

WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

REPORT AND ACCOUNTS

31 December 2001

Registered number: 597708

BAKER TILLY

CHARTERED ACCOUNTANTS

MANCHESTER



Williams Motor Co. (Holdings) Limited

Company Information

31 December 2001

DIRECTORS

Mrs M M Orton Williams, BA
N J Cook, BSc, FCCA
C L Roberts, FCA
N J Dunning
D A Galloway

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

Baker Tilly
Chartered Accountants
Brazennose House
Lincoln Square
Manchester
M2 5BL

Williams Motor Co. (Holdings) Limited

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting will be held at the Stanneylands Hotel, Wilmslow on Friday 28 June 2002 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 group accounts for the year ended 31 December 2001.

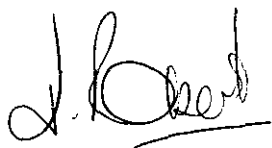
Resolution 2

To declare a final dividend of 90.0% net of tax on the ordinary shares of the company.

Resolution 3

To re-appoint Baker Tilly (formerly HLB Kidsons) 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

28 May 2002

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 2001

The directors have pleasure in presenting their report and audited accounts for the year ended 31 December 2001.

Principal activities

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

Business review, results and dividends

Group turnover amounted to £89,008,178 (2000: £51,210,569) and the profit before taxation was £1,838,576 (2000: £1,108,115). After providing for dividends and taxation, the retained profit of £978,432 (2000: £562,260) has been added to reserves.

During the year, the company paid an interim dividend of £100,637 (2000: £100,637). The directors recommend a final dividend for 2001 of £235,256 (2000: £156,837) for the year on the ordinary share capital. If approved by the shareholders, the final dividend will be paid on 1 July 2002.

Fixed assets

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

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.

Acquisition of subsidiary

On 23 October 2001 the company acquired the entire share capital of Ian Anthony (Holdings) Limited.

Charitable and political donations

Donations for charitable purposes in 2001 were £2,280 (2000: £2,527). There were no donations for political purposes in the year.

Williams Motor Co. (Holdings) Limited

Directors' Report

31 December 2001

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 group, and of the profit or loss of the group for that period.

In preparing these accounts we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgments 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 group and 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 and their interests

The directors of the company at 31 December 2001 and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	Shareholdings at 31 December 2001		Shareholdings at 31 December 2000	
	Ordinary		Ordinary	
	B	C	B	C
Mrs M M Orton Williams	2,480	62,560	2,480	62,560
N J Dunning	200	10,541	200	10,541
N J Cook	100	1,768	100	1,768
C L Roberts (appointed 24/09/01)	-	-	-	-
D A Galloway	-	-	-	-
Mrs M M Orton Williams) as	19	9,396	19	8,887
N J Cook) trustees	19	9,396	19	8,887

No right to subscribe for shares in or debentures of the company was granted or exercised during the year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Baker Tilly (formerly HLB Kidsons) as the company's auditors will be placed before the Annual General Meeting.

On behalf of the Board



J Roberts
Secretary

28 May. 2002

Williams Motor Co. (Holdings) Limited

Independent auditors' report to the shareholders of Williams Motor Co. (Holdings) Limited

We have audited the financial statements on pages 6 to 22 of Williams Motor Co. (Holdings) Limited for the year ended 31 December 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the group's and company's affairs as at 31 December 2001 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY
Registered Auditors
Chartered Accountants

Brazennose House
Lincoln Square
Manchester
M2 5BL

26 May 2002

Williams Motor Co. (Holdings) Limited

Group Profit and Loss Account

for the year ended 31 December 2001

	Note	2001 £000 Acquisitions	2001 £000 Continuing	2001 £000 Total	2000 £000
Turnover	2	8,232	80,776	89,008	51,210
Cost of sales		(7,488)	(69,031)	(76,519)	(42,687)
Gross profit		744	11,745	12,489	8,523
Administrative expenses		(767)	(9,625)	(10,392)	(7,377)
Operating profit	3	(23)	2,120	2,097	1,146
Interest payable (net)	5			(258)	(38)
Profit on ordinary activities before taxation				1,839	1,108
Taxation	6			(524)	(288)
Profit for the financial year				1,315	820
Dividends	7			(337)	(258)
Retained profit for the year	17			978	562

All of the activities of the group are classed as continuing.

There are no recognised gains or losses other than the profit for the year.

The notes on pages 9 to 22 form part of these accounts.

