at 12 noon to carry out the following business:

Ordinary Business

Resolution 1

To receive and adopt the report of the directors and the audited accounts for the year ended 31 December 1995.

Resolution 2

To declare a final dividend of 25% net of tax on the ordinary shares of the company.

Resolution 3

To re-appoint Kidsons Impey as auditors to the company until the conclusion of the next Annual General Meeting and to authorise the directors to fix their remuneration.

By Order of the Board



J Roberts
Secretary

6 Hadfield Street
Cornbrook
Manchester
M16 9FG

31 May 1996

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a member of the company.

Williams Motor Co. (Holdings) Limited

Directors' Report

31 December 1995

The directors have pleasure in presenting their report and audited accounts for the year ended 31 December 1995. The accounts were approved by the board on 28 May 1996.

Principal activities

The principal activities of the company are the sale and service of new and used motor vehicles, and the sale of parts and accessories.

Business review, results and dividends

Company turnover amounted to £41,314,684 (1994: £33,528,895) and the profit before taxation was £1,042,090 (1994: £800,271). After providing for dividends and taxation, the retained profit of £606,532 (1994: £391,058) has been added to reserves.

The directors recommend a final dividend for 1995 of £65,349 (1994: £54,893) for the year on the ordinary share capital. If approved by the shareholders, the final dividend is proposed to be paid on 1 July 1996.

Fixed assets

Movements in fixed assets during the year are set out in the notes to the financial statements.

In the opinion of the directors the market value of freehold and 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 company 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 company, every effort is made to retrain that employee for a position appropriate to his or her abilities.

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 1995 were £2,739. There were no donations for political purposes in the year.

Williams Motor Co. (Holdings) Limited

Directors' Report

31 December 1995

Statement of Directors' Responsibilities

We are required under company law to prepare accounts for each financial year which 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 accounts we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, and give details of any departures;
- prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business;

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

Directors

The directors of the company at 31 December 1995 and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	Shareholdings at 31 December 1995		Shareholdings at 31 December 1994	
	Ordinary		Ordinary	
	B	C	B	C
M D Heeley	-	-	-	-
N J Cook	100	1,768	100	1,768
Mrs M M Orton Williams	2,480	62,560	2,480	62,560
N J Dunning	200	10,541	200	10,541
J S Cochrane) as	19	4,881	19	3,352
N J Cook) trustees	19	4,881	19	3,352

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Kidsons Impey as the Company's auditors will be placed before the Annual General Meeting.

On behalf of the Board



J Roberts
Secretary

31 May 1996

Williams Motor Co. (Holdings) Limited

Auditors' report to the members of Williams Motor Co. (Holdings) Limited

We have audited the accounts on page 6 to 17 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

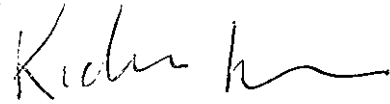
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditors
Chartered Accountants

Devonshire House
36 George Street
Manchester
M1 4HA

31 May 1996

Williams Motor Co. (Holdings) Limited

Profit and Loss Account

for the year ended 31 December 1995

	Note	1995 £	1994 £
Turnover	2	41,314,684	33,528,895
Cost of sales		(35,558,340)	(28,575,387)
Gross profit		5,756,344	4,953,508
Administrative expenses	5	(4,539,052)	(4,010,626)
Operating profit	3	1,217,292	942,882
Interest payable	6	(175,202)	(142,611)
Profit on ordinary activities before taxation		1,042,090	800,271
Taxation	7	(331,000)	(330,794)
Profit on ordinary activities after taxation		711,090	469,477
Dividends	8	(104,558)	(78,419)
Retained profit for the year	17	606,532	391,058

Statement of Total Recognised Gains and Losses

for the year ended 31 December 1995

The company has had no recognised gains and losses during this year and last year other than profit for the financial year.

Notes of Historical Cost Profits and Losses

for the year ended 31 December 1995

	1995 £	1994 £
Reported profit on ordinary activities before taxation	1,042,090	800,271
Realisation of property revaluation gains of previous years	-	115,745
Historical cost profit on ordinary activities before taxation	1,042,090	916,016
Historical cost profit for the year retained after taxation and dividends	606,532	506,803

The notes on pages 9 to 17 form part of these financial statements.

