

Williams Motor Co. (Holdings) Limited

REPORT AND ACCOUNTS

31 December 2011

Registered number: 597708

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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
Raikes Lane
Bolton
BL3 2NB

Bankers

Barclays Bank Plc
Barclays Corporate
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

Auditor

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

Solicitors

DWF LLP
Centurion House
1 Scott's Place
2 Hardman Street
Manchester
M3 3AA

Williams Motor Co. (Holdings) Limited

Directors' Report

The directors have pleasure in presenting their report and audited group accounts for the year ended 31 December 2011

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

Results and dividends

Group turnover amounted to £273.7 million (2010 £240.0 million) and the profit before taxation was £1.6 million (2010 profit £2.1 million). After providing for dividends, taxation and an actuarial loss on the pension scheme, the profit of £0.1m (2010 profit £0.6 million) has been transferred to reserves.

During the year the directors recommended and paid an interim dividend of £182,977 for 2011 and a final dividend for 2010 of £318,901.

Business review

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

	2011 £000	2010 £000	Change %
Turnover	273,730	240,012	+14.0
Gross Profit	31,730	28,664	+10.7
Operating profit	2,578	3,309	-22.1
Profit before taxation	1,606	2,116	-24.1
Shareholders' funds	28,425	28,373	+0.2
Average number of employees	580	531	+9.2

2011 was a year of two halves, starting well but then declining as market conditions deteriorated due to the problems in the Eurozone and the impact of the Government's austerity measures.

Whilst BMW new car sales were up by 19% overall, retail sales came under pressure due to low consumer confidence, however, corporate sales reflected significant growth as aged fleets were replaced. This was not however, reflected in increased profitability as the corporate sales channel attracts lower margin. MINI new car sales increased by 16% as MINI UK sought to force the market which resulted in a decrease in margin. Land Rover enjoyed a strong year due to the successful launch of the new Evoque.

Used car sales reflected a slight decrease in volume due to a reduction in retail enquiries and a shortage of available product.

Aftersales held up reasonably well considering the difficult marketplace, although the Group's bodyshops reflected significant decreases in a marketplace down 40%, nationally.

Costs and working capital levels were tightly controlled during the year.

The 2010 comparison includes four months' trading from the David Holmes BMW and MINI dealership in Stockport, which was acquired in August 2010.

Williams Motor Co. (Holdings) Limited

Directors' Report

Future Developments

Looking forward to 2012, the economy continues to struggle for growth and this is set to continue with the Government's austerity measures now being felt and continuing problems in the Eurozone. Nonetheless, some improvement in profitability is expected, as we benefit from sales of the new Land Rover Evoque and the new 3 Series which was launched in February 2012. We will also benefit from substantial interest savings due to the new interest rate swaps put in place during the year.

During 2012, the Group plans to refurbish its showroom facilities in Liverpool.

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 struggling to achieve growth, indications are that the difficult market conditions are set to continue and this is likely to put pressure on volumes and margins for the foreseeable future. The Group will, therefore, continue to focus on areas within its control and look to maintain a low cost base whilst optimising performance.

In 2011, the Group's existing hedging arrangements expired and new agreements were put in place. Two interest rate swaps totaling £10m were introduced to protect the Group against future interest rate rises, £5m at a fixed rate of 2.99% linked to the London Interbank Offered Rate (LIBOR) and £5m at 1.43%, both until September 2015. In addition, an interest basis rate swap was taken out on £10m until December 2012 at a spread of minus 0.17%. At the end of the current year the swaps had a negative market value of £407,000. Cover will be reviewed on an ongoing basis as part of the Group's management of risk.

Market value of land and buildings

The directors consider that the market value of the group's properties at 31 December 2011 is not materially different from the net book values in the financial statements.

Charitable and political donations

Donations for charitable purposes in 2011 were £2,211 (2010: £1,490). There were no donations for political purposes in the year.

