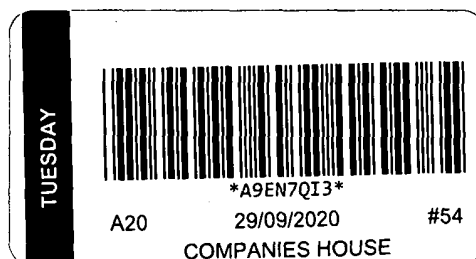


Williams Motor Co. (Holdings) Limited

REPORT AND ACCOUNTS

31 December 2019

Registered number: 00597708



Williams Motor Co. (Holdings) Limited

Strategic Report

Directors

Mrs M M Orton Williams BA
Mr N J Dunning
Mrs A M Cook BA
Mr W G Adams BSc
Mr M Sherwin BA, FCA (appointed 1 October 2019)

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

RSM UK Audit LLP
Chartered Accountants
3 Hardman Street
Spinningfields
Manchester
M3 3HF

Williams Motor Co. (Holdings) Limited

Strategic Report

The Directors present their report for the year ended 31 December 2019.

Business Strategy

Our strategy is to provide an exceptional retail experience to every customer, which is fundamental to the success of our business. To achieve this aim we ensure all employees deliver first class customer service by continually investing in the training and development of our staff, as well as ensuring they are properly inducted into the business, enabling them to help deliver our vision 'the difference is Williams'.

The facilities we offer our customers are of the highest standards. We are continually investing to ensure we offer the best facilities and to improve our digital presence and accessibility to meet the expectations of all customers.

Business Review

UK car registrations fell by -2.4% in 2019 to 2.311m units (2018: 2.367m units), with annual registrations falling for the third consecutive year to the lowest level since 2013, as the volatile market reacted to weak consumer confidence, general political and economic instability and confusion over clean air zones. The Group is fortunate to have close relationships with the premium vehicle brands it represents. This has helped it navigate both the challenging period for the automotive sector and the political uncertainty encountered during the latter part of 2019, with the premium sector continuing to grow and remain more robust than volume brands.

Group turnover increased £23.2m during 2019, predominately relating to increased volumes within our JLR corporate business; this enhanced level of corporate sales activity was driven by an extraordinary sales opportunity. We also saw an increase in BMW vehicle servicing turnover, driven by the brand's extensive warranty recall during the year.

Overall gross profit in the year increased marginally by £700k, however operating profit declined by £2.5m, which was a direct result of significant margin pressure on both new and used vehicle sales, along with increased resources to meet customer and manufacturer expectations, particularly within overheads and in our service departments to meet increased warranty customer demand.

Throughout 2019 the development of our new Manchester facilities at TraffordCity required significant drawdown of the Group's development loan facility and therefore attracted increased interest charges of approximately £0.9m.

The key financial and other performance indicators during the year were as follows:

Operating performance	2019	2018	Change
Turnover	£522.8m	£501.1m	+4.3%
Gross profit	£51.4m	£50.7m	+1.4%
Operating profit	£4.8m	£7.2m	-33.3%
EBITDA	£6.5m	£8.8m	-27.3%
Profit before taxation	£2.8m	£6.1m	-54.1%
Net assets	£48.6m	£47.8m	+1.7%
Average number of employees	835	776	+7.6%

As a consequence of weak consumer demand, the Group saw new vehicle registrations fall and experienced increased margin pressure as all retailers increased discount levels to achieve manufacturer targets, negatively impacting profitability.

Used vehicle volumes increased by 4.2% during 2019, although the combination of margin pressure and the negative impact of self-registered vehicles resulted in the used car margin declining.

Increasing aftersales volume and direct profit continues to be our goal and it was encouraging to see aftersales contribution increase by 3.1%, with potential for further improvement as the vehicle parc continues to grow.

Overall, despite challenging market conditions the company achieved EBITDA of £6.5m (2018:£8.8m).

Williams Motor Co. (Holdings) Limited

Strategic Report

During September 2019 the Manchester based BMW, MINI, Jaguar and Land Rover businesses relocated operations to the new two centre development at TraffordCity. These businesses have quickly established themselves in the area and the early signs are that these centres will thrive in their new prestigious surroundings.

The development at TraffordCity has increased the value and size of the property portfolio as well as providing a significantly greater sales opportunity for used vehicles. The Group has significant used vehicle funding facilities which were utilised to secure additional used vehicles towards the 2019 year end. The Company's financial position remained strong with shareholder funds of £48.6m as at 31 December 2019.