Williams Motor Co. (Holdings) Limited

Balance Sheet

at 31 December 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	9		4,792,221		4,556,526
Current assets					
Stocks	10	4,355,562		3,904,179	
Debtors	11	1,019,490		927,795	
Cash at bank and in hand		1,173,229		324,497	
		<u>6,548,281</u>		<u>5,156,471</u>	
Creditors: Amounts falling due within one year	12	(4,733,544)		(3,682,206)	
Net current assets			<u>1,814,737</u>		<u>1,474,265</u>
Total assets less current liabilities			<u>6,606,958</u>		<u>6,030,791</u>
Creditors: Amounts falling due after more than one year	13		(1,668,076)		(1,698,441)
			<u>4,938,882</u>		<u>4,332,350</u>
Capital and reserves					
Called up share capital	16		261,395		261,395
Share premium account	17		123,736		123,736
Profit and loss account	17		4,553,751		3,947,219
Total shareholders' funds attributable to equity shareholders	15		<u>4,938,882</u>		<u>4,332,350</u>

The accounts on pages 6 to 17 were approved by the board of directors on 28 May 1996 and are signed on its behalf by


M D Heeley

)
)
) Directors

N J Cook



The notes on pages 9 to 17 form part of these financial statements.

Williams Motor Co. (Holdings) Limited

Cash Flow Statement

for the year ended 31 December 1995

	1995	1994
	£	£
Net cash inflow from operating activities	1,888,555	516,873
Returns on investment and servicing of finance		
Interest paid	(175,202)	(142,611)
Dividends paid	(94,102)	(49,666)
Net cash (outflow) from returns on investments and servicing of finance	(269,304)	(192,277)
Taxation		
Corporation tax paid (including advance corporation tax)	(302,215)	(102,183)
Investing activities		
Purchase of fixed assets	(906,899)	(1,291,147)
Proceeds on disposal of fixed assets	471,275	632,285
Net cash (outflow) from investing activities	(435,624)	(658,862)
Net cash (outflow)/inflow before financing	881,412	(436,449)
Financing		
Capital element of finance lease rentals	(32,680)	(28,021)
Loan advanced in year	-	500,000
Net cash inflow/(outflow) from financing	(32,680)	471,979
Increase in cash and cash equivalents	848,732	35,530

Further details are given in note 18.

The notes on pages 9 to 17 form part of these financial statements.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 1995

1 Principal accounting policies

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

Depreciation

Depreciation of fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

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 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 directors' opinion be immaterial.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks, including work in progress, are valued at the lower of cost and net realisable value.

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.

Defined benefit scheme

Contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees' working life with the company. The regular cost is attributed to the individual years using cash equivalent and market valuation methods.

2 Turnover

Turnover is the value of goods and services, excluding value added tax. All activities are classed as continuing. There were no acquisitions or disposals of operations during the year or previous year.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 1995

3 Operating profit

	1995 £	1994 £
Operating profit is stated after charging:		
Auditors' remuneration - audit services	11,000	11,500
- other services	11,400	11,547
Depreciation of tangible fixed assets	217,381	264,035
Directors' remuneration (note 4)	134,983	124,547

4 Directors and employees

	1995	1994
The average number of persons including executive directors employed by the company during the year was:		
Productive	51	44
Sales and distribution	83	76
Administrative	28	27
	<u>162</u>	<u>147</u>

	1995 £	1994 £
Staff costs including directors' remuneration		
Wages and salaries	2,711,900	2,331,068
Social security costs	234,438	220,327
Pension costs	122,834	107,073
	<u>3,069,172</u>	<u>2,658,468</u>

Pension costs

The company operates a pension scheme providing benefits based on final pensionable pay or on contributions paid. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions funding the defined benefit part of the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using cash equivalent and market valuation methods. The most recent valuation was at 30 June 1995. The pension charge for the period was £122,834 (1994: £107,073).