Williams Motor Co. (Holdings) Limited

Directors' Report

Directors and their interests

The directors of the company at 31 December 2011 and their interests in the shares of the company, as recorded in the register of directors' interests, were as follows

	Shareholdings at 31 December 2011		Shareholdings at 31 December 2010	
	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	-	-	-	-
A M Dunning	-	9,400	-	9,400
Mrs M M Orton Williams	335	20,939	335	20,911
N J Cook	335	20,939	335	20,911

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

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 involvement

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

There were no material events which occurred post the balance sheet date

Statement as to disclosure of information to auditor

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 auditor is 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 auditor

Auditor

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

By order of the Board


J Roberts
Secretary

26 April 2012

Williams Motor Co. (Holdings) Limited

Directors' responsibilities in the preparation of financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable UK 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 group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 27. 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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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 and express an opinion on 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 of the financial statements

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/private.cfm.

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 parent company's affairs as at 31 December 2011 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.

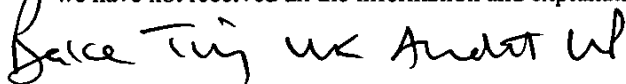
Opinion on other matter prescribed by the Companies Act 2006

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 by the parent company, 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 BSc FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester M3 3HF

1 May 2012

Williams Motor Co. (Holdings) Limited

Group Profit and Loss Account for the year ended 31 December 2011

	Note	2011 £000	2010 £000
Turnover	1	273,730	240,012
Cost of sales		(242,000)	(211,348)
Gross profit		<u>31,730</u>	<u>28,664</u>
Selling and distribution costs		(6,569)	(5,761)
Administrative expenses		(22,583)	(19,594)
Operating profit	2	<u>2,578</u>	<u>3,309</u>
Interest	5	(972)	(1,193)
Profit on ordinary activities before taxation		<u>1,606</u>	<u>2,116</u>
Tax on profit on ordinary activities	6	(591)	(687)
Profit for the financial year		<u>1,015</u>	<u>1,429</u>

All of the activities of the group are classed as continuing

The notes on pages 13 to 27 form part of these accounts

Williams Motor Co. (Holdings) Limited

Group Statement of Total Recognised Gains & Losses for the year ended 31 December 2011

	Note	2011 £000	2010 £000
Profit for the financial year		1,015	1,429
Movement in actuarial deficit in the pension scheme	4	(639)	(176)
Deferred tax relating to the actuarial movement in the pension scheme		178	39
Total gains relating to the year		<u>554</u>	<u>1,292</u>

Williams Motor Co. (Holdings) Limited

Balance Sheets
31 December 2011

Registered number: 597708

		Group		Company	
	Note	2011 £000	2010 £000	2011 £000	2010 £000
Fixed Assets					
Goodwill	8	5,045	5,378	-	-
Tangible assets	9	36,793	37,381	36,587	37,266
Investments	10	-	-	10,130	10,130
		<u>41,838</u>	<u>42,759</u>	<u>46,717</u>	<u>47,396</u>
Current Assets					
Stocks	11	44,904	38,847	41,323	36,703
Debtors	12	9,063	9,962	8,363	9,490
Cash at bank and in hand		1,541	1,110	2,139	1,109
		<u>55,508</u>	<u>49,919</u>	<u>51,825</u>	<u>47,302</u>
Creditors: amounts falling due within one year	13a	(52,762)	(47,074)	(61,693)	(56,773)
Net current assets/(liabilities)		<u>2,746</u>	<u>2,845</u>	<u>(9,868)</u>	<u>(9,471)</u>
Total assets less current liabilities		<u>44,584</u>	<u>45,604</u>	<u>36,849</u>	<u>37,925</u>
Creditors: amounts falling due after more than one year	13b	(15,070)	(16,604)	(15,070)	(16,604)
Provisions for liabilities and charges					
Deferred Taxation	14	(483)	(480)	(486)	(487)
Pension scheme liability	4	(606)	(147)	(606)	(147)
		<u>28,425</u>	<u>28,373</u>	<u>20,687</u>	<u>20,687</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	28,040	27,988	20,302	20,302
Equity shareholders' funds	15	<u>28,425</u>	<u>28,373</u>	<u>20,687</u>	<u>20,687</u>