Principal Risks

All businesses entail elements of risk and the Board maintains a policy of reviewing the risks which may cause the company's results to underperform against those of similar sized companies.

The main areas of risk are highlighted below:

1. Finance & Treasury

The Company relies on manufacturer funding facilities to fund the purchase of new and used vehicles and these are expected to continue for the foreseeable future. As at the period ended 31 December 2019, utilisation of vehicle funding facilities amounted to £77.0m.

The Company has invested significant funds in delivering the TraffordCity development with the overall investment amounting £41.6m, which has been funded by a combination of two term loan facilities provided by BMW Financial Services (GB) Ltd and cash reserves.

The development loans above are secured against the two centres at TraffordCity and the three existing locations that previously accommodated the brands represented by the Group in Manchester.

2. Interest rate risk management

The Group's objective is to manage interest rate risk and volatility. The Company manages this by way of derivative financial instruments, namely interest rate swaps in counterparty with Barclays Bank to protect the Group from adverse movements in interest rates.

3. Manufacturer relationships

We maintain close contact with our manufacturer partners and seek to ensure that our respective goals are communicated, understood and aligned to deliver mutually acceptable performance. The company's performance and investment in facilities maintains its reputation as a high quality representative for the brands we represent.

The Directors continue to focus on areas of the business that balance our reliance on new vehicles by continuing to develop both used cars and aftersales revenues.

4. Economic conditions

The impact of Coronavirus will have a material effect on the financial performance of many businesses throughout the UK during 2020, and the Board acknowledges that there has been a short term negative impact on the Group's financial performance, due to the two month closure of retail space.

5. United Kingdom's exit from the EU

The UK exited the EU at the end of 2019 and currently trade under rules covered by EU-third country trade agreements until 31 December 2020. There may be consequences for our sector if tariffs were introduced on vehicles imported into the UK, although the Government has stated that their negotiating objective is to avoid any such tariff barriers.

Williams Motor Co. (Holdings) Limited

Strategic Report

6. Regulatory risks

The Group is regulated by the Financial Conduct Authority (FCA). In October 2019 the FCA proposed a number of changes, including commission arrangements which will require a change in the way motor retailers can charge customers for finance and the commission payable thereon. We are consulting on this forthcoming change in regulation with our funding partners and would not expect this to materially impact the company's profitability.

The Senior Managers and Certification Regime (SM&CR) has replaced the Approved Persons Regime, with the aim of reducing potential harm to consumers and strengthening market integrity by making individuals more accountable for their conduct and competence. The Group has completed all aspects of this transition and continues to work closely with ITC Compliance Ltd, our appointed representative for insurance products who provide compliance and regulatory support.

Regular reviews of the risks within each of the above categories are carried out and consideration given to the potential impact should an individual risk materialise. Existing internal controls and accounting practices are considered acceptable in order to reduce the risk and provide sufficient direction on how to deal with these issues should they arise.

SECTION 172(1) STATEMENT & STAKEHOLDER ENGAGEMENT

The Board of Directors considers that it has adhered to the requirements of section 172(1) (a) to (f) of the Companies Act 2006, by recognising that the long term success of the Group is allied to positive interaction with all stakeholders. The Board understands the importance of stakeholder consideration in its decision making, and acknowledges that in exercising its duty to promote the success of the Company it seeks to benefit its members as a whole.

Consequences of long term decisions

The Board is aware that its strategic decisions have long term implications for the business and all its stakeholders, and these implications are carefully assessed.

Employee interests

Our employees are essential for the delivery of our strategy and growth of the business. The Directors empower employees through a number of training and development programmes enabling them to enjoy fulfilling careers, whilst the Company also encourages internal promotions.

Staff engagement

Staff engagement is vital for the success of our business and the company employs a number of initiatives to encourage staff to take an interest in the company's performance, with employees kept informed of financial performance and strategy through regular presentations and updates delivered by their Head of Business.

Other examples of staff engagement include quarterly and annual awards, which are colleague nominated recognition of outstanding individual performance, as well as a weekly news notice. The Company also recognises our long serving colleagues with a programme of long service awards.

The Group has also developed and maintained key commitments known as the 'Williams Core Beliefs' which are our guiding principles in the way staff engage with colleagues and customers.

The business has a successful Management training programme designed to develop and improve the management skills of local management teams, whilst all levels of management are invited to a bi-annual management conference.

