

Williams Motor Co. (Holdings) Limited

REPORT AND ACCOUNTS

31 December 2009

Registered number: 597708



A43 "A5MZRJLV" 255
30/04/2010
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
A M Dunning, BA

Secretary

J Roberts

Registered office

2 Vincent Way
Rakes Lane
Bolton
BL3 2NB

Bankers

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

Auditors

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Williams Motor Co. (Holdings) Limited

Directors' Report

The directors have pleasure in presenting their report and audited accounts for the year ended 31 December 2009

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 and future developments

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

	2009 £000	2008 £000	Change %
Turnover	223,060	244,418	-8.7
Gross Profit	28,876	26,422	+9.3
Operating profit	4,557	849	+436.7
Profit/(loss) before taxation	3,640	(635)	+673.2
Shareholders' funds	27,740	25,825	+7.4
Average number of employees	492	573	-14.1

Whilst market conditions remained difficult in 2009, the company achieved a substantial turnaround from the 2008 loss

This was largely achieved as a result of cost reductions made in late 2008, early 2009, headcount falling by 14% to 492 employees

The company also operated with considerably less working capital, this falling by 64% on average during the year and resulting in interest savings of £0.6m

BMW new car sales volumes were down 13%, MINI were up 21% and Land Rover were down 6%. Used car sales, whilst down in volume, more than made up for this in terms of profit contribution due to the increase in residual values following the significant falls in 2008

Aftersales held up well, considering the lower vehicle volumes and reflected an increased profit contribution due to the lower cost base

Looking forward to 2010, whilst the UK economy is slowly emerging from recession, the new car market is predicted to fall further. The increase in VAT, the introduction of a showroom tax, the withdrawal of the Government's scrappage scheme and an impending election all points to another year of difficult trading conditions

Results and dividends

Group turnover amounted to £223.1 million (2008 £244.4 million) and the profit before taxation was £3.6 million (2008 loss (£0.6) million). After providing for dividends, taxation and an actuarial loss on the pension scheme, the profit of £1.9 million (2008 loss (£1.3) million) has been transferred to reserves.

During the year the directors recommended and paid an interim dividend of £287,000 for 2009 and a special dividend to celebrate the Group's centenary of £262,000

Williams Motor Co. (Holdings) Limited

Directors' Report

Principal risks and uncertainties

The group operates franchised motor vehicle dealerships which are awarded by the vehicle manufacturers. They also provide sales incentives, warranty and other programmes to promote and support vehicle sales and other products and services.

With the UK slowly coming out of recession, indications are that the difficult market conditions are set to continue and this is likely to result in reduced volumes and margins for the foreseeable future. The Group will therefore continue to focus on areas within its control and look to minimise its cost base whilst optimising performance.

The Group completed the latest stage of its dealership development programme, relocating to a new dealership in Bolton in February 2009. Further developments have been put on hold until the market conditions improve. Despite this investment, borrowings decreased during the year due to the reduction in working capital, which enabled term loans of £4.5m to be repaid. The Group has hedged against future interest rate rises having entered into interest rate swaps totalling £15.0m at a fixed rate linked to the London Interbank Offered Rate (LIBOR) of 4.25% 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.

Charitable and political donations

Donations for charitable purposes in 2009 were £2,815 (2008: £8,777). There were no donations for political purposes in the year.

Directors and their interests

The directors of the company at 31 December 2009 and their interests in the shares of the company, as recorded in the register of directors' interests, were as follows:

		Shareholdings at 31 December 2009		Shareholdings at 31 December 2008	
		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	20,686	110	20,064
N J Cook	) trustees	110	20,686	110	20,064

On 1 January 2010 A M Dunning was appointed a director of the company.

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

A Directors' and Officers' liability policy was in place during the financial 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

There were no material events which occurred post the balance sheet date During 2010, the Group plans to refurbish its showroom facilities in Liverpool

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 has 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 in accordance with the provisions of the Companies Act 2006 s485 Baker Tilly Audit UK LLP has indicated its willingness to continue in office

On behalf of the Board



J Roberts
Secretary

15 April 2010

Williams Motor Co. (Holdings) Limited

Directors' responsibilities in the preparation of financial statements

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the group profit or loss for that period. In preparing these financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for 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 group and parent company financial statements on pages 7 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As more fully explained in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

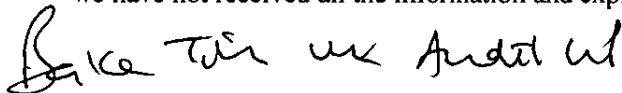
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