The accounts on pages 7 to 27 were approved by the board of directors, authorised for issue and are signed on its behalf by

M M Orton Williams

N J Cook

)
) Directors
)

Margaret Orton Williams
N J Cook

26 April 2012

The notes on pages 13 to 27 form part of these accounts

Williams Motor Co. (Holdings) Limited

Group Cash Flow Statement for the year ended 31 December 2011

	Note	2011 £000	2010 £000
Net cash (outflow) from operating activities	18	(321)	(5,649)
Returns on investments and servicing of finance			
Interest received		157	7
Interest paid		(1,108)	(1,184)
Interest element of finance lease rental payments		(45)	(47)
Net return on the pension scheme		24	31
		(972)	(1,193)
Taxation			
UK corporation tax paid		(773)	(869)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(590)	(868)
Receipts from sales of tangible fixed assets		21	15
		(569)	(853)
Acquisitions and disposals			
Payments to acquire subsidiary undertakings		-	(3,444)
Net cash and bank balances acquired with subsidiaries		-	940
		-	(2,504)
Equity dividends paid		(502)	(659)
Financing			
New loans		-	17,250
Repayment of loans		(1,477)	(14,386)
Movement on vehicle finance loans		5,418	7,379
New finance leases		-	44
Capital element of finance lease rental payments		(55)	(48)
		3,886	10,239
Increase/(decrease) in cash	18	749	(1,488)

Further details are given in note 18

The notes on pages 13 to 27 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. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of the acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as goodwill. Where necessary, adjustments are made to the financial statements for subsidiaries to bring accounting policies used into line with those used by the rest of the group.

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.

Tangible fixed assets and depreciation

Depreciation of tangible fixed assets is charged by equal annual installments commencing with the year of acquisition at rates estimated to write off their cost, 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

Land is not depreciated. Leasehold properties are depreciated over the useful life of the lease.

Goodwill

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. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changing circumstances indicate that the carrying value may not be recoverable.

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.

Investments

Investments in subsidiary undertakings are stated at cost. Provision is made for any impairment in the value of investments.

Williams Motor Co. (Holdings) Limited

Accounting Policies

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 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.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

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 2011

1 Turnover

Turnover is attributable to one continuing activity in the United Kingdom

The analysis of turnover and profit before taxation by class of business have not been given, as in the opinion of the directors, such disclosure would be seriously prejudicial to the interest of the Group

2 Operating profit

	2011 £000	2010 £000
Operating profit is stated after charging/(crediting)		
Auditors' remuneration		
- audit of the parent company and consolidated accounts	43	43
- audit of subsidiary companies	8	11
- audit of associated pension schemes	4	4
- taxation compliance	21	16
- other tax advisory services	11	48
Amortisation of goodwill	333	210
Depreciation	1,158	1,064
Operating lease rentals		
- plant and machinery	126	127
- land and buildings	741	290
(Profit)/loss on disposal of fixed assets	(1)	18

3 Directors and employees

Group staff costs (including directors' remuneration) during the year were as follows	2011 £000	2010 £000
Wages and salaries	17,051	15,397
Social security costs	1,799	1,614
Pension costs	530	494
	19,380	17,505

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

	2011 Number	2010 Number
Production	137	127
Sales and distribution	337	307
Administration	106	97
	580	531

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2011

3 Directors and employees (*continued*)

The total amounts for parent company directors' remuneration (excluding pension contributions) were as follows	2011 £000	2010 £000
Fees	53	53
Executive remuneration and benefits	535	501
	<u>588</u>	<u>554</u>
Number of directors to whom retirement benefits are accruing under defined benefit pension schemes in respect of qualifying services	2	2

Two directors (2010 two) have benefits accruing under a Group Personal Pension scheme Pension contributions of £19,857 (2010 £19,111) were made on behalf of these directors

Highest paid director

	2011 £000	2010 £000
Emoluments	297	255
Accrued pension at year end – defined benefit scheme - per annum	62	62

