

Williams Motor Co. (Holdings) Limited

REPORT AND ACCOUNTS

31 December 2007

Registered number: 597708

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COMPANIES HOUSE

Williams Motor Co. (Holdings) Limited

Company Information

Directors

Mrs M M Orton Williams, BA
N J Cook, BSc, FCCA
N J Dunning
J A Fairbotham, FCA

Secretary

J Roberts

Registered office

6 Hadfield Street
Cornbrook
Manchester
M16 9FG

Bankers

The Royal Bank of Scotland
Corporate Banking
6th Floor
1 Spinningfields Square
Manchester
M3 3AP

Auditors

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

Williams Motor Co. (Holdings) Limited

Directors' Report

The directors have pleasure in presenting their report and audited accounts for the year ended 31 December 2007

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

The Group's key financial and other performance indicators during the year were as follows

	2007 £000	2006 £000	Change %
Turnover	270,159	249,676	8
Gross Profit	32,581	29,922	9
Operating profit	5,764	5,766	0
Profit before taxation	4,020	4,533	-11
Shareholder's funds	27,100	24,902	9
Average number of employees	571	522	9

2007 and 2006 have reflected a decrease in profitability after more than a decade of profit growth. The primary reason for this has been the continued over supply of new BMW products into the UK market, this resulting in a sharp decline in new car margins in 2006 and a further decline in 2007.

This was countered by a strong performance from new MINI, increased used car volumes and growth in sales of finance and insurance products.

The contribution from aftersales rose markedly, service absorption rising from 72.9% to 84.8%.

2007 saw a full year's trading from the Group's landmark dealership in Rochdale which opened in 2006, business levels and profitability reflecting a significant increase year on year.

2008 is anticipated to be another difficult year due to the worldwide squeeze on credit, with no growth in the new car market expected. Against this backdrop, profitability should benefit from a full year's production of the new models launched during 2007 and to be introduced in 2008.

Results and dividends

Group turnover amounted to £270.2 million (2006 £249.7million) and the profit before taxation was £4.0million (2006 £4.5 million). After providing for dividends and taxation, the retained profit of £2.2 million (2006 £2.3million) has been added to reserves.

The directors recommended and paid an interim dividend of £287,535 and a final dividend for 2006 of £457,441 during the year. In accordance with Financial Reporting Standards the proposed final dividend for 2007 will be paid and accounted for in 2008.

On 31 March 2006 the trade and assets of Williams Rochdale Limited were transferred to Williams Motor Co (Holdings) Limited. From 1 April 2006, its results were accounted for in the parent company.

Williams Motor Co. (Holdings) Limited

Directors' Report

Principal risks and uncertainties

Competitive pressure in the UK motor industry is set to continue and this, together with BMW's retail volume targets, is likely to result in reduced margins for the foreseeable future. There are some early signs of improvement, however, due to large corporate/leasing company accounts now being negotiated centrally by BMW. The Group will therefore continue to focus on areas within its control and look for further growth in the areas of finance, used cars and aftersales.

In 2008 the Group will continue its dealership development programme, a new dealership in Bolton being scheduled to be completed by November. This investment programme will result in higher borrowings, the necessary facilities already being in place. The Group has hedged against future interest rate rises having entered into an interest rate swap of £5.4m at a base rate of 4.58% until October 2008 and a base rate cap of £2.1m at 6.5% until October 2011. Cover will be reviewed on an ongoing basis as part of the Group's management of risk.

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 2007 were £3,395 (2006 £4,473). Of these donations £2,850 were for educational purposes and £545 was for social assistance. There were no donations for political purposes in the year.