Williams Motor Co. (Holdings) Limited

Balance Sheet

at 31 December 2001

	Note	Group		Company	
		2001 £000	2000 £000	2001 £000	2000 £000
Fixed assets					
Goodwill	8	2,804	-	-	-
Tangible assets	9	13,643	8,590	8,669	8,218
Investments	10	-	-	6,593	-
		<u>16,447</u>	<u>8,590</u>	<u>15,262</u>	<u>8,218</u>
Current assets					
Stocks	11	11,310	8,157	6,052	6,103
Debtors	12	4,515	2,165	2,801	2,931
Cash at bank and in hand		7,194	754	5,940	418
		<u>23,019</u>	<u>11,076</u>	<u>14,793</u>	<u>9,452</u>
Creditors: amounts falling due within one year	13a	(21,120)	(9,666)	(10,485)	(7,021)
		<u>1,899</u>	<u>1,410</u>	<u>4,308</u>	<u>2,431</u>
Net current assets					
		<u>18,346</u>	<u>10,000</u>	<u>19,570</u>	<u>10,649</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	13b	(7,504)	(136)	(7,338)	(30)
		<u>10,842</u>	<u>9,864</u>	<u>12,232</u>	<u>10,619</u>
Capital and reserves					
Called up share capital	16	261	261	261	261
Share premium account	17	124	124	124	124
Profit and loss account	17	10,457	9,479	11,847	10,234
		<u>10,842</u>	<u>9,864</u>	<u>12,232</u>	<u>10,619</u>
Equity shareholders' funds	15				
		<u>10,842</u>	<u>9,864</u>	<u>12,232</u>	<u>10,619</u>

The accounts on pages 6 to 22 were approved by the board of directors on 28 May. 2002 and are signed on its behalf by:

M M Orton Williams

) Margaret Orton Williams

) Directors

N J Cook

) N J Cook

The notes on pages 9 to 22 form part of these accounts.

Williams Motor Co. (Holdings) Limited

Group Cash Flow Statement

for the year ended 31 December 2001

	2001		2000	
	£000	£000	£000	£000
Net cash inflow from operating activities		4,478		560
Returns on investments and servicing of finance				
Interest received	69		85	
Interest paid	(209)		(111)	
Interest element of finance lease rental payments	(118)		(12)	
		(258)		(38)
Taxation				
UK corporation tax paid		(432)		(668)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(1,429)		(3,369)	
Receipts from sales of tangible fixed assets	455		489	
		(974)		(2,880)
Acquisitions and disposals				
Payments to acquire subsidiary undertakings	(6,593)		-	
Net overdraft acquired with subsidiaries	(65)		-	
		(6,658)		-
Equity dividends paid		(257)		(310)
Financing				
New loans	12,069		-	
Capital element of finance lease rental payments	(26)		(41)	
		12,043		(41)
Increase/(decrease) in cash		7,942		(3,377)

Further details are given in note 18.

The notes on pages 9 to 22 form part of these accounts.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

1 Principal accounting policies

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention. No separate profit and loss account is presented for the company as provided by section 230 of the Companies Act 1985.

Basis of consolidation

The group accounts consolidate the accounts of Williams Motor Company (Holdings) Limited and its subsidiaries. Intra group profits are eliminated on consolidation.

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:

Land and buildings	Up to a maximum of fifty years
Plant and machinery	Up to a maximum of twenty-five years
Motor vehicles	Up to a maximum of four years

Amortisation

Goodwill arising on acquisitions is capitalised as an intangible fixed asset and amortised on a straight line basis over its useful economic life of 20 years.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at their 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

Deferred taxation is the tax attributable to timing differences between profits or losses as computed for tax purposes and results as stated in the financial statements. The Company provides for deferred tax to the extent that it is probable that a liability will crystallise.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

1 Principal accounting policies (cont'd)

Defined benefit pension scheme

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

Money purchase pension scheme

Contributions are charged to the profit and loss account as they fall due.

2 Turnover

Turnover represents the value of goods and services, excluding value added tax, invoiced to third parties. Turnover is attributable to one continuing activity in the United Kingdom.

The directors do not wish to disclose the turnover by business segment as they believe it would be seriously prejudicial to the business.