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 £446,000 (2010 - £449,000) Contributions totalling £34,000 (2010 - £33,000) 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 2009 and updated to 31 December 2011 by a qualified independent actuary. The major assumptions used by the actuary were

	2011 %	2010 %	2009 %	2008 %	2007 %
Discount rate at 31 December	4.70	5.40	5.70	6.70	5.80
Inflation	2.70	3.40	3.00	2.70	3.40
Future salary increases	1.95	3.00	3.00	3.30	4.00
Future pension increases	1.95	3.40	3.00	2.70	3.40
Expected returns on plan assets at 31 December					
Equities	6.20	7.00	7.50	6.70	7.50
Gilts	2.50	4.00	4.50	3.70	4.50
Corporate Bonds	4.70	5.40	5.70	6.70	5.80
Cash and other	0.50	0.50	0.50	2.00	5.50

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2011

4 Pension costs (continued)

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

	2011	2010
Pre retirement mortality (non pensioners)	PA92 /yob medium cohort	PA92 /yob medium cohort
Post retirement mortality (non pensioners)	PA92 /yob medium cohort	PA92 /yob medium cohort
Post retirement mortality (pensioners)	PA92 /yob medium cohort	PA92 /yob medium cohort

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

	2011 £000	2010 £000
<u>Analysis of amount charged to operating profit</u>		
Current service cost	(4)	(44)
Total operating charge	(4)	(44)
<u>Analysis of amount charged to other finance income</u>		
Expected returns on pension scheme assets	196	188
Interest on pension scheme liabilities	(172)	(157)
Net return	24	31
<u>Analysis of amount recognised in statement of total recognised gains and losses (STRGL)</u>		
Actual return less expected return on pension scheme assets	(275)	152
Changes in assumptions underlying the present value of the scheme liabilities	(364)	(328)
Actuarial loss recognised in STRGL	(639)	(176)
<u>Changes in the present value of the defined benefit obligation</u>		
Opening defined benefit obligation	3,232	2,751
Service cost	4	44
Interest cost	172	157
Contributions by scheme participants	1	2
Actuarial losses	275	328
Curtailment loss	24	-
Benefits paid	(105)	(50)
Closing defined benefit obligation	3,603	3,232

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2011

4 Pension costs (*continued*)

	2011 £000	2010 £000
<u>Changes in the fair value of plan assets</u>		
Opening plan assets	3,028	2,690
Expected return	196	188
Actuarial (losses)/gains	(364)	152
Contributions by employer	6	46
Contributions by scheme participants	1	2
Benefits paid	(105)	(50)
Closing plan assets	2,762	3,028

The actual return on plan assets was a loss of £168,000 (2010 gain of £340,000)

	2011 £000	2010 £000
Present value of funded obligations	(3,603)	(3,232)
Fair value of plan assets	2,762	3,028
Deficit	(841)	(204)
Related deferred tax asset	235	57
Net pension liabilities	(606)	(147)

	Cumulative 2011 £000	Cumulative 2010 £000
<u>Analysis of amount recognised in statement of total recognised gains and losses (STRGL)</u>		
Actual return less expected return on pension scheme assets	(266)	9
Experience gains and losses arising on scheme liabilities	121	121
Changes in assumptions underlying the present value of the scheme liabilities	(396)	(32)
Recognition of GMP underpin liability	(210)	(210)
Actuarial (loss) recognised in STRGL	(751)	(112)

	2011 %	2010 %
<u>Major categories of plan assets as a percentage of fair value of total plan assets</u>		
Equities	57	80
Diversified growth assets	10	-
Corporate bonds	19	13
Gilts	6	7
Property	7	-
Other	1	-
	100%	100%

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2011

4 Pension costs (*continued*)

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Defined benefit obligation	(3,603)	(3,232)	(2,751)	(2,229)	(2,604)
Plan assets	2,762	3,028	2,690	2,243	2,860
(Deficit)/surplus	(841)	(204)	(61)	14	256
Experience adjustments on plan liabilities	-	-	113	562	411
Experience adjustments on plan assets	(364)	152	338	(846)	(103)