The actuarial valuation showed that the market value of the scheme's assets at 30 June 1995 was £863,790 and that the actuarial value of those assets fully cover the liabilities at that date.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 1995

4 Directors and employees (continued)

	1995 £	1994 £
Directors		
Fees	24,000	24,000
Executive remuneration and benefits (including pension contributions)	110,983	100,547
	<u>134,983</u>	<u>124,547</u>
Emoluments excluding pension contributions		
Chairman	4,991	9,195
Highest paid director	<u>81,397</u>	<u>73,779</u>
Other directors	Number	Number
£ 5,001 - £10,000	2	2
£15,001 - £20,000	-	1
£25,001 - £30,000	1	-

During the year, £19,000 was paid by way of consultancy and advisory fees to a company in which M D Heeley has an interest.

5 Exceptional items

	1995 £	1994 £
Included in administrative expenses -		
Loss on sale of property	-	46,173
Provision for closure of PSV	79,825	-

6 Interest payable

	1995 £	1994 £
Bank loans and overdrafts		
Wholly repayable within five years	11,556	6,840
Other loans	126,894	121,009
Stock finance and lease charges	36,752	14,762
	<u>175,202</u>	<u>142,611</u>

7 Taxation

	1995 £	1994 £
Corporation tax at 33% (1994: 33%)	331,000	327,000
Corporation tax under provided in previous years	-	3,794
	<u>331,000</u>	<u>330,794</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 1995

8 Dividends

	1995 £	1994 £
Interim ordinary 15% (18.75% gross) paid 4 December 1995	39,209	23,526
Final ordinary 25% (31.25% gross) proposed	65,349	54,893
Dividends to equity shareholders	<u>104,558</u>	<u>78,419</u>

9 Tangible fixed assets

Cost or valuation	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
At 1 January 1995	1,966,962	1,357,925	1,937,383	430,734	5,693,004
Additions	12,227	-	111,224	789,448	912,899
Disposals	-	-	203,202	(512,628)	(715,830)
At 31 December 1995	<u>1,979,189</u>	<u>1,357,925</u>	<u>1,845,405</u>	<u>707,554</u>	<u>5,890,073</u>
Depreciation					
At 1 January 1995	-	-	1,044,259	92,219	1,136,478
Charge for year	-	-	123,125	94,256	217,381
Disposals	-	-	(195,481)	(60,526)	(256,007)
At 31 December 1995	<u>-</u>	<u>-</u>	<u>971,903</u>	<u>125,949</u>	<u>1,097,852</u>
Net book value					
At 31 December 1995	<u>1,979,189</u>	<u>1,357,925</u>	<u>873,502</u>	<u>581,605</u>	<u>4,792,221</u>
At 31 December 1994	<u>1,966,962</u>	<u>1,357,925</u>	<u>893,124</u>	<u>338,515</u>	<u>4,556,526</u>

The net book value of fixtures, motor vehicles and equipment includes £106,601 (1994 : £129,305) in respect of assets held under finance leases and hire purchase contracts.

	1995 £	1994 £
Land and Buildings		
Freehold	1,979,189	1,966,962
Long leasehold	1,274,196	1,274,196
Short leasehold	83,729	83,729
Net book value	<u>3,337,114</u>	<u>3,324,887</u>

Long leaseholds are those leaseholds with more than 50 years unexpired.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 1995

9 Tangible fixed assets (continued)

	1995 £	1994 £
Future capital commitments		
Authorised but not contracted for	20,000	-

10 Stocks

	1995 £	1994 £
Vehicles	3,844,314	3,421,422
Parts and other stocks	511,248	482,757
	<u>4,355,562</u>	<u>3,904,179</u>

11 Debtors

	1995 £	1994 £
Trade debtors	782,460	715,941
Prepayments and accrued income	220,693	181,921
Advanced corporation tax recoverable	16,337	29,933
	<u>1,019,490</u>	<u>927,795</u>

12 Creditors: amounts falling due within one year

	1995 £	1994 £
Fixed rate loan	200,000	200,000
Trade creditors	2,804,052	2,022,847
Other creditors	442,425	459,816
Advanced corporation tax	26,140	19,605
Corporation tax payable	362,962	354,308
Other taxation and social security	334,990	234,030
Accruals and deferred income	461,688	302,054
Proposed dividend	65,349	54,893
Finance leases and hire purchase contracts	35,938	34,653
	<u>4,733,544</u>	<u>3,682,206</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 1995

13 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Fixed rate loan	1,100,000	1,300,000
Medium term loan	500,000	300,000
Accruals and deferred income	5,000	7,400
Finance leases and hire purchase contracts	63,076	91,041
	1,668,076	1,698,441
	1995 £	1994 £
Fixed rate loan		
Amounts fall due on the fixed rate loan as follows:		
In one year or less (see note 12)	200,000	200,000
Between one and two years	200,000	200,000
Between two and five years	900,000	1,100,000
	1,300,000	1,500,000

The fixed rate loan is repayable by three annual instalments of £200,000 and a final repayment of £700,000 and is secured by a fixed and floating charge over the company's assets.