Directors and their interests

The directors of the company at 31 December 2007 and their interests in the shares of the company, as recorded in the register of directors' interests, were as follows:

		Shareholdings at 31 December 2007		Shareholdings at 31 December 2006	
		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
J A Fairbotham		-	-	-	-
Mrs M M Orton Williams	) as	110	20,064	19	14,100
N J Cook	) trustees	110	20,064	19	14,100

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

Future developments and post balance sheet events

During 2008 the Group has commenced the build of new premises in Bolton, this being scheduled for completion in November 2008

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors

Auditors

The directors resolved that Baker Tilly UK Audit LLP be reappointed auditor in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office

On behalf of the Board



J Roberts
Secretary

19 May 2008

Williams Motor Co. (Holdings) Limited

Directors' responsibilities in the preparation of financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 and other irregularities

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

We have audited the financial statements on pages 7 to 28

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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs at 31 December 2007 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
Brazenose House
Lincoln Square
Manchester
M2 5BL

2 June 2008

Williams Motor Co. (Holdings) Limited

Group Profit and Loss Account

for the year ended 31 December 2007

	Note	2007 £000	2006 £000
Turnover	1	270,159	249,676
Cost of sales		(237,578)	(219,754)
Gross profit		<u>32,581</u>	<u>29,922</u>
Selling and distribution costs		(6,999)	(6,289)
Administrative expenses		(19,818)	(17,867)
Operating profit	2	<u>5,764</u>	<u>5,766</u>
Interest payable (net)	5	(1,744)	(1,233)
Profit on ordinary activities before taxation		<u>4,020</u>	<u>4,533</u>
Taxation	6	(1,286)	(1,564)
Profit for the financial year		<u><u>2,734</u></u>	<u><u>2,969</u></u>

All of the activities of the group are classed as continuing

The notes on pages 11 to 28 form part of these accounts

Williams Motor Co. (Holdings) Limited

Group Statement of Total Recognised Gains & Losses for the year ended 31 December 2007

	Note	2007 £000	2006 £000
Profit for the financial year		2,734	2,969
Dividends paid	7	(745)	(719)
Movement in actuarial deficit in the pension scheme	4	308	122
Deferred tax relating to the actuarial movement on the pension scheme		(99)	(97)
Total gains relating to the year		<u>2,198</u>	<u>2,275</u>

Williams Motor Co. (Holdings) Limited

Balance Sheet

31 December 2007

		Group		Company	
	Note	2007 £000	2006 £000	2007 £000	2006 £000
Fixed Assets					
Goodwill	8	2,083	2,448	33	250
Tangible assets	9	28,470	28,420	28,361	28,289
Investments	10	-	-	6,636	6,636
		<u>30,553</u>	<u>30,868</u>	<u>35,030</u>	<u>35,175</u>
Current Assets					
Stocks	11	48,942	33,528	44,664	27,662
Debtors	12	8,283	10,307	7,721	9,612
Cash at bank and in hand		32	7	32	7
		<u>57,257</u>	<u>43,842</u>	<u>52,417</u>	<u>37,281</u>
Creditors: amounts falling due within one year	13a	(43,631)	(31,861)	(50,975)	(37,247)
Net current assets		<u>13,626</u>	<u>11,981</u>	<u>1,442</u>	<u>34</u>
Total assets less current liabilities		<u>44,179</u>	<u>42,849</u>	<u>36,472</u>	<u>35,209</u>
Creditors: amounts falling due after more than one year	13b	(16,686)	(17,594)	(16,686)	(17,594)
Provisions for liabilities and charges					
Deferred Taxation	14	(393)	(353)	(394)	(356)
		<u>27,100</u>	<u>24,902</u>	<u>19,392</u>	<u>17,259</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	26,715	24,517	19,007	16,874
Equity shareholders' funds	15	<u>27,100</u>	<u>24,902</u>	<u>19,392</u>	<u>17,259</u>

The accounts on pages 7 to 28 were approved by the board of directors and authorised for issue on 19 May 2008 and are signed on its behalf by