The Group expects to contribute £2,000 to its defined benefit pension plan in 2012

5 Interest

	2011 £000	2010 £000
Interest receivable		
Bank interest receivable	157	7
Net return on pension scheme	24	31
Interest receivable	181	38
Interest payable		
Bank loans and overdrafts	(896)	(1,052)
Vehicle stocking finance	(212)	(132)
Finance lease and hire purchase contracts	(45)	(47)
Interest payable	(1,153)	(1,231)
Net interest	(972)	(1,193)

6 Tax on profit on ordinary activities

	2011	2010
(a) Taxation		
Corporation tax		
UK corporation tax at 26.5% (2010: 28%)	602	630
Corporation tax (over)/under provided in prior years	(14)	23
	588	653
Deferred tax		
Current year	(19)	35
Deferred tax under/(over) provided in prior years	22	(1)
	3	34
Tax on profit on ordinary activities	591	687

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2011

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 26.5% (2010 28%) is as follows

	2011 £000	2010 £000
Profit on ordinary activities before tax	1,606	2,116
Profit on ordinary activities multiplied by rate of tax	426	593
(Shortfall)/excess of depreciation over capital allowances	(67)	30
Expenses not deductible for tax purposes	201	83
Deferred tax benefit on hive up of assets	-	(137)
Tax chargeable at lower rates	(4)	-
Other short term timing differences and unrealised tax losses	46	57
(Over)/under provision in prior years	(14)	27
Total current tax (note 6(a))	588	653

7 Dividends

	2011 £000	2010 £000
Interim ordinary 70% (2010 70%) paid	183	183
Final ordinary 122% (2010 182%) paid	319	476
Dividends to equity shareholders	502	659

The final dividend paid in 2011 related to profits earned during the year to 31 December 2010

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2011

8 Goodwill

	Group £000	Company £000
Cost or valuation		
At 1 January 2011	7,868	1,088
At 31 December 2011	7,868	1,088
Amortisation		
At 1 January 2011	2,490	1,088
Charge for year	333	-
At 31 December 2011	2,823	1,088
Net book value		
At 31 December 2011	5,045	-
At 31 December 2010	5,378	-

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					
At 1 January 2011	26,545	9,630	8,383	267	44,825
Additions	44	37	434	75	590
Disposals	-	-	(604)	(17)	(621)
At 31 December 2011	26,589	9,667	8,213	325	44,794
Depreciation					
At 1 January 2011	1,225	925	5,143	151	7,444
Charge for year	267	113	727	51	1,158
Disposals	-	-	(587)	(14)	(601)
At 31 December 2011	1,492	1,038	5,283	188	8,001
Net book value					
At 31 December 2011	25,097	8,629	2,930	137	36,793
At 31 December 2010	25,320	8,705	3,240	116	37,381

The net book value of plant and equipment above includes £257,000 (2010 £308,000) in respect of assets held under finance leases and hire purchase agreements. The depreciation charge for the year on these assets was £55,000.

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2011

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					
At 1 January 2011	26,545	9,630	8,110	252	44,537
Additions	44	37	284	75	440
Disposals	-	-	(519)	(17)	(536)
At 31 December 2011	26,589	9,667	7,875	310	44,441
Depreciation					
At 1 January 2011	1,225	925	4,972	149	7,271
Charge for year	267	113	684	48	1,112
Disposals	-	-	(515)	(14)	(529)
At 31 December 2011	1,492	1,038	5,141	183	7,854
Net book value					
At 31 December 2011	25,097	8,629	2,734	127	36,587
At 31 December 2010	25,320	8,705	3,138	103	37,266

The net book value of plant and equipment above includes £257,000 (2010 £308,000) in respect of assets held under finance leases and hire purchase agreements. The depreciation charge for the year on these assets was £55,000.