DALE THORPE (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester M3 3HF

23 April 2010

Williams Motor Co. (Holdings) Limited
Group Profit and Loss Account
for the year ended 31 December 2009

	Note	2009 £000	2008 £000
Turnover	1	223,060	244,418
Cost of sales		(194,184)	(217,996)
Gross profit		<u>28,876</u>	<u>26,422</u>
Selling and distribution costs		(5,431)	(6,892)
Administrative expenses		(18,888)	(18,681)
Operating profit	2	<u>4,557</u>	<u>849</u>
Interest payable (net)	5	(917)	(1,484)
Profit/(loss) on ordinary activities before taxation		<u>3,640</u>	<u>(635)</u>
Taxation	6	(1,117)	316
Profit/(loss) for the financial year		<u><u>2,523</u></u>	<u><u>(319)</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 2009

	Note	2009 £000	2008 £000
Profit/(loss) for the financial year		2,523	(319)
Movement in actuarial deficit in the pension scheme	4	(81)	(284)
Deferred tax relating to the actuarial movement on the pension scheme		22	73
Total gains/(losses) relating to the year		<u>2,464</u>	<u>(530)</u>

Williams Motor Co. (Holdings) Limited

Balance Sheet

31 December 2009

		Group		Company	
	Note	2009 £000	2008 £000	2009 £000	2008 £000
Fixed Assets					
Goodwill	8	1,755	1,903	-	-
Tangible assets	9	36,991	35,922	36,895	35,792
Investments	10	-	-	6,636	6,636
		<u>38,746</u>	<u>37,825</u>	<u>43,531</u>	<u>42,428</u>
Current Assets					
Stocks	11	24,800	32,243	22,843	28,081
Debtors	12	6,550	6,704	6,213	6,401
Cash at bank and in hand		2,280	6	3,051	6
		<u>33,630</u>	<u>38,953</u>	<u>32,107</u>	<u>34,488</u>
Creditors: amounts falling due within one year	13a	(29,530)	(32,490)	(40,116)	(39,779)
Net current assets/(liabilities)		<u>4,100</u>	<u>6,463</u>	<u>(8,009)</u>	<u>(5,291)</u>
Total assets less current liabilities		<u>42,846</u>	<u>44,288</u>	<u>35,522</u>	<u>37,137</u>
Creditors: amounts falling due after more than one year	13b	(14,481)	(18,006)	(14,481)	(18,006)
Provisions for liabilities and charges					
Deferred Taxation	14	(625)	(457)	(633)	(513)
		<u>27,740</u>	<u>25,825</u>	<u>20,408</u>	<u>18,618</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	27,355	25,440	20,023	18,233
Equity shareholders' funds	15	<u>27,740</u>	<u>25,825</u>	<u>20,408</u>	<u>18,618</u>

The accounts on pages 7 to 28 were approved by the board of directors and authorised for issue on 15 April 2010 and are signed on its behalf by

M M Orton Williams

N J Cook

)
) Directors
)

Margaret Orton W
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 2009

	Note	2009 £000	2008 £000
Net cash inflow from operating activities	18	12,096	10,169
Returns on investments and servicing of finance			
Interest received		148	225
Interest paid		(1,017)	(1,706)
Interest element of finance lease rental payments		(43)	(51)
Net return on the pension scheme		(5)	48
		(917)	(1,484)
Taxation			
UK corporation tax received/(paid)		369	(483)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(2,085)	(8,013)
Receipts from sales of tangible fixed assets		39	27
		(2,046)	(7,986)
Equity dividends paid		(549)	(745)
Financing			
New loans		1,000	2,250
Repayment of loans		(4,800)	(900)
Movement on vehicle finance loans		(2,843)	3,241
New finance leases		124	32
Capital element of finance lease rental payments		(7)	(14)
		(6,526)	4,609
Increase in cash	18	2,427	4,080

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 408 of the Companies Act 2006.

Basis of consolidation

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

Going concern

The company's business activities, together with factors likely to affect future development, performance and position are set out in the Directors' report.

The company has a strong balance sheet and diversified income streams. As a consequence the company is well placed to manage its business risks despite the uncertain economic outlook.

The directors believe that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents the value of goods and services, excluding value added tax, invoiced to third parties. Income is recognised when vehicles are delivered or paid for in full, when parts have been supplied and services have been provided.

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 equipment	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.