	1995 £	1994 £
Medium term loan		
Amounts fall due on the medium term loan facility as follows:		
After five years	500,000	300,000

The medium term loan facility is repayable in full on 21 August 2004 and is subject to a variable interest rate.

The medium term loan facility and the overdraft facility are secured by a fixed and floating charge over the company's assets.

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

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

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 1995

13 Creditors: amounts falling due after more than one year (continued)

Finance leases and hire purchase contracts

Obligations under finance leases and hire purchase contracts are repayable over varying periods by monthly instalments as follows:

	1995 £	1994 £
In one year or less (see note 12)	35,938	34,653
Between one and two years	28,871	31,488
Between two and five years	34,205	59,553
	<u>99,014</u>	<u>125,694</u>

14 Deferred Taxation

	Potential liability 1995 £	Potential liability 1994 £	Provision made 1995 £	Provision made 1994 £
Corporation tax deferred by capital allowances	159,445	137,221	-	-

15 Reconciliation of shareholders' funds

	1995 £	1994 £
Profit for the financial year	711,090	469,477
Dividends	(104,558)	(78,419)
Net addition to shareholders' funds	<u>606,532</u>	<u>391,058</u>
Opening shareholders' funds	4,332,350	3,941,292
Closing shareholders' funds	<u>4,938,882</u>	<u>4,332,350</u>

All shareholders funds are classed as equity.

16 Called up share capital

	Authorised		Allotted, called up and fully paid up	
	1995 Number	1994 Number	1995 Number	1994 Number
'B' Ordinary shares of £1 each	5,000	5,000	5,000	5,000
'C' Ordinary shares of £1 each	295,000	295,000	256,395	256,395
	<u>300,000</u>	<u>300,000</u>	<u>261,395</u>	<u>261,395</u>

'C' Ordinary shares rank pari passu in all respects to 'B' Ordinary shares save that they have no voting rights except on the winding up of the company.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 1995

17 Reserves

	Share premium account £	Profit and loss account £
At 1 January 1995	123,736	3,947,219
Retained profit for the year	-	606,532
At 31 December 1995	<u>123,736</u>	<u>4,553,751</u>

18 Cash flow statement

a) Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Operating profit	1,217,292	942,882
Depreciation on fixed assets	217,381	264,035
Loss/(profit) on sale of fixed assets	(11,452)	31,116
Increase in stocks	(451,383)	(357,195)
Increase in debtors	(105,291)	(89,789)
(Decrease)/Increase in creditors	1,022,008	(274,176)
Net cash inflow from operating activities	<u>1,888,555</u>	<u>516,873</u>

b) Analysis of balances of cash and cash equivalents as shown in the balance sheet

	Cash at bank and in hand £
1 January 1994	288,967
Net cash inflow for year ended 31 December 1994	35,530
1 January 1995	<u>324,497</u>
Net cash inflow for year ended 31 December 1995	848,732
31 December 1995	<u>1,173,229</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 1995

18 Cash flow statement - continued

c) Analysis of changes in financing during the year

	Finance leasing £	Bank Loans £
1 January 1994	24,222	1,300,000
New finance lease contracts	129,493	-
Cash outflow from financing	(28,021)	500,000
31 December 1994	125,694	1,800,000
New finance lease contracts	6,000	-
Cash (outflow)/inflow from financing	(32,680)	-
31 December 1995	99,014	1,800,000

19 Subsidiary companies

	1995 £	1994 £
Shares at valuation 1 January 1995	7,000	7,000
Less: current accounts	(7,000)	(7,000)
	-	-

The undermentioned are subsidiary companies. The companies were incorporated in Great Britain and are 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

Both companies have been dormant throughout this year and the previous year and therefore, in the opinion of the directors, no useful purpose would be served by the presentation of group accounts.