10 Fixed asset investments

	2011 £000	2010 £000
Shares in subsidiary companies		
Cost		
At 1 January	10,130	6,636
Additions	-	3,444
Transfer from group undertaking	-	50
At 31 December	10,130	10,130

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2011

10 Fixed asset investments (*continued*)

The under mentioned are subsidiary companies. All of the companies are incorporated in the United Kingdom 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 Co 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
Williams Stockport Ltd (formerly Burrough Holdings Ltd)	UK	Ordinary	100%	Dormant
Benham (Specialist Cars) Ltd	UK	Ordinary	100%	Dormant

11 Stocks

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
Vehicles	43,895	37,721	40,429	35,696
Parts and other stocks	1,009	1,126	894	1,007
	<u>44,904</u>	<u>38,847</u>	<u>41,323</u>	<u>36,703</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 £14,429,000 (2010 £8,762,000) in respect of vehicles held on consignment and include any dealer fitted accessories. The corresponding liabilities are shown under creditors.

12 Debtors

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
Due within one year				
Trade debtors	4,591	5,281	4,126	5,056
Other debtors	1,792	2,120	1,706	2,039
Prepayments and accrued income	2,680	2,561	2,531	2,395
	<u>9,063</u>	<u>9,962</u>	<u>8,363</u>	<u>9,490</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2011

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

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
Bank loans and overdraft	1,133	1,451	1,133	925
Payments on account	865	3,884	673	3,756
New car stocking finance loans	14,394	8,750	12,239	8,039
Used/demonstrator vehicle finance loans	19,871	14,453	19,128	13,870
Trade creditors	10,770	13,452	10,186	12,761
Amounts owed to group undertakings	-	-	13,072	12,782
Other creditors	1,904	911	1,819	830
Other loans	334	333	334	333
Corporation tax	550	734	417	558
Other taxation and social security costs	578	203	403	124
Accruals and deferred income	2,293	2,834	2,219	2,726
Finance leases and hire purchase contracts	70	69	70	69
	<u>52,762</u>	<u>47,074</u>	<u>61,693</u>	<u>56,773</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	
	2011 £000	2010 £000	2011 £000	2010 £000
Bank loans	14,737	15,867	14,737	15,867
Other loans	333	667	333	667
Finance leases and hire purchase contracts	-	70	-	70
	<u>15,070</u>	<u>16,604</u>	<u>15,070</u>	<u>16,604</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2011

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	
	2011 £000	2010 £000	2011 £000	2010 £000
In one year or less	70	69	70	69
Between one and two years	-	70	-	70
	<u>70</u>	<u>139</u>	<u>70</u>	<u>139</u>

Bank loans

The maturity of these amounts is as follows

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
In one year or less	1,133	1,133	1,133	1,133
Between one and two years	1,133	1,133	1,133	1,133
Between two and five years	13,604	14,734	13,604	14,734
	<u>15,870</u>	<u>17,000</u>	<u>15,870</u>	<u>17,000</u>

The group has two bank loan arrangements totalling £17m which are repayable by twelve quarterly instalments of £283,333 and a final payment of £13,600,000 in December 2013. Interest is payable on the £14m loan at 1.75% over LIBOR and on the £3m loan at 2.00% over LIBOR. The repayments are taken from the £3m loan until extinguished, thereafter from the £14m loan.

In 2011, the Group's existing hedging arrangements expired and new agreements were put in place. Two interest rate swaps totalling £10m were introduced to protect the Group against future interest rate rises, £5m at a fixed rate of 2.99% linked to the London Interbank Offered Rate (LIBOR) and £5m at 1.43%, both until September 2015. In addition, an interest basis rate swap was taken out on £10m until December 2012 at a spread of minus 0.17%. At the end of the current year the swaps had a negative market value of £407,000. Cover will be reviewed on an ongoing basis as part of the Group's management of risk.