M M Orton Williams

N J Cook

} Directors

Margaret Orton Williams
N J Cook

The notes on pages 11 to 28 form part of these accounts

Williams Motor Co. (Holdings) Limited

Group Cash Flow Statement

for the year ended 31 December 2007

	Note	2007 £000	2006 £000
Net cash inflow from operating activities	18	9,170	2,858
Returns on investments and servicing of finance			
Interest received		19	34
Interest paid		(1,731)	(1,282)
Interest element of finance lease rental payments		(78)	(25)
Net return on the pension scheme		46	40
		(1,744)	(1,233)
Taxation			
UK corporation tax paid		(1,696)	(1,345)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(953)	(5,963)
Receipts from sales of tangible fixed assets		55	16
		(898)	(5,947)
Equity dividends paid		(745)	(719)
Financing			
New loans		-	3,756
Repayment of loans		(924)	(888)
Movement on vehicle finance loans		(20)	(1,225)
Capital element of finance lease rental payments		(114)	(195)
		(1,058)	1,448
Increase/(decrease) in cash	18	3,029	(4,938)

Further details are given in note 18

The notes on pages 11 to 28 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 installments 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 ten 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 between 5 and 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. Cost of vehicles and parts stock represents the purchase price plus any additional costs incurred. Where necessary, provision is made for obsolete, slow moving and defective stock.

Vehicles on consignment are included in stock when substantially all of the principal benefits and inherent risks rest with the Group. The corresponding liability is included under creditors.

Williams Motor Co. (Holdings) Limited

Accounting Policies

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

The pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond. Any increase in the present value of liabilities within the Group's defined benefit scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income/costs. Actuarial gains and losses are recognised in the consolidated statement of total recognised gains and losses. (See note 4 for further details.)

Money purchase pension scheme

Contributions are charged to the profit and loss account as they fall due. (See note 4 for further details.)

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2007

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

	2007 £000	2006 £000
Operating profit is stated after charging		
Auditors' remuneration		
- audit	43	43
- other	53	39
Amortisation of goodwill	365	365
Depreciation		
- owned	776	744
- leased	80	111
Operating lease rentals		
- plant and machinery	100	115
- land and buildings	262	229
(Profit) / loss on disposal of fixed assets	(8)	3

3 Directors and employees

Group staff costs (including directors' remuneration) during the year were as follows	2007 £000	2006 £000
Wages and salaries	16,335	14,147
Social security costs	1,778	1,592
Pension costs	521	517
	18,634	16,256

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

	2007 Number	2006 Number
Production	125	121
Sales and distribution	340	311
Administration	106	90
	571	522

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2007

3 Directors and employees (*continued*)

The total amounts for parent company directors' remuneration (excluding pension contributions) were as follows:	2007	2006
	£000	£000
Fees	63	57
Executive remuneration and benefits	450	470
	<u>513</u>	<u>527</u>

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

2	2
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One director (2006 one) has benefits accruing under a Group Personal Pension scheme Pension contributions of £11,091 (2006 £10,769) were made on behalf of this director

Highest paid director

	2007	2006
	£000	£000
Emoluments	323	336
Accrued pension at year end – defined benefit scheme - per annum	52	48

4 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.

Defined contribution scheme

Contributions funding the defined contribution part of the scheme are recognised in the profit and loss account as paid

Defined benefit scheme

The directors have adopted the accounting treatment prescribed by Financial Reporting Standard 17 "Retirement benefits" with effect from 1 January 2005 The accounting treatment for the scheme is as detailed in the accounting policies note

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2007

4 Pension costs (*continued*)

A full valuation was carried out as at 30 June 2006 and updated to 31 December 2007 by a qualified independent actuary. The assumptions used by the actuary were

	31 December 2007	31 December 2006
Rate of increase in salaries	4.00%	5.15%
Discount rate	5.80%	5.15%
Inflation assumption	3.40%	3.15%
LPI pension increases	3.40%	3.15%