Impairment

The carrying values of tangible and intangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

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.

Williams Motor Co. (Holdings) Limited

Accounting Policies

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. Cars used for demonstration purposes are valued at cost less an appropriate charge for use.

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.

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 2009

1 Turnover

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 prejudicial to the business

2 Operating profit

	2009 £000	2008 £000
Operating profit is stated after charging		
Auditors' remuneration		
- audit of the parent company	37	37
- audit of subsidiary companies	8	8
- taxation compliance	16	16
- other tax advisory services	22	46
Amortisation of goodwill	148	180
Depreciation	983	536
Operating lease rentals		
- plant and machinery	41	62
- land and buildings	102	252
Profit on disposal of fixed assets	(6)	(2)

3 Directors and employees

Group staff costs (including directors' remuneration) during the year were as follows	2009 £000	2008 £000
Wages and salaries	14,605	16,340
Social security costs	1,575	1,738
Pension costs	517	491
	16,697	18,569

The monthly average number of persons, including directors, employed by the Group during the year was	2009 Number	2008 Number
Production	120	130
Sales and distribution	284	341
Administration	88	102
	492	573

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2009

3 Directors and employees (*continued*)

The total amounts for parent company directors' remuneration (excluding pension contributions) were as follows	2009 £000	2008 £000
Fees	53	53
Executive remuneration and benefits	497	316
	<u>550</u>	<u>369</u>

Number of directors to whom retirement benefits are accruing under defined benefit pension schemes in respect of qualifying services	<u>2</u>	<u>2</u>
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One director (2008 one) has benefits accruing under a Group Personal Pension scheme Pension contributions of £11,593 (2008 £11,424) were made on behalf of this director

Highest paid director

	2009 £000	2008 £000
Emoluments	348	197
Accrued pension at year end – defined benefit scheme - per annum	<u>59</u>	<u>55</u>

4 Pension costs

The Group operates a defined contribution pension scheme whose assets are held separately from those of the Group in an independently administered fund The pension cost charge represents contributions payable by the group and amounted to £412,000 (2008 - £402,000)

Contributions totalling £38,000 (2008 - £34,000) were payable to the fund at the year end and are included in creditors

The Group also operates a defined benefit scheme in the UK A full actuarial valuation was carried out at 30 June 2006 and updated to 31 December 2009 by a qualified independent actuary The major assumptions used by the actuary were

	2009 %	2008 %	2007 %
Discount rate at 31 December	5.70	6.70	5.80
Inflation	3.00	2.70	3.40
Future salary increases	3.00	3.30	4.00
Future pension increases	3.00	2.70	3.40
Expected returns on plan assets at 31 December			
Equities	7.50	6.70	7.50
Gilts	4.50	3.70	4.50
Corporate Bonds	5.70	6.70	5.80
Cash and other	0.50	2.00	5.50

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2009

4 Pension costs (continued)

The mortality assumptions used in the valuation of the pension liabilities were -

	2009	2008
Pre retirement mortality (non pensioners)	PA92 C2020	PA92 C2020
Post retirement mortality (non pensioners)	PA92 C2020	PA92 C2020
Post retirement mortality (pensioners)	PA92 C2010	PA92 C2010

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets

	2009	2008
	£000	£000

Analysis of amount charged to operating profit

Current service cost	(39)	(58)
Total operating charge	<u>(39)</u>	<u>(58)</u>

Analysis of amount charged to other finance income

Expected returns on pension scheme assets	143	200
Interest on pension scheme liabilities	(148)	(152)
Net (cost)/return	<u>(5)</u>	<u>48</u>

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

Actual return less expected return on pension scheme assets	338	(846)
Experience gains and losses arising on scheme liabilities	113	(11)
Changes in assumptions underlying the present value of the scheme liabilities	(532)	573
Actuarial (loss) recognised in STRGL	<u>(81)</u>	<u>(284)</u>

2009	2008
£000	£000

Changes in the present value of the defined benefit obligation

Opening defined benefit obligation	2,229	2,604
Service cost	39	58
Interest cost	148	152
Contributions by scheme participants	6	8
Actuarial losses/(gains)	419	(562)
Benefits paid	(90)	(31)
Closing defined benefit obligation	<u>2,751</u>	<u>2,229</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2009

4 Pension costs (continued)

	2009 £000	2008 £000
<u>Changes in the fair value of plan assets</u>		
Opening plan assets	2,243	2,860
Expected return	143	200
Actuarial gains/(losses)	338	(846)
Contributions by employer	50	52
Contributions by scheme participants	6	8
Benefits paid	(90)	(31)
Closing plan assets	2,690	2,243