Other loans

The maturity of these amounts is as follows

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
In one year or less	334	333	334	333
Between one and two years	333	333	333	333
Between two and five years	-	334	-	334
	<u>667</u>	<u>1,000</u>	<u>667</u>	<u>1,000</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2011

14 Deferred taxation

	Group £000	Company £000
At 31 December 2010	480	487
Charged in the year	3	(1)
At 31 December 2011	<u>483</u>	<u>486</u>

Provision for deferred tax has been made up as follows

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
Excess of capital allowances over depreciation	641	653	645	659
Short term timing differences	(158)	(173)	(159)	(172)
	<u>483</u>	<u>480</u>	<u>486</u>	<u>487</u>

15 Reconciliation of shareholders' funds

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
Balance at 1 January	28,373	27,740	20,687	20,408
Profit for the financial year	1,015	1,429	963	1,075
Dividends paid	(502)	(659)	(502)	(659)
Actuarial loss on pension scheme	(639)	(176)	(639)	(176)
Deferred tax movement relating to the pension scheme	178	39	178	39
	<u>52</u>	<u>633</u>	<u>-</u>	<u>279</u>
Net addition to shareholders' funds	52	633	-	279
Closing shareholders' funds	<u>28,425</u>	<u>28,373</u>	<u>20,687</u>	<u>20,687</u>

All shareholders' funds are classed as equity

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2011

16 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2011	2010	2011	2010
	Number	Number	Number	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	Profit and loss account	Share premium account	Profit and loss account
	£000	£000	£000	£000
At 1 January 2011	124	27,988	124	20,302
Profit for the year	-	1,015	-	963
Dividends paid	-	(502)	-	(502)
Actuarial loss recognised in pension scheme	-	(639)	-	(639)
Movement in deferred tax relating to pension liability	-	178	-	178
At 31 December 2011	<u>124</u>	<u>28,040</u>	<u>124</u>	<u>20,302</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 £963,000 (2010 £1,075,000), which has been dealt with in the accounts of the parent undertaking.

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2011

18 Cash flow statement

a) Reconciliation of operating profit to net cash (outflow) from operating activities

	2011 £000	2010 £000
Operating profit	2,578	3,309
Depreciation	1,158	1,064
Amortisation	333	210
(Profit)/loss on sale of fixed assets	(1)	18
(Increase) in stocks	(6,057)	(6,972)
Decrease/(increase) in debtors	899	(2,239)
Increase/(decrease) in creditors	771	(1,006)
FRS 17 effect on pension costs	(2)	(33)
Net cash (outflow) from operating activities	(321)	(5,649)

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

	2011 £000	2010 £000
Increase/(decrease) in cash	749	(1,488)
Capital element of finance lease and hire purchase rentals	55	48
Change in net debt resulting from cash flows	804	(1,440)
Loans acquired with subsidiary	-	(5,394)
New loans	(5,418)	(24,673)
Repayment of loans	1,477	14,386
Movement in net debt	(3,137)	(17,121)
Net debt at 1 January 2011	(31,800)	(14,679)
Net debt at 31 December 2011	(34,937)	(31,800)

c) Analysis of changes in net debt

	At 31 December 2010 £000	Cash flow £000	At 31 December 2011 £000
Cash at bank and in hand	1,110	431	1,541
Bank overdraft	(318)	318	-
	792	749	1,541
Finance leases and hire purchase agreements	(139)	69	(70)
Bank loans	(17,000)	1,130	(15,870)
Used/demonstrator vehicle finance	(14,453)	(5,418)	(19,871)
Other loans	(1,000)	333	(667)
	(32,592)	(3,886)	(36,478)
Total	(31,800)	(3,137)	(34,937)

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2011

19 Operating lease commitments

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as set out below

	31 December 2011		31 December 2010	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
- within one year	85	21	16	23
- within two to five years	101	5	130	12
- after more than five years	575	2	575	1
	<u>761</u>	<u>28</u>	<u>721</u>	<u>36</u>

20 Capital commitments

Amounts contracted for but not provided in the group accounts amount to £181,000 (2010 £266,000)

21 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 and a subsidiary provided interest free loans to 11 directors and senior managers, to enable them to acquire cars at cost under a company car scheme. Under this scheme, the companies have the option to repurchase these vehicles within the next twelve months. The maximum amount outstanding during the year was £535,000. At the year end, loans totalling £463,000 in respect of 12 vehicles were outstanding.

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

22 Ultimate controlling party

There is no ultimate controlling party of the company