Personnel

The Company strives to retain key personnel with the requisite knowledge, skills and expertise. There were two changes to the senior management team during the year and the company will continue to provide training and support to these individuals.

Williams Motor Co. (Holdings) Limited

Strategic Report

Ethical employment

It is the company's policy to offer equal opportunities to disabled persons applying to vacancies and provide them with the same opportunities as all other employees, within the limitations of their aptitude and abilities. In the event of any staff member becoming disabled, every effort is made to ensure that their employment with the company continues.

Employment with the company is based on the person's ability to work and not on the basis of race, individual characteristics, creed or political opinion.

Equality of opportunity

We are an equal opportunity employer and we aim to ensure our employees achieve their full potential and all employment decisions are taken without reference to discriminating criteria throughout the whole employment process.

Business relationships with suppliers, customers and others

Suppliers - Throughout the year the Board was briefed on any contract negotiations with its two brand partners with regards to volume aspirations, targets and facility development issues. The Company ensures that all supplier payments are made within agreed terms.

Customers - As a large retail business, evidence of customer satisfaction can be seen from both manufacturer customer surveys and in the Company's underlying sales performance figures, which the Board and executive team review regularly.

Finance facility providers - The Director of Finance is responsible for managing the relationships with the bank and with the Company's vehicle funders, including BMW Financial Services (GB) Ltd. The Director of Finance provides regular reports to the Board on these activities including the Company's plans to ensure appropriate access to credit lines, monitoring the headroom and maturity of credit facilities. The Board approves, when necessary, changes to the Company's funding requirements.

Our community and the environment

We continue to see growth in both hybrid and fully electric vehicles, with all manufacturers continuing to invest heavily in these products. Ongoing developments in new engine technology have resulted in greener vehicles helping to reduce emissions and support the Government's agenda. We are fortunate to represent vehicle brands that are responding to the green agenda of Government and ongoing investment is being made to cater for and support the sale and servicing of such vehicles.

Recent developments

During September 2019 the Company completed the development of two retail centres at TraffordCity, where all its Manchester based retail centres are now located, requiring a combined investment of £41.6 million. These new facilities funded largely by BMW Financial Services (GB) Ltd and proceeds from the future sale of the former sites, both meet the required manufacturer standards for BMW/MINI and JLR.

The Board quickly recognised the impact Coronavirus would have on the business and how the business would need to adapt. The immediate conclusion was that we would need to comprehensively reduce our cost base and £2.4m of savings were identified. These included a reduction in headcount, achieved through both natural reductions and compulsory redundancies and the cessation of all avoidable marketing and sponsorship spend.

We also recognised that our customer proposition needed to change during the period of lockdown and beyond. Our planning through early March ensured that when we entered lockdown we were immediately able to launch both our digital sales and service booking teams which began working from home. Our service operations remained open throughout lockdown, initially to respond to emergency workers and their vehicles, whilst the digital sales channel was especially successful during lockdown. Future plans to invest in a centralised aftersales retention team, an e-commerce website and digital sales teams have been accelerated by Covid-19 and we are well prepared for the future.

Williams Motor Co. (Holdings) Limited

Strategic Report

The Company engaged with its manufacturers and funding partners at an early stage, providing detailed cash flow forecasts for 2020, with multiple scenarios including likely outcomes and actions to mitigate the effect of Covid-19. Both our manufacturer partners provided support and liquidity assistance in the short to medium term, whilst our banking partners provided suspension of capital repayments for a period of six months.

The business also utilised the Government's furlough scheme (CJRS) to support employees during lockdown as well as the rates relief on retail premises and HMRC's VAT deferral until 2021.

Covid-19 has impacted all areas of the UK economy, with certain sectors being hugely affected by continued restrictions, but despite the enforced closure of our retail premises during the second quarter of 2020 having a significant negative impact on the financial performance of the business, we continued trading online via our digital sales teams throughout the lockdown period. During June 2020, following the relaxation of lockdown restrictions placed on retail businesses, we have seen a considerable recovery in business activity and the Company has traded well above its revised forecasts. The combined result is that the Board expects that by the end of September 2020 the company will have recovered its cumulative financial performance to be in line with last year, which is a very creditable recovery.

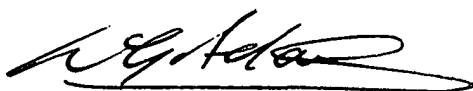
The Group will continue to utilise the Government's furlough scheme where appropriate, but with our current levels of business activity, the number of colleagues who remain furloughed has reduced below 10% of the pre-covid workforce.

The Group will continue to develop and grow its digital presence by strengthening its digital retail sales team located in Bolton, whilst driving the Group service bookings team, based in Manchester, to ensure workshop capacity is fully utilised. Future plans to invest in a centralised aftersales retention team, an e-commerce website and digital sales teams have been accelerated by Covid-19 and have made us well prepared for the future.

In April 2020 the Group completed the sale of the old Land Rover site at Birchall Way, Manchester to the Manchester Metropolitan University (MMU). The sale proceeds of £4m were applied to the development loan, reducing the balance to £32.4m.

The final quarter of 2019 saw increased market volatility following reduced consumer confidence due to uncertainty around Brexit. As we enter the fourth quarter of 2020, this is another issue which the Board continues to keep under review as it is unclear what effect this will have on both vehicle logistics and customer sentiment.

By order of the Board



W G Adams
Managing Director
24 September 2020

Williams Motor Co. (Holdings) Limited

Directors' responsibilities in the preparation of financial statements

The Directors are pleased to submit their report and the audited company financial statements for the year ended 31 December 2019.

Principal activities

The principal activities of the company are the retailing of new and used vehicles, including motorcycles, and the service and repair of these products.

Results and dividends

The results for the year are set out in the financial statements on pages 13 to 35.

An interim dividend of £1.25 per ordinary share (2018: £1.50) was paid to shareholders on 6 December 2019. Due to the Covid-19 pandemic and prior to the lifting of lockdown, which has negatively impacted the financial performance of the business, the Directors decided that no final dividend in respect of 2019 would be paid (2018: £1.75 per ordinary share).

Donations

The company made no political donations (2018: £nil).

Directors and their interests in shares

Directors who served during the year and up to the date of this report had respective interests in the company's issued ordinary share capital, which remained unchanged and are presented below.

	Shareholdings at 31 December 2019		Shareholdings at 31 December 2018	
	Ordinary		Ordinary	
	B	C	B	C
M M Orton Williams	2,480	62,560	2,480	62,560
N J Dunning	200	10,541	200	10,541
A M Cook	-	9,400	-	9,400
W G Adams	-	-	-	-
M Sherwin	-	-	-	-

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

A directors' liability policy was in place during the financial year.

Post balance sheet events

In April 2020 the Group completed the sale of the old Land Rover site at Birchall Way, Manchester to the Manchester Metropolitan University (MMU). The sale proceeds of £4m were applied to the development loan reducing the balance to £32.4m in line with its terms.

On 30 January 2020, the World Health Organisation (WHO) declared Coronavirus a global health emergency and subsequently on 11 March 2020, it announced that Coronavirus was a global pandemic.

The Board considers that based on conditions as at the balance sheet date, Covid-19 is a non adjusting event and no adjustments are required to the amounts recognised in the accounts. The full impact of Covid-19 is not yet known, but there was clearly an impact on sales during the period of showroom closure although, as previously noted in the strategic report, the Company has taken significant steps to mitigate its impact such as furlough, discussions with funders and a reduction of the cost base.

Williams Motor Co. (Holdings) Limited

Directors' responsibilities in the preparation of financial statements

Strategic report

The Company has chosen to include certain information required by schedule 7 of the large and medium-sized companies and groups (accounts and reports) regulations 2008 to be included in the directors report in the Strategic Report in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. It has done this for disclosures in respect of financial instruments including financial risk management and employee related matters and future developments.

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 audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

RSM UK Audit LLP has expressed its willingness to continue in office, after the Directors resolved to re-appoint them in accordance with the provision of S485 of the Companies Act 2006.

By order of the Board



W G Adams
Managing Director
24 September 2020

Williams Motor Co. (Holdings) Limited

Directors' responsibilities in the preparation of financial statements

The Directors are responsible for preparing the Strategic Report, 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 company and of the profit or loss of the company 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 company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 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

Williams Motor Co. (Holdings) Limited

Independent Auditor's Report to the members of Williams Motor Co. (Holdings) Limited for the year ended 31 December 2019

Opinion

We have audited the financial statements of Williams Motor Co. (Holdings) Limited (the 'company') for the year ended 31 December 2019 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Williams Motor Co. (Holdings) Limited

Independent Auditor's Report to the members of Williams Motor Co. (Holdings) Limited for the year ended 31 December 2019

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

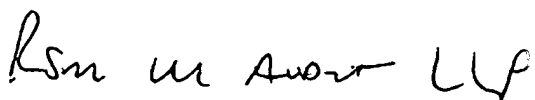
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Alison Ashley (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
3 Hardman Street
Manchester M3 3HF
24 September 2020

Williams Motor Co. (Holdings) Limited

Income Statement

for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Turnover	2	522,845	501,117
Cost of sales		(471,446)	(450,452)
Gross profit		51,399	50,665
Selling and distribution costs		(11,499)	(11,318)
Administrative expenses		(35,070)	(32,131)
Operating profit	3	4,830	7,216
Interest payable and similar expenses	6	(2,057)	(1,157)
Profit on ordinary activities before taxation		2,773	6,059
Tax on profit on ordinary activities	7	(569)	(1,267)
Profit for the financial year		2,204	4,792

Williams Motor Co. (Holdings) Limited

Statement of Comprehensive Income for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Profit for the financial year		2,204	4,792
Other comprehensive income:			
Actuarial (losses) recognised in the pension scheme		(368)	(1,162)
Tax relating to other comprehensive income		50	180
Total comprehensive income for the year		<u>1,886</u>	<u>3,810</u>

Williams Motor Co. (Holdings) Limited

Statement of Financial Position

for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Fixed assets			
Goodwill	9	2,658	3,042
Tangible assets	10	76,765	63,233
Investments	11	-	-
		<u>79,423</u>	<u>66,275</u>
Current assets			
Stocks	12	90,621	74,398
Debtors	13	33,860	20,289
Cash and cash equivalents		-	-
		<u>124,481</u>	<u>94,687</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(112,029)	(88,241)
Net current assets		<u>12,452</u>	<u>6,446</u>
Total assets less current liabilities		<u>91,875</u>	<u>72,721</u>
Creditors: amounts falling due after more than one year	14a	(39,780)	(22,350)
Provisions for liabilities and charges			
Deferred taxation	16	(1,025)	(464)
Pension scheme liability	5	(2,440)	(2,145)
		<u>(3,465)</u>	<u>(2,609)</u>
Net assets		<u>48,630</u>	<u>47,762</u>
Capital and reserves			
Called up share capital	17	240	240
Share premium		124	124
Capital redemption reserve		21	21
Profit and loss account		48,245	47,377
Total equity		<u>48,630</u>	<u>47,762</u>

The financial statements on pages 13 to 35 were approved and authorised by the Board of Directors on 24 September 2020 and are signed on their behalf by:



W G Adams
Managing Director
24 September 2020

Registered company number 00597708

Williams Motor Co. (Holdings) Limited

Statement of Changes in Equity for the year ended 31 December 2019

	Share capital £000	Capital redemption £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2018	240	21	124	44,349	44,734
Profit for the year 2018	-	-	-	4,792	4,792
Other comprehensive income, net of tax:					
actuarial losses on pension scheme	-	-	-	(982)	(982)
Total comprehensive income for the year	-	-	-	3,810	3,810
Dividends paid	-	-	-	(780)	(780)
Share buyback	-	-	-	(2)	(2)
Balance at 31 December 2018	240	21	124	47,377	47,762
Profit for the year 2019	-	-	-	2,204	2,204
Other comprehensive income, net of tax:					
actuarial losses on pension scheme	-	-	-	(318)	(318)
Total comprehensive income for the year	-	-	-	1,886	1,886
Dividends paid	-	-	-	(1,018)	(1,018)
Balance at 31 December 2019	240	21	124	48,245	48,630

Williams Motor Co. (Holdings) Limited

Statement of Cash Flow

for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Cash (outflows)/generated from operations	19	(1,644)	13,529
Interest paid		(2,057)	(1,157)
Taxation paid		(900)	(1,099)
Net cash from operating activities		(4,601)	11,273
Cash flows from investing activities			
Purchase of tangible fixed assets		(14,915)	(27,907)
Proceeds on disposal of tangible fixed assets		41	1,297
Net cash used in investing activities		(14,874)	(26,610)
Cash flows from financing activities			
Inflow of borrowings		18,300	13,960
Inflow from/(repayments of) vehicle finance loans		5,596	(2,569)
Dividends paid		(1,018)	(780)
Net cash from financing activities		22,878	10,611
Net increase/(decrease) in cash and cash equivalents		3,403	(4,726)
Cash and cash equivalents at 1 January		(4,309)	417
Cash and cash equivalents at 31 December		(906)	(4,309)
Relating to:-			
Bank balances and short term deposits included in cash at bank and in hand		-	-
Overdrafts included in creditors falling due within one year		