The actual return on plan assets was a gain of £481,000 (2008 loss of £646,000)

	2009 £000	2008 £000
Present value of funded obligations	(2,751)	(2,229)
Fair value of plan assets	2,690	2,243
(Deficit)/surplus	(61)	14
Related deferred tax asset/(liability)	18	(4)
Net pension (liabilities)/asset	(43)	10
	Cumulative 2009 £000	Cumulative 2008 £000

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

Actual return less expected return on pension scheme assets	143	(481)
Experience gains and losses arising on scheme liabilities	121	8
Changes in assumptions underlying the present value of the scheme liabilities	296	828
Recognition of GMP underpin liability	(210)	(210)
Actuarial gain recognised in STRGL	350	145
	2009 %	2008 %

Major categories of plan assets as a percentage of fair value of total plan assets

Equities	79	78
Corporate bonds	14	13
Gilts	7	8
Cash and other	-	1
	100%	100%

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2009

4 Pension costs (continued)

	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
Defined benefit obligation	(2,751)	(2,229)	(2,604)	(2,831)	(2,698)
Plan assets	2,690	2,243	2,860	2,758	2,301
Surplus / (deficit)	(61)	14	256	(73)	(397)
Experience adjustments on plan liabilities	113	562	411	55	(155)
Experience adjustments on plan assets	338	(846)	(103)	67	183

5 Interest payable (net)

	2009 £000	2008 £000
Interest receivable		
Bank interest receivable	139	225
Vehicle stocking finance receivable	9	-
Net return on pension scheme	-	48
Interest receivable	148	273
Interest payable		
Bank loans and overdrafts	(984)	(1,371)
Vehicle stocking finance	(33)	(335)
Finance lease and hire purchase contracts	(43)	(51)
Net return on pension scheme	(5)	-
Interest payable	(1,065)	(1,757)
Interest payable (net)	(917)	(1,484)

6 (a) Taxation

	2009 £000	2008 £000
Corporation tax		
UK corporation tax at 28% (2008: 28.5%)	950	-
Corporation tax (over) provided in prior years	(1)	(380)
	949	(380)
Deferred tax		
Current year	199	(14)
Deferred tax (over)/under provided in prior years	(31)	78
	168	64
	1,117	(316)

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2009

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 28% (2008 28.5%) is as follows

	2009 £000	2008 £000
Profit/(loss) on ordinary activities before tax	3,640	(635)
Profit/(loss) on ordinary activities multiplied by rate of tax	1,019	(181)
Excess of depreciation over capital allowances	(110)	(37)
Expenses not deductible for tax purposes	138	166
Tax chargeable at lower rates	(9)	-
Other short term timing differences and unrealised tax losses	(88)	52
Over provision in prior years	(1)	(380)
Total current tax (note 6(a))	949	(380)

7 Dividends

	2009 £000	2008 £000
Interim ordinary 110% (2008 110%) paid	287	287
Special ordinary 100% (2008 0%) paid	262	-
Final ordinary 0% paid (2008 175%)	-	458
Dividends to equity shareholders	549	745

The final dividend paid in 2008 related to profits earned during the year to 31 December 2007

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2009

8 Goodwill

	Group £000	Company £000
Cost or valuation		
At 1 January 2009	4,035	1,088
At 31 December 2009	4,035	1,088
Amortisation		
At 31 December 2008	2,132	1,088
Charge for year	148	-
At 31 December 2009	2,280	1,088
Net book value		
At 31 December 2009	1,755	-
At 31 December 2008	1,903	-

9 Tangible fixed assets

Group	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2009	17,635	17,228	6,569	256	41,688
Additions	729	334	915	107	2,085
Disposals	-	-	(264)	(98)	(362)
At 31 December 2009	18,364	17,562	7,220	265	43,411
Depreciation					
At 1 January 2009	510	905	4,170	181	5,766
Charge for year	170	188	593	32	983
Disposals	-	-	(261)	(68)	(329)
At 31 December 2009	680	1,093	4,502	145	6,420
Net book value					
At 31 December 2009	17,684	16,469	2,718	120	36,991
At 31 December 2008	17,125	16,323	2,399	75	35,922

The net book value of plant and equipment above includes £291,000 (2008 £184,000) in respect of assets held under finance leases and hire purchase agreements. The depreciation charge for the year on these assets was £51,000.