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

	Long term rate of return expected at 31 Dec 2007	Long term rate of return expected at 31 Dec 2006	Value at 31 December 2007 £000	Value at 31 December 2006 £000	Value at 31 December 2005 £000	Value at 31 December 2004 £000	Value at 31 December 2003 £000
Equities	7.50%	7.50%	2,113	2,034	1,667	1,403	879
Gilts	4.50%	4.50%	234	213	190	310	244
Corporate bonds	5.80%	5.15%	498	494	444	-	-
Cash and other	5.50%	4.75%	15	17	-	-	-
Total market value of assets			2,860	2,758	2,301	1,713	1,123
Present value of scheme liabilities			(2,604)	(2,831)	(2,698)	(2,135)	(1,758)
Deficit in the scheme			256	(73)	(397)	(422)	(635)
Related deferred tax (liability) / asset			(77)	22	119	127	191
			179	(51)	(278)	(295)	(444)

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2007

4 Pension costs (continued)

	2007 £000	2006 £000	2005 £000	2004 £000	2003 £000
Analysis of amount charged to operating profit					
Current service cost	(68)	(74)	(53)	(40)	(37)
Past service cost	-	-	-	-	-
Total operating charge	(68)	(74)	(53)	(40)	(37)
Analysis of the amount credited to other finance income					
Expected return on pension scheme assets	189	163	130	81	62
Interest cost	(143)	(123)	(115)	(108)	(86)
Net return / (cost)	46	40	15	(27)	(24)
Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)					
Actual return less expected return on pension scheme assets	(103)	67	183	218	66
Experience gains and losses arising on the scheme liabilities	13	7	(1)	-	(3)
Changes in assumptions underlying the scheme liabilities	398	48	(154)	(37)	(353)
Recognition of potential GMP underpin liability	-	-	-	(210)	-
Actuarial gain / (loss) recognised in STRGL	308	122	28	(29)	(290)

	2007 £000	2006 £000
Movement in deficit during the year		
Deficit in scheme at beginning of the year	(51)	(278)
Movement in year		
Increase in GMP underpin liability	-	(10)
Current service cost	(68)	(74)
Contributions	43	246
Net return on assets	46	40
Actuarial gain	308	122
Movement on deferred tax relating to pension scheme deficit	(99)	(97)
Surplus / (deficit) in scheme at the end of the year	179	(51)

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2007

4 Pension costs (*continued*)

Pension contribution rates

Under the final salary section of the plan, members' contributions were increased on 1 November 2007 from 7% to 9% of pensionable pay. Employer's contributions were increased from 12.5% to 14.6% of pensionable pay.

Contributions to the money purchase section of the plan were discontinued during 2005, this element being replaced by a new Group Personal Pension Scheme. Employer's contributions to this scheme are at varying rates between 4.5% and 12.5% dependent on job position.

5 Interest payable (net)

	2007	2006
	£000	£000
Interest receivable		
Bank interest receivable	19	34
Net return on pension scheme	46	40
Interest receivable	65	74
Interest payable		
Bank loans and overdrafts	(1,434)	(1,173)
Vehicle stocking finance	(297)	(109)
Finance lease and hire purchase contracts	(78)	(25)
Interest payable	1,809	(1,307)
Interest payable (net)	(1,744)	(1,233)

6 (a) Taxation

	2007	2006
	£000	£000
Corporation tax		
UK corporation tax at 30 % (2006: 30%)	1,234	1,442
Corporation tax under / (over) provided in prior years	12	32
	1,246	1,474
Deferred tax		
Current year	23	91
Deferred tax under / (over) provided in prior years	17	(1)
	40	90
	1,286	1,564

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2007

6 Tax - continued

(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% (2006 : 30%) is as follows

	2007	2006
	£000	£000
Profit on ordinary activities before tax	4,020	4,533
Profit on ordinary activities multiplied by rate of tax (30%)	1,206	1,360
Excess of depreciation over capital allowances	(84)	(169)
Expenses not deductible for tax purposes	93	136
Tax chargeable at lower rates	(12)	(1)
Other short term timing differences	31	116
Under / (over) provision in the prior years	12	32
Total current tax (note 6(a))	1,246	1,474

7 Dividends

	2007	2006
	£000	£000
Interim ordinary 110% (2006.100%) paid	287	261
Final ordinary: 175% paid (2006 : 175%)	458	458
Dividends to equity shareholders	745	719

The final dividend paid in the year relates to profits earned during the year to 31 December 2006

The directors recommend a final dividend for 2007 of £457,441. If approved by the shareholders, the final dividend will be paid on 1 July 2008. In accordance with Financial Reporting Standards, the final dividend declared for 2007 will be accounted for in 2008.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2007

8 Goodwill

	Group £000	Company £000
Cost or valuation		
At 1 January 2007	4,035	1,088
At 31 December 2007	4,035	1,088
Amortisation		
At 31 December 2006	1,587	838
Charge for year	365	217
At 31 December 2007	1,952	1,055
Net book value		
At 31 December 2007	2,083	33
At 31 December 2006	2,448	250

9 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 2007	10,131	16,929	6,006	230	33,296
Additions	473	114	304	62	953
Disposals	-	-	(457)	(75)	(532)
At 31 December 2007	10,604	17,043	5,853	217	33,717
Depreciation					
At 1 January 2007	385	537	3,799	155	4,876
Charge for year	61	181	576	38	856
Disposals	-	-	(456)	(29)	(485)
At 31 December 2007	446	718	3,919	164	5,247
Net book value					
At 31 December 2007	10,158	16,325	1,934	53	28,470
At 31 December 2006	9,746	16,392	2,207	75	28,420

The net book value of plant and machinery above includes £91,000 (2006 £172,000) 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 2007

9 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 2007	10,131	16,929	5,791	230	33,081
Additions	473	114	283	62	932
Transfers to subsidiary	-	-	-	(36)	(36)
Disposals	-	-	(457)	(39)	(496)
At 31 December 2007	10,604	17,043	5,617	217	33,481
Depreciation					
At 1 January 2007	385	537	3,715	155	4,792
Charge for year	61	181	533	38	813
Transfers to subsidiary	-	-	-	(13)	(13)
Disposals	-	-	(456)	(16)	(472)
At 31 December 2007	446	718	3,792	164	5,120
Net book value					
At 31 December 2007	10,158	16,325	1,825	53	28,361
At 31 December 2006	9,746	16,392	2,076	75	28,289

The net book value of plant and machinery above includes £91,000 (2006 £172,000) in respect of assets held under finance leases and hire purchase agreements

10 Fixed asset investments

	2007 £000	2006 £000
Shares in subsidiary companies		
Cost		
At 1 January and 31 December	6,636	6,636

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2007

10 Fixed asset investments (*continued*)

The under mentioned 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.

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%	Dormant
Williams Motor Company (Manchester) Ltd	UK	Ordinary	100%	Dormant
Williams Rochdale Ltd	UK	Ordinary	100%	Dormant
Orlando Street Bridge (Bolton) Ltd	UK	Ordinary	100%	Dormant
Nine Gorrells Way Ltd	UK	Ordinary	100%	Dormant

11 Stocks

	Group		Company	
	2007 £000	2006 £000	2007 £000	2006 £000
Vehicles	47,586	32,270	43,392	26,511
Parts and other stocks	1,356	1,258	1,272	1,151
	<u>48,942</u>	<u>33,528</u>	<u>44,664</u>	<u>27,662</u>

The Group's stock of new vehicles are held on consignment from the manufacturers and are included within the balance sheet as consignment stock. Stocks of vehicles for the group shown above include £9,740,000 (2006 £6,234,000) in respect of vehicles held on consignment. Stocks of vehicles held under short term leases were £Nil (2006 £254,000). The corresponding liabilities are shown under creditors.

12 Debtors

	Group		Company	
	2007 £000	2006 £000	2007 £000	2006 £000
Due within one year				
Trade debtors	4,872	5,213	4,567	4,972
Amounts owed by group undertakings	-	-	-	-
Other debtors	763	1,328	670	1,027
Pension scheme surplus	179	-	179	-
Prepayments and accrued income	2,469	3,766	2,305	3,613
	<u>8,283</u>	<u>10,307</u>	<u>7,721</u>	<u>9,612</u>

Williams Motor Co. (Holdings) Limited

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

	Group		Company	
	2007	2006	2007	2006
	£000	£000	£000	£000
Bank loans and overdraft	4,959	7,963	4,708	7,804
Payments on account	739	887	667	778
New car stocking finance loans	9,714	6,198	7,864	2,968
Used/demonstrator vehicle finance loans	1,282	1,302	896	476
Rental vehicle finance	-	254	-	254
Trade creditors	22,059	9,383	21,256	8,646
Amounts owed to group undertakings	-	-	11,007	10,597
Other creditors	918	992	867	984
Pension scheme deficit	-	51	-	51
Other loans	200	224	200	224
Corporation tax	495	945	420	882
Other taxation and social security costs	702	924	599	915
Accruals and deferred income	2,555	2,624	2,483	2,554
Finance leases and hire purchase contracts	8	114	8	114
	<u>43,631</u>	<u>31,861</u>	<u>50,975</u>	<u>37,247</u>

The bank loans and overdraft facility are secured by fixed and floating charges 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

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

	Group		Company	
	2007	2006	2007	2006
	£000	£000	£000	£000
Bank loans	16,686	17,386	16,686	17,386
Other loans	-	200	-	200
Finance leases and hire purchase contracts	-	8	-	8
	<u>16,686</u>	<u>17,594</u>	<u>16,686</u>	<u>17,594</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2007

13 (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	
	2007	2006	2007	2006
	£000	£000	£000	£000
In one year or less	8	114	8	114
Between one and two years	-	8	-	8
Between two and five years	-	-	-	-
	<u>8</u>	<u>122</u>	<u>8</u>	<u>122</u>

Bank loans

The maturity of these amounts is as follows

	Group		Company	
	2007	2006	2007	2006
	£000	£000	£000	£000
In one year or less	700	700	700	700
Between one and two years	12,836	12,836	12,836	12,836
Between two and five years	3,850	4,550	3,850	4,550
After five years	-	-	-	-
	<u>17,386</u>	<u>18,086</u>	<u>17,386</u>	<u>18,086</u>

The group has four bank loan arrangements in place £5,250,000 repayable by annual instalments of £700,000 and a final payment of £3,150,000 in 2011. Loans of £3,310,000, £2,601,000, £2,469,000 and £3,756,000 are repayable in full in December 2009. Interest is payable on all loans at a rate of 1.25% over the bank base rate.

The group has entered into an interest rate swap agreement of £4,700,000 at a base rate of 4.58% until October 2008 and a base rate cap of £2,800,000 at 6.5% until October 2011.

Other loans

The maturity of these amounts is as follows

	Group		Company	
	2007	2006	2007	2006
	£000	£000	£000	£000
In one year or less	200	224	200	224
Between one and two years	-	200	-	200
Between two and five years	-	-	-	-
	<u>200</u>	<u>424</u>	<u>200</u>	<u>424</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2007

14 Deferred taxation

	Group £000	Company £000
At 31 December 2006	353	356
Charged in the year	40	38
At 31 December 2007	<u>393</u>	<u>394</u>

Provision for deferred tax has been made up as follows

	Group		Company	
	2007 £000	2006 £000	2007 £000	2006 £000
Excess of depreciation over capital allowances	559	493	560	494
Short term timing differences	(166)	(140)	(166)	(138)
	<u>393</u>	<u>353</u>	<u>394</u>	<u>356</u>

15 Reconciliation of shareholders' funds

	Group		Company	
	2007 £000	2006 £000	2007 £000	2006 £000
Balance at 1 January 2007	24,902	22,627	17,259	15,246
Profit for the financial year	2,734	2,969	2,669	2,707
Dividends paid (and proposed in 2007)	(745)	(719)	(745)	(719)
Actuarial gain on pension scheme	308	122	308	122
Deferred tax movement relating to the pension scheme	(99)	(97)	(99)	(97)
Net addition to shareholders' funds	<u>2,198</u>	<u>2,275</u>	<u>2,133</u>	<u>2,013</u>
Closing shareholders' funds	<u>27,100</u>	<u>24,902</u>	<u>19,392</u>	<u>17,259</u>

All shareholders' funds are classed as equity

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2007

16 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2007 Number	2006 Number	2007 Number	2006 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 2007	124	24,517	124	16,874
Retained profit for the year	-	1,989	-	1,924
Actuarial gain recognised in pension scheme	-	308	-	308
Movement in deferred tax relating to pension liability	-	(99)	-	(99)
At 31 December 2007	<u>124</u>	<u>26,715</u>	<u>124</u>	<u>19,007</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 £2,669,000 (2006 £2,707,000), which has been dealt with in the accounts of the parent undertaking.

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18 Cash flow statement

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

	2007 £000	2006 £000
Operating profit	5,764	5,766
Depreciation	856	855
Amortisation	365	365
(Profit) / loss on sale of fixed assets	(8)	3
Increase in stocks	(15,414)	(5,764)
Decrease / (increase) in debtors	2,203	(423)
Increase in creditors	15,425	2,258
FRS 17 effect on pension costs	(21)	(202)
Net cash inflow from operating activities	9,170	2,858

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

	2007 £000	2006 £000
Increase / (decrease) in cash	3,029	(4,938)
Capital element of finance lease and hire purchase rentals	114	195
Change in net debt resulting from cash flows	3,143	(4,743)
New loans	-	(3,756)
Repayment of loans	944	2,113
Movement in net debt	4,087	(6,386)
Net debt at 1 January 2007	(27,190)	(20,804)
Net debt at 31 December 2007	(23,103)	(27,190)

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Notes to the accounts

for the year ended 31 December 2007

18 Cash flow statement (*continued*)

c) Analysis of changes in net debt

	At 31 December 2006 £000	Cash flow £000	At 31 December 2007 £000
Cash at bank and in hand	7	25	32
Bank overdraft	(7,263)	3004	(4,259)
	(7,256)	3,029	(4,227)
Finance leases and hire purchase agreements	(122)	114	(8)
Bank loan	(18,086)	700	(17,386)
Used/demonstrator vehicle finance	(1,302)	20	(1,282)
Other loans	(424)	224	(200)
	(19,934)	1,058	(18,876)
Total	(27,190)	4,087	(23,103)

19 Operating lease commitments

At 31 December 2007 the group had annual commitments under non-cancellable operating leases as set out below

	31 December 2007		31 December 2006	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
- within one year	155	12	100	9
- within two to five years	58	13	145	73
- after more than five years	-	-	-	-
	213	25	245	82

20 Capital commitments

Amounts contracted for but not provided in the group accounts amount to £6,767,000 (2006 £240,000)

21 Contingent liabilities

The company has entered into cross guarantees in respect of the bank borrowings of its subsidiary companies, Williams Motor Company Limited, Williams (Bolton) Limited, Williams Motor Company (Manchester) Limited and Williams Rochdale Limited. These guarantees are unlimited. The total group bank borrowings as at 31 December 2007 were £21,645,000 (2006: £25,349,000)

Williams Motor Co. (Holdings) Limited

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22 Related party transactions

The company has chosen to take advantage of the exemption provided under FRS 8 "Related party transactions" from disclosing transactions with group companies

No other transactions have occurred which would require disclosure under FRS 8

23 Ultimate controlling party

There is no ultimate controlling party of the company