

Williams Motor Co. (Holdings) Limited

REPORT AND ACCOUNTS

For the year ended

31 December 2002

Registered number: 597708



Williams Motor Co. (Holdings) Limited

Company Information

Directors

Mrs M M Orton Williams, BA
N J Cook, BSc, FCCA
N J Dunning
D A Galloway
J A Fairbotham, FCA (appointed 27 January 2003)

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 Mere Court Hotel, Knutsford on Friday 27 June 2003 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 2002.

Resolution 2

To declare a final dividend of 100% net of tax on the ordinary shares of the company.

Resolution 3

To re-appoint Baker Tilly as auditors of 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

21 May 2003

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

The directors have pleasure in presenting their report and audited accounts for the year ended 31 December 2002.

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 £142,754,867 (2001: £89,008,178) and the profit before taxation was £4,221,267 (2001: £1,838,576). After providing for dividends and taxation, the retained profit of £2,245,673 (2001: £978,432) has been added to reserves.

During the year, the company paid an interim dividend of £261,395 (2001: £100,637). The directors recommend a final dividend for 2002 of £261,395 (2001: £235,256) for the year on the ordinary share capital. If approved by the shareholders, the final dividend will be paid on 1 July 2003.

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.

Charitable and political donations

Donations for charitable purposes in 2002 were £2,400 (2001: £2,280). There were no donations for political purposes in the year.

Directors and their interests

The directors of the company at 31 December 2002 and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	Shareholdings at 31 December 2002		Shareholdings at 31 December 2001	
	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
D A Galloway	-	-	-	-
C L Roberts (resigned 27 September 2002)	-	-	-	-
Mrs M M Orton Williams) as	19	9,864	19	9,505
N J Cook) trustees	19	9,864	19	9,505

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

Williams Motor Co. (Holdings) Limited

Directors' Report

Disabled persons

The group gives full consideration to applications for employment from disabled persons where the requirements for the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Employee information

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group.

Post balance sheet events

On 28 February 2003, the company acquired the trade, certain assets and liabilities of the Rochdale BMW and MINI dealerships of Howarth of Rochdale Limited for £2 million.

Auditors

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

On behalf of the Board



J Roberts
Secretary

21 May 2003

Williams Motor Co. (Holdings) Limited

Directors' responsibilities in the preparation of financial statements

Company law requires the directors 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

We have audited the financial statements on pages 7 to 24.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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.

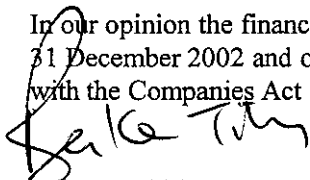
Basis of opinion

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 judgments 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 2002 and of the group's 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

21 May 2003

Williams Motor Co. (Holdings) Limited

Group Profit and Loss Account for the year ended 31 December 2002

	Note	2002 £000	2001 £000
Turnover	1	142,756	89,008
Cost of sales		(122,376)	(76,519)
Gross profit		<u>20,380</u>	<u>12,489</u>
Administrative expenses		(15,496)	(10,392)
Operating profit	2	<u>4,884</u>	<u>2,097</u>
Interest payable (net)	4	(662)	(258)
Profit on ordinary activities before taxation		<u>4,222</u>	<u>1,839</u>
Taxation	5	(1,453)	(524)
Profit for the financial year		<u>2,769</u>	<u>1,315</u>
Dividends	6	(523)	(337)
Retained profit for the year	16	<u>2,246</u>	<u>978</u>

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 10 to 24 form part of these accounts.