3 Operating profit

	2001 £000	2000 £000
Operating profit is stated after charging:		
Auditors' remuneration - audit services	25	17
- non audit services	20	23
Depreciation of owned fixed assets	471	335
Depreciation of assets held under finance leases and hire purchase contracts	68	69
Directors' remuneration (note 4)	231	140

4 Directors and employees

	2001 £000	2000 £000
Group staff costs including directors' remuneration		
Wages and salaries	5,985	4,300
Social security costs	599	426
Pension costs	223	161
	6,807	4,887

	2001 Number	2000 Number
The monthly average number of persons, including directors, employed by the group during the year was:		
Productive	75	67
Sales and distribution	134	104
Administrative	48	47
	257	218

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

4 Directors and employees (continued)

	2001 £000	2000 £000
Parent company directors' remuneration		
Fees	30	23
Executive remuneration and benefits	201	117
	<u>231</u>	<u>140</u>
 Number of directors to whom retirement benefits are accruing under defined benefit pension schemes in respect of qualifying services	 2	 2
	<u>2</u>	<u>2</u>

Pension costs

The company operates a pension scheme providing benefits based on final pensionable pay, to which membership is now closed, 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 triennial valuation was at 31 March 2000. The pension charge to the company for the period was £223,000 (2000: £161,000).

A full valuation was carried out as at 31 March 2000 and updated to 31 December 2001 by a qualified independent actuary. The assumptions used by the actuary were:

31 December 2001

Rate of increase in salaries	4.5%
Discount rate	5.83%
Inflation assumption	2.5%
LPI pension increases	2.5%

The assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 31 December 2001	Value at 31 December 2001 £000
Equities	7%	901
Bonds	5%	120
Property	7%	23
Cash	5%	56
		<u>1,100</u>
Total market value of assets		1,100
Present value of scheme liabilities		<u>(1,393)</u>
Deficit in the scheme		<u>(293)</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

4 Directors and employees (continued)

Pension contribution rates

Under the final salary section of the plan members' contributions were 7% of pensionable pay (6% until 1 July 2001). Employer's contributions were 12.5% of pensionable pay.

Under the money purchase section of the plan members' contributions were 5% of pensionable pay. Employer's contributions were 8% of pensionable pay less 3% of earnings between the lower and upper earnings limit.

5 Interest payable (net)

	2001 £000	2000 £000
Bank interest receivable	70	86
Interest payable:		
Bank loans and overdrafts	210	39
New vehicle stock finance, finance leases and hire purchase agreements	118	85
Interest payable	328	124
Interest payable (net)	258	38

6 Taxation

	2001 £000	2000 £000
UK corporation tax at 30% (2000: 30%)	523	288
Corporation tax under/(over) provided in prior years	1	0
	524	288

7 Dividends

	2001 £000	2000 £000
Interim ordinary: 38.5% paid 6 December 2001	101	101
Final ordinary: 90.0% proposed	236	157
Dividends to equity shareholders	337	258

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

8 Goodwill

	2001 £000	2000 £000
Cost or valuation		
Additions	2,829	-
At 31 December 2001	2,829	-
Amortisation		
Charge for year	25	-
At 31 December 2001	25	-
Net book value		
At 31 December 2001	2,804	-

9 Tangible fixed assets

Group	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2001	3,583	3,387	3,115	491	10,576
Additions	2,660	1,914	1,772	597	6,943
Disposals	-	-	(82)	(492)	(574)
At 31 December 2001	6,243	5,301	4,805	596	16,945
Depreciation					
At 1 January 2001	28	23	1,834	101	1,986
Charge for year	39	40	343	117	539
Disposals	-	-	(78)	(88)	(166)
Additions	-	-	885	58	943
At 31 December 2001	67	63	2,984	188	3,302
Net book value					
At 31 December 2001	6,176	5,238	1,821	408	13,643
At 31 December 2000	3,555	3,364	1,281	390	8,590

The net book value of plant and machinery above includes £261,000 (2000: £146,000) in respect of assets held under finance leases and hire purchase agreements.

	2001 £000	2000 £000
Land and Buildings		
Freehold	6,176	3,555
Long leasehold	5,238	3,364
Net book value	11,414	6,919

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 2001

9 Tangible fixed assets (cont)

Company	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2001	3,583	3,387	2,732	468	10,170
Additions	535	59	192	459	1,245
Disposals	-	-	(77)	(464)	(541)
At 31 December 2001	4,118	3,446	2,847	463	10,874
Depreciation					
At 1 January 2001	28	23	1,805	96	1,952
Charge for year	35	36	235	103	409
Disposals	-	-	(77)	(79)	(156)
At 31 December 2001	63	59	1,963	120	2,205
Net book value					
At 31 December 2001	4,055	3,387	884	343	8,669
At 31 December 2000	3,555	3,364	927	372	8,218

The net book value of plant and machinery above includes £49,000 (2000: £70,000) in respect of assets held under finance leases and hire purchase agreements.