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2009

9 Tangible fixed assets (*continued*)

Company	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2009	17,635	17,228	6,272	256	41,391
Additions	729	334	905	107	2,075
Disposals	-	-	(188)	(98)	(286)
At 31 December 2009	18,364	17,562	6,989	265	43,180
Depreciation					
At 1 January 2009	510	905	4,003	181	5,599
Charge for year	170	188	549	32	939
Disposals	-	-	(185)	(68)	(253)
At 31 December 2009	680	1,093	4,367	145	6,285
Net book value					
At 31 December 2009	17,684	16,469	2,622	120	36,895
At 31 December 2008	17,125	16,323	2,269	75	35,792

The net book value of plant and equipment above includes £291,000 (2008 £184,000) in respect of assets held under finance leases and hire purchase agreements

10 Fixed asset investments

	2009 £000	2008 £000
Shares in subsidiary companies		
Cost		
At 1 January and 31 December	6,636	6,636

Williams Motor Co. (Holdings) Limited

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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
Ian Anthony (Bury) Ltd	UK	Ordinary	100%	Dormant
Ian Anthony (Wilmslow) Ltd	UK	Ordinary	100%	Dormant

11 Stocks

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Vehicles	23,585	30,967	21,741	26,908
Parts and other stocks	1,215	1,276	1,102	1,173
	<u>24,800</u>	<u>32,243</u>	<u>22,843</u>	<u>28,081</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 £4,204,000 (2008 £12,169,000) in respect of vehicles held on consignment and include any dealer fitted accessories. The corresponding liabilities are shown under creditors.

12 Debtors

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Due within one year				
Trade debtors	2,829	3,147	2,716	3,061
Other debtors	1,114	803	1,028	758
Pension scheme surplus	-	10	-	10
Corporation tax	-	368	-	289
Prepayments and accrued income	2,607	2,376	2,469	2,283
	<u>6,550</u>	<u>6,704</u>	<u>6,213</u>	<u>6,401</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2009

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

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Bank loans and overdraft	500	853	500	2,379
Payments on account	1,150	601	1,024	559
New car stocking finance loans	4,200	12,157	3,552	9,170
Used/demonstrator vehicle finance loans	1,680	4,523	1,338	3,853
Trade creditors	14,429	9,881	14,053	9,200
Amounts owed to group undertakings	-	-	12,435	10,391
Other creditors	887	630	788	589
Other loans	250	250	250	250
Pension scheme deficit	43	-	43	-
Corporation tax	950	-	890	-
Other taxation and social security costs	1,217	1,439	1,072	1,315
Accruals and deferred income	4,176	2,150	4,123	2,067
Finance leases and hire purchase contracts	48	6	48	6
	<u>29,530</u>	<u>32,490</u>	<u>40,116</u>	<u>39,779</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	
	2009	2008	2009	2008
	£000	£000	£000	£000
Bank loans	13,636	16,986	13,636	16,686
Other loans	750	1,000	750	1,000
Finance leases and hire purchase contracts	95	20	95	20
	<u>14,481</u>	<u>18,006</u>	<u>14,481</u>	<u>18,006</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2009

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	
	2009	2008	2009	2008
	£000	£000	£000	£000
In one year or less	48	6	48	6
Between one and two years	48	6	48	6
Between two and five years	47	14	47	14
	<u>143</u>	<u>26</u>	<u>143</u>	<u>26</u>

Bank loans

The maturity of these amounts is as follows

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
In one year or less	500	700	500	700
Between one and two years	13,636	700	13,636	700
Between two and five years	-	16,286	-	16,286
After five years	-	-	-	-
	<u>14,136</u>	<u>17,686</u>	<u>14,136</u>	<u>17,686</u>

The group has four bank loan arrangements in place. The loan of £4,550,000 repayable by annual instalments of £700,000 and a final payment of £3,150,000 in 2011 was repaid during the year. Loans of £5,310,000, £2,601,000, £2,469,000 and £3,756,000 are repayable by an instalment of £500,000 in April 2010 and a final payment of £13,636,000 in March 2011. The directors have discussed their intention to renegotiate the final loan repayment with the bank and expect that this will be concluded during 2010. Interest is payable on all loans at a rate of 2.50% over LIBOR.

The group has entered into two interest rate swap agreements totalling £15,000,000 at a LIBOR rate of 4.25% until October 2011. The bank has an option to terminate the agreement within 3 months from April 2009 onwards.

Other loans

The maturity of these amounts is as follows

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
In one year or less	250	250	250	250
Between one and two years	250	250	250	250
Between two and five years	500	750	500	750
	<u>1,000</u>	<u>1,250</u>	<u>1,000</u>	<u>1,250</u>

Williams Motor Co. (Holdings) Limited

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14 Deferred taxation

	Group £000	Company £000
At 31 December 2008	457	513
Charged in the year	168	120
At 31 December 2009	<u>625</u>	<u>633</u>

Provision for deferred tax has been made up as follows

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Excess of capital allowances over depreciation	755	692	762	695
Short term timing differences	(130)	(183)	(129)	(182)
Unrelieved tax losses and other deductions	-	(52)	-	-
	<u>625</u>	<u>457</u>	<u>633</u>	<u>513</u>

15 Reconciliation of shareholders' funds

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Balance at 1 January 2009	25,825	27,100	18,618	19,392
Profit/(loss) for the financial year	2,523	(319)	2,398	182
Dividends paid	(549)	(745)	(549)	(745)
Actuarial loss on pension scheme	(81)	(284)	(81)	(284)
Deferred tax movement relating to the pension scheme	22	73	22	73
Net addition/(reduction) to shareholders' funds	<u>1,915</u>	<u>(1,275)</u>	<u>1,790</u>	<u>(774)</u>
Closing shareholders' funds	<u>27,740</u>	<u>25,825</u>	<u>20,408</u>	<u>18,618</u>

All shareholders' funds are classed as equity

Williams Motor Co. (Holdings) Limited

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16 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2009 Number	2008 Number	2009 Number	2008 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 par 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 2009	124	25,440	124	18,233
Profit for the year	-	2,523	-	2,398
Dividends paid	-	(549)	-	(549)
Actuarial loss recognised in pension scheme	-	(81)	-	(81)
Movement in deferred tax relating to pension liability	-	22	-	22
At 31 December 2009	<u>124</u>	<u>27,355</u>	<u>124</u>	<u>20,023</u>

The company has taken advantage of Section 408 of the Companies Act 2006 and not published its own profit and loss account. Included in the consolidated profit and loss account attributable to shareholders is a profit of £2,398,000 (2008 £182,000), which has been dealt with in the accounts of the parent undertaking

Williams Motor Co. (Holdings) Limited

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18 Cash flow statement

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

	2009 £000	2008 £000
Operating profit	4,557	849
Depreciation	983	536
Amortisation	148	180
Profit on sale of fixed assets	(6)	(2)
Decrease in stocks	7,443	16,699
(Increase)/decrease in debtors	(224)	1,778
(Decrease) in creditors	(799)	(9,829)
FRS 17 effect on pension costs	(6)	(42)
Net cash inflow from operating activities	12,096	10,169

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

	2009 £000	2008 £000
Increase in cash	2,427	4,080
Capital element of finance lease and hire purchase rentals	7	14
Change in net debt resulting from cash flows	2,434	4,094
New loans	(1,124)	(5,523)
Repayment of loans	7,643	900
Movement in net debt	8,953	(529)
Net debt at 1 January 2009	(23,632)	(23,103)
Net debt at 31 December 2009	(14,679)	(23,632)

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18 Cash flow statement (*continued*)

c) Analysis of changes in net debt

	At 31 December 2008 £000	Cash flow £000	At 31 December 2009 £000
Cash at bank and in hand	6	2,274	2,280
Bank overdraft	(153)	153	-
	(147)	2,427	2,280
Finance leases and hire purchase agreements	(26)	(117)	(143)
Bank loans	(17,686)	3,550	(14,136)
Used/demonstrator vehicle finance	(4,523)	2,843	(1,680)
Other loans	(1,250)	250	(1,000)
	(23,485)	6,526	(16,959)
Total	(23,632)	8,953	(14,679)

19 Operating lease commitments

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

	31 December 2009		31 December 2008	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
- within one year	86	6	128	8
- within two to five years	-	6	-	8
- after more than five years	-	-	-	-
	86	12	128	16

20 Capital commitments

Amounts contracted for but not provided in the group accounts amount to £162,000 (2008 £1,042,000)

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 2009 were £11,862,000 (2008 £17,839,000)

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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

During the year, the company provided interest free loans totaling £280,000 to 6 directors and senior managers, to enable them to acquire 8 cars at cost under a company car scheme. Under this scheme, the company has the option to repurchase these vehicles within the next twelve months.

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