Williams Motor Co. (Holdings) Limited

Balance Sheet

31 December 2002

		Group		Company	
	Note	2002 £000	2001 £000	2002 £000	2001 £000
Fixed Assets					
Goodwill	7	2,787	2,804	-	-
Tangible assets	8	13,462	13,643	8,700	8,669
Investments	9	-	-	6,636	6,593
		<u>16,249</u>	<u>16,447</u>	<u>15,336</u>	<u>15,262</u>
Current Assets					
Stocks	10	13,828	11,310	7,754	6,052
Debtors	11	4,681	4,515	6,481	5,936
Cash at bank and in hand		4	7,194	3	5,940
		<u>18,513</u>	<u>23,019</u>	<u>14,238</u>	<u>17,928</u>
Creditors: amounts falling due within one year	12a	(14,792)	(21,080)	(9,227)	(13,620)
Net current assets		<u>3,721</u>	<u>1,939</u>	<u>5,011</u>	<u>4,308</u>
Total assets less current liabilities		<u>19,970</u>	<u>18,386</u>	<u>20,347</u>	<u>19,570</u>
Creditors: amounts falling due after more than one year	12b	(6,742)	(7,504)	(6,665)	(7,338)
Provisions for liabilities and charges					
Deferred Taxation	13	(140)	(40)	(100)	-
		<u>13,088</u>	<u>10,842</u>	<u>13,582</u>	<u>12,232</u>
Capital and reserves					
Called up share capital	15	261	261	261	261
Share premium account	16	124	124	124	124
Profit and loss account	16	12,703	10,457	13,197	11,847
Equity shareholders' funds	14	<u>13,088</u>	<u>10,842</u>	<u>13,582</u>	<u>12,232</u>

The accounts on pages 7 to 24 were approved by the board of directors on 21 May 2003 and are signed on its behalf by:

M M Orton Williams

)

)

) Directors

)

N J Cook

)

Margaret Gwen Williams
NJ Cook

The notes on pages 10 to 24 form part of these accounts.

Williams Motor Co. (Holdings) Limited

Group Cash Flow Statement

for the year ended 31 December 2002

	Note	2002 £000	2001 £000
Net cash inflow from operating activities	17	1,970	2,127
Returns on investments and servicing of finance			
Interest received		104	70
Interest paid		(549)	(210)
Interest element of finance lease rental payments		(217)	(118)
		(662)	(258)
Taxation			
UK corporation tax paid		(1,164)	(432)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(1,284)	(1,429)
Receipts from sales of tangible fixed assets		746	455
		(538)	(974)
Acquisitions and disposals			
Payments to acquire subsidiary undertakings		-	(6,593)
Net overdraft acquired with subsidiaries		-	(65)
		-	(6,658)
Equity dividends paid		(497)	(257)
Financing			
Repayment of loans		(625)	-
(Repayment of)/new vehicle finance loans		(1,588)	2,351
New loans		-	12,069
Capital element of finance lease rental payments		(92)	(26)
Repayment of loan notes		(4,241)	-
		(6,546)	14,394
(Decrease)/increase in cash	17	(7,437)	7,942

Further details are given in note 17.

The notes on pages 10 to 24 form part of these accounts.

Williams Motor Co. (Holdings) Limited

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 Co. (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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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. (See note 3 for further details.)

Money purchase pension scheme

Contributions are charged to the profit and loss account as they fall due. (See note 3 for further details.)

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

1 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.

2 Operating profit

	2002 £000	2001 £000
Operating profit is stated after charging/(crediting):		
Auditors' remuneration		
- audit	26	25
- other	52	20
Depreciation		
- owned	670	471
- held under hire purchase contracts	108	68
Directors' remuneration (note 3)	311	231
Operating lease rentals		
- plant and machinery	77	34
- land and buildings	105	7
(Profit) on disposal of fixed assets	(59)	(47)

3 Directors and employees

Group staff costs (including directors' remuneration) during the year were as follows:	2002 £000	2001 £000
Wages and salaries	8,905	5,985
Social security costs	910	599
Pension costs	249	223
	10,064	6,807

The monthly average number of persons, including directors, employed by the group during the year was:

	2002 Number	2001 Number
Productive	108	75
Sales and distribution	189	134
Administrative	71	48
	368	257

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

3 Directors and employees (*continued*)

The total amounts for parent company directors' remuneration (excluding pension contributions) were as follows:	2002	2001
	£000	£000
Fees	48	30
Executive remuneration and benefits	263	201
	<u>311</u>	<u>231</u>

Number of directors to whom retirement benefits are accruing under defined benefit pension schemes in respect of qualifying services	2	2
--	---	---

Highest paid director

	2002	2001
	£000	£000
Emoluments	203	158
Company pension contribution to money purchase schemes	-	-
Accrued pension at year end – defined benefit scheme	28	25

Pension costs

The group operates pension schemes providing benefits based on final pensionable pay, to which membership is now closed, or on contributions paid. The assets of the schemes are held separately from those of the group, being invested with insurance companies. Contributions funding the defined benefit part of the schemes 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 group for the period was £249,000 (2001: £223,000).