	2001 £000	2000 £000
Land and Buildings		
Freehold	4,055	3,555
Long leasehold	3,387	3,364
Net book value	7,442	6,919

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

10 Fixed asset investments

	2001 £000	2000 £000
Cost		
At 1 January 2001	7	7
Additions	6,593	-
	6,600	7
Less: intra group current accounts	(7)	(7)
Net book value	6,593	-

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

10 Fixed asset investments (cont'd)

The undermentioned are subsidiary companies. All of the companies are incorporated in Great Britain and are registered in England. The parent company owns 100% of the share capital and voting rights of the companies. Each entity has been included in the consolidation except for the dormant companies.

Name of subsidiary	Country of Incorporation	Type of share capital	Percentage of Share held by Parent and group	Nature of business
Williams Motor Company Ltd	UK	Ordinary	100%	Motor dealership
Williams (Bolton) Ltd formerly Ian Anthony (Bolton) Ltd	UK	Ordinary	100%	Motor dealership
Williams Motor Company (Manchester) Ltd formerly Ian Anthony (Holdings) Ltd	UK	Ordinary	100%	Holding Company
Birchalls Motor Company Ltd	UK	Ordinary	100%	Dormant
Ian Anthony (Wilmslow) Ltd	UK	Ordinary	100%	Dormant
Ian Anthony (Bury) Ltd	UK	Ordinary	100%	Dormant
Ian Anthony Sales (Bury) Ltd	UK	Ordinary	100%	Dormant
Ian Anthony (Garages) Ltd	UK	Ordinary	100%	Dormant
Orlando Street Bridge (Bolton) Ltd formerly Ian Anthony (Services) Ltd	UK	Ordinary	100%	Dormant

On 23 October 2001 Williams Motor Co. (Holdings) Limited purchased 100% of Ian Anthony (Holdings) Limited, the acquisition method of accounting has been used to include this company in the consolidated accounts.

The results for the Williams Motor Company (Manchester) Limited (formerly Ian Anthony (Holdings) Limited) and its subsidiary, Williams (Bolton) Limited (formerly Ian Anthony (Bolton) Limited) during the period to 23 October 2001 and the financial year to 31 January 2001 were as follows:

	Period to 23 October 2001 £000	Year to 31 January 2001 £000
Profit on ordinary activities after taxation	1,147	(318)

There were no other recognised gains or losses other than the profit/(loss) on ordinary activities for the period.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

10 Fixed asset investments (cont'd)

Detailed below is a summary of the net assets acquired:

	Book and Fair Value to Group £000
Analysis of net assets at acquisition	
Tangible fixed assets	4,572
Stocks	2,832
Debtors	1,407
Cash	502
Bank Overdraft	(567)
Creditors	(4,982)
	3,764
Goodwill	2,829
	6,593
Consideration	
Cash	2,018
Loan stock	4,241
Cost of acquisition	259
Deferred Consideration (cash)	75
	6,593

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

11 Stocks

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Vehicles	10,359	7,500	5,452	5,525
Parts and other stocks	951	657	600	578
	<u>11,310</u>	<u>8,157</u>	<u>6,052</u>	<u>6,103</u>

Included within group stock is consignment stock valued at £4,237,000 (2000: £3,677,000). Included within company stock is consignment stock valued at £2,291,000 (2000: £2,216,000).

12 Debtors

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Due within one year:				
Trade debtors	3,299	1,795	2,041	2,578
Prepayments and accrued income	1,216	370	760	353
	<u>4,515</u>	<u>2,165</u>	<u>2,801</u>	<u>2,931</u>

13a Creditors: amounts falling due within one year

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Bank loan	500	1,500	500	1,500
Unsecured loan notes	4,241		4,241	-
Payments on account	342	386	261	369
Trade creditors	11,847	5,255	2,490	2,886
Other creditors	1,310	988	883	924
Corporation tax	365	142	242	142
Other taxation and social security costs	884	537	603	422
Accruals and deferred income	1,279	633	996	583
Proposed dividend	235	157	235	157
Finance leases and hire purchase contracts	117	68	34	38
	<u>21,120</u>	<u>9,666</u>	<u>10,485</u>	<u>7,021</u>

13b Creditors: amounts falling due after more than one year

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Bank loan	6,600	-	6,600	-
Other creditors	700	-	700	-
Finance leases and hire purchase contracts	204	136	38	30
	<u>7,504</u>	<u>136</u>	<u>7,338</u>	<u>30</u>

The overdraft facility is secured by a fixed and floating charge over the group's assets.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

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

Finance lease and hire purchase liabilities are secured upon the underlying assets.

Other secured creditors which represent 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.

Finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
In one year or less	116	68	34	38
Between one and two years	106	49	27	19
Between two and five years	99	87	11	11
	<u>321</u>	<u>204</u>	<u>72</u>	<u>68</u>

Bank loan

The maturity of this amount is as follows:

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
In one year or less	500	1,500	500	1,500
Between one and two years	500	-	500	-
Between two and five years	1,500	-	1,500	-
After five years	4,600	-	4,600	-
	<u>7,100</u>	<u>1,500</u>	<u>7,100</u>	<u>1,500</u>

Other creditors

The maturity of these amounts is as follows:

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
In one year or less	1,310	988	883	924
Between one and two years	175	-	175	-
Between two and five years	525	-	525	-
	<u>2,010</u>	<u>988</u>	<u>1,583</u>	<u>924</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

14 Deferred taxation

Group	Potential liability 2001 £000	Potential liability 2000 £000	Provision Made 2001 £000	Provision made 2000 £000
Capital allowances in advance of depreciation	151	314	-	-
Company	Potential liability 2001 £000	Potential liability 2000 £000	Provision Made 2001 £000	Provision made 2000 £000
Capital allowances in advance of depreciation	92	314	-	-

15 Reconciliation of shareholders' funds

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Profit for the financial year	1,315	820	1,948	1,576
Dividends paid and proposed	(337)	(258)	(337)	(258)
Net addition to shareholders' funds	978	562	1,611	1,318
Opening shareholders' funds	9,864	9,302	10,619	9,301
Closing shareholders' funds	10,842	9,864	12,232	10,619

All shareholders' funds are classed as equity.

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

16 Called up share capital

	Authorised		Allotted, called up and fully paid up	
	2001 Number	2000 Number	2001 Number	2000 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.

17 Reserves

	Group		Company	
	Share premium account £000	Profit and loss account £000	Share premium account £000	Profit and loss account £000
At 1 January 2001	124	9,479	124	10,234
Retained profit for the year	-	978	-	1,613
At 31 December 2001	<u>124</u>	<u>10,457</u>	<u>124</u>	<u>11,847</u>

The company has taken advantage of Section 230 of the Companies Act 1985 and not published its own profit and loss account. Included in the consolidated profit and loss account attributable to shareholders is a profit of £1,613,000, which has been dealt with in the accounts of the parent undertaking.

18 Cash flow statement

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

	2001 £000	2000 £000
Operating profit	2,097	1,146
Depreciation	539	404
Amortisation	25	-
Profit on sale of fixed assets	(47)	(20)
(Increase)/decrease in stocks	(320)	(3,046)
(Increase) in debtors	(942)	(270)
Increase in creditors	3,126	2,346
Net cash inflow from operating activities	<u>4,478</u>	<u>560</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

18 Cash flow statement

b) Reconciliation of net cash flow to movement in net funds

	2001 £000	2000 £000
Increase/(decrease) in cash	7,942	(3,377)
Cash used to repay capital element of finance lease and hire purchase rentals	24	41
Change in net funds resulting from cash flows	<u>7,966</u>	<u>(3,336)</u>
New finance leases and hire purchase agreements	-	(195)
Finance leases and hire purchase agreements acquired with subsidiaries	(142)	-
New loans	<u>(12,069)</u>	<u>-</u>
Movement in net funds	(4,245)	(3,531)
Net funds at 1 January 2001	(952)	2,579
Net funds at 31 December 2001	<u>(5,197)</u>	<u>(952)</u>

c) Analysis of changes in net funds

	At 1 January 2001 £000	Cash flow £000	Acquisitions (excl cash and overdrafts) £000	Other changes £000	At 31 December 2001 £000
Cash at bank and in hand	(746)	7,942	-	-	7,196
Finance leases and hire purchase agreements	(206)	26	(143)	-	(323)
Bank loan	-	(7,100)	-	-	(7,100)
Other loan	-	(729)	-	-	(729)
Unsecured loan notes	-	(4,241)	-	-	(4,241)
Total	<u>(952)</u>	<u>(4,102)</u>	<u>(143)</u>	<u>-</u>	<u>(5,197)</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts - for the year ended 31 December 2001

19 Capital commitments

Amounts contracted for but not provided in the accounts amount to £nil (2000: £604,000).

20 Ultimate controlling party

There is no ultimate controlling party of the company.

21 Contingent liabilities

The company has guaranteed the bank borrowings of its subsidiary companies, Williams Motor Company Limited, Williams Motor Company (Manchester) Limited and Williams (Bolton) Limited. These guarantees are unlimited.