A full valuation was carried out as at 31 March 2000 and updated to 31 December 2001 and 2002 by a qualified independent actuary. The assumptions used by the actuary were:

	31 December 2002	31 December 2001
Rate of increase in salaries	4.25%	4.5%
Discount rate	5.47%	5.83%
Inflation assumption	2.25%	2.5%
LPI pension increases	2.25%	2.5%

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

3 Directors and employees (*continued*)

Pension costs (*continued*)

The assets in the defined benefit part of the schemes and the expected rate of return were:

	Long term rate of return expected at 31 December 2002	Long term rate of return expected at 31 December 2001	Value at 31 December 2002 £000	Value at 31 December 2001 £000
Equities	6.5%	7%	844	901
Bonds	4.5%	5%	137	120
Property	N/A	7%	-	23
Cash	N/A	5%	-	56
Total market value of assets			981	1,100
Present value of scheme liabilities			(1,558)	(1,393)
Deficit in the scheme			(577)	(293)
Related deferred tax asset			173	88
			(404)	(205)
				2002 £000
Analysis of amount which would be charged to operating profit:				
Current service cost				(36)
Past service costs				-
Total operating charge				(36)
Analysis of the amount which would be credited to other finance income:				
Expected return on pension scheme assets				75
Interest cost				(82)
Net return				(7)
Analysis of amount which would be recognised in statement of total recognised gains and losses (STRGL):				
Actual return less expected return on pension scheme assets				(235)
Experience gains and losses arising on the scheme liabilities				6
Changes in assumptions underlying the scheme liabilities				(56)
Actuarial loss recognised in STRGL				(285)

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

3 Directors and employees (*continued*)

Pension costs (*continued*)

	2002 £000
Movement in deficit during the year	
Deficit in scheme at beginning of the year	(293)
Movement in year:	
Current service cost	(36)
Contributions	44
Past service cost	-
Net interest/return on assets	(7)
Actuarial (loss)	(285)
Deficit in scheme at the end of the year	(577)

Pension contribution rates

Under the final salary section of the plan, members' contributions were 7% of pensionable pay. 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.

4 Interest payable (net)

	2002 £000	2001 £000
Bank interest receivable	104	70
Interest payable:		
Bank loans and overdrafts	549	210
Vehicle stock finance, finance leases and hire purchase agreements	217	118
Interest payable	766	328
Interest payable (net)	662	258

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

5 (a) Taxation

	2002 £000	2001 £000
Corporation tax:		
UK corporation tax at 30 % (2001: 30%)	1,305	523
Corporation tax under provided in prior years	48	1
	<u>1,353</u>	<u>524</u>
Deferred tax:		
Current year	25	-
Prior years	75	-
	<u>100</u>	<u>524</u>
	<u>1,453</u>	<u>524</u>

(b) Factors affecting current tax charge

The reconciliation of the tax assessed on the profit on ordinary activities for the year compared to the standard rate of corporation tax in the UK of 30% (2001: 30%) is as follows:

	2002 £000	2001 £000
Profit on ordinary activities before tax	4,222	1,839
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by rate of tax (30%)	1,267	552
Excess of depreciation over capital allowances	8	-
Expenses not deductible for tax purposes	30	(29)
Under provision in the prior year	48	1
	<u>1,353</u>	<u>524</u>

6 Dividends

	2002 £000	2001 £000
Interim ordinary:		
100.0% paid	262	101
Final ordinary:		
100.0% proposed	261	236
	<u>523</u>	<u>337</u>
Dividends to equity shareholders		

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

7 Goodwill

	£000
Cost or valuation	
At 1 January 2002	2,829
Additions	118
At 31 December 2002	2,947
Amortisation	
At 1 January 2002	25
Charge for year	135
At 31 December 2002	160
Net book value	
At 31 December 2002	2,787
At 31 December 2001	2,804

8 Tangible fixed assets

Group	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2002	6,243	5,301	4,805	596	16,945
Additions	24	47	316	897	1,284
Disposals	-	-	(582)	(852)	(1,434)
At 31 December 2002	6,267	5,348	4,539	641	16,795
Depreciation					
At 1 January 2002	67	63	2,984	188	3,302
Charge for year	60	54	529	135	778
Disposals	-	-	(581)	(166)	(747)
At 31 December 2002	127	117	2,932	157	3,333
Net book value					
At 31 December 2002	6,140	5,231	1,607	484	13,462
At 31 December 2001	6,176	5,238	1,821	408	13,643

The net book value of plant and machinery above includes £204,000 (2001: £261,000) in respect of assets held under finance leases and hire purchase agreements.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

8 Tangible fixed assets (*continued*)

Company	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2002	4,118	3,446	2,847	463	10,874
Additions	24	48	182	897	1,151
Disposals	-	-	(8)	(852)	(860)
At 31 December 2002	4,142	3,494	3,021	508	11,165
Depreciation					
At 1 January 2002	63	59	1,963	120	2,205
Charge for year	41	37	236	109	423
Disposals	-	-	(7)	(156)	(163)
At 31 December 2002	104	96	2,192	73	2,465
Net book value					
At 31 December 2002	4,038	3,398	829	435	8,700
At 31 December 2001	4,055	3,387	884	343	8,669

The net book value of plant and machinery above includes £54,000 (2001: £49,000) in respect of assets held under finance leases and hire purchase agreements.

9 Fixed asset investments

	2002 £000	2001 £000
Cost		
At 1 January 2002	6,600	7
Additions	43	6,593
	6,643	6,600
Less: intra group current accounts	(7)	(7)
Net book value	6,636	6,593

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

9 Fixed asset investments (*continued*)

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 shares held by parent and group	Nature of business
Williams Motor Company Ltd	UK	Ordinary	100%	Motor dealership
Williams (Bolton) Ltd	UK	Ordinary	100%	Motor dealership
Williams Motor Company (Manchester) Limited	UK	Ordinary	100%	Holding Company
Williams Rochdale Limited (formerly 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
Orland Street Bridge (Bolton) Ltd	UK	Ordinary	100%	Dormant

10 Stocks

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Vehicles	12,768	10,359	7,097	5,452
Parts and other stocks	1,060	951	657	600
	<u>13,828</u>	<u>11,310</u>	<u>7,754</u>	<u>6,052</u>

11 Debtors

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Due within one year:				
Trade debtors	3,009	2,753	2,027	1,747
Amounts owed by group undertakings	-	-	3,415	3,135
Other debtors	514	546	267	294
Prepayments and accrued income	1,158	1,216	772	760
	<u>4,681</u>	<u>4,515</u>	<u>6,481</u>	<u>5,936</u>

Included within amounts owed by group undertakings is £3,415,000 (2001: £1,719,000) falling due after more than one year.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

12 (a) Creditors: amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Bank loan and overdraft	747	500	1,484	500
Unsecured loan notes	-	4,241	-	4,241
Payments on account	554	342	419	261
New car stocking finance	4,840	4,473	2,527	2,284
Used/demonstrator vehicle finance	1,991	3,579	863	1,480
Trade creditors	2,485	3,795	820	1,861
Other creditors	684	1,154	427	727
Other loans	206	156	206	156
Corporation tax	589	325	415	242
Other taxation and social security costs	826	884	612	603
Accruals and deferred income	1,497	1,279	1,155	996
Proposed dividend	261	235	261	235
Finance leases and hire purchase contracts	112	117	38	34
	<u>14,792</u>	<u>21,080</u>	<u>9,227</u>	<u>13,620</u>

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

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

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.

12 (b) Creditors: Amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Bank loan	6,100	6,600	6,100	6,600
Other loans	525	700	525	700
Finance leases and hire purchase contracts	117	204	40	38
	<u>6,742</u>	<u>7,504</u>	<u>6,665</u>	<u>7,338</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2002

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

Finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
In one year or less	112	117	38	34
Between one and two years	88	105	23	27
Between two and five years	29	99	17	11
	<u>229</u>	<u>321</u>	<u>78</u>	<u>72</u>

Bank loan

The maturity of this amount is as follows:

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
In one year or less	500	500	500	500
Between one and two years	500	500	500	500
Between two and five years	1,500	1,500	1,500	1,500
After five years	4,100	4,600	4,100	4,600
	<u>6,600</u>	<u>7,100</u>	<u>6,600</u>	<u>7,100</u>

Other loans

The maturity of these amounts is as follows:

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
In one year or less	206	156	206	156
Between one and two years	175	175	175	175
Between two and five years	350	525	350	525
	<u>731</u>	<u>856</u>	<u>731</u>	<u>856</u>

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13 Deferred taxation

	Group £000	Company £000
At 1 January 2002	40	-
Provided in the year	100	100
At 31 December 2002	140	100

Provision for deferred tax has been made up as follows:

	Group		Company	
	2002 £000	2001 £000	2002 £000	2001 £000
Excess of depreciation over capital allowances	140	40	100	-

14 Reconciliation of shareholders' funds

	Group		Company	
	2002 £000	2001 £000	2002 £000	2001 £000
Profit for the financial year	2,769	1,315	1,873	1,948
Dividends paid and proposed	(523)	(337)	(523)	(337)
Net addition to shareholders' funds	2,246	978	1,350	1,611
Opening shareholders' funds	10,842	9,864	12,232	10,621
Closing shareholders' funds	13,088	10,842	13,582	12,232

All shareholders' funds are classed as equity.

15 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2002 Number	2001 Number	2002 Number	2001 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
	300,000	300,000	261,395	261,395

'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 2002

16 Reserves

	Group		Company	
	Share premium account £000	Profit and loss account £000	Share premium account £000	Profit and loss account £000
At 1 January 2002	124	10,457	124	11,847
Retained profit for the year	-	2,246	-	1,350
At 31 December 2002	124	12,703	124	13,197

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 £1,873,000, which has been dealt with in the accounts of the parent undertaking.

17 Cash flow statement

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

	2002 £000	2001 £000
Operating profit	4,884	2,097
Depreciation	778	539
Amortisation	135	25
Profit on sale of fixed assets	(59)	(47)
(Increase) in stocks	(2,518)	(320)
(Increase) in debtors	(166)	(942)
(Decrease)/increase in creditors	(1,084)	775
Net cash inflow from operating activities	1,970	2,127

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

	2002 £000	2001 £000
(Decrease)/increase in cash	(7,437)	7,942
Repayment of capital element of finance lease and hire purchase rentals	92	24
Change in net funds resulting from cash flows	(7,345)	7,966
Finance leases and hire purchase agreements acquired with subsidiaries	-	(142)
Vehicle finance acquired with subsidiaries	-	(1,228)
New loans	-	(14,420)
Repayment of loans/loan notes	6,454	-
Movement in net funds	(891)	(7,824)
Net funds at 1 January 2002	(8,903)	(1,079)
Net funds at 31 December 2002	(9,794)	(8,903)

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

17 Cash flow statement (*continued*)

c) Analysis of changes in net funds

	At 1 January 2002 £000	Cash flow £000	Other changes £000	At 31 December 2002 £000
Cash at bank and in hand	7,194	(7,190)	-	4
Bank overdraft	-	(247)	-	(247)
	<u>7,194</u>	<u>(7,437)</u>	<u>-</u>	<u>(243)</u>
Finance leases and hire purchase agreements	(321)	92	-	(229)
Bank loan	(7,100)	500	-	(6,600)
Used/demonstrator vehicle finance	(3,579)	1,588	-	(1,991)
Other loans	(856)	125	-	(731)
Unsecured loan notes	(4,241)	4,241	-	-
	<u>(16,097)</u>	<u>6,546</u>	<u>-</u>	<u>(9,551)</u>
Total	<u>(8,903)</u>	<u>(891)</u>	<u>-</u>	<u>(9,794)</u>

18 Operating lease commitments

At 31 December 2002 the group had annual commitments under non-cancellable operating leases as set out below:

	31 December 2002		31 December 2001	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
- within one year	25	36	-	14
- within two to five years	65	33	25	33
- after more than five years	12	-	12	2
	<u>102</u>	<u>69</u>	<u>37</u>	<u>49</u>

19 Capital commitments

Amounts contracted for but not provided in the group accounts amount to £12,000 (2001: £Nil).

20 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.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2002

21 Post balance sheet events

On 28 February 2003, the company acquired the trade, certain assets and liabilities of the Rochdale BMW and MINI dealerships of Howarth of Rochdale Limited for £2 million.

22 Ultimate controlling party

There is no ultimate controlling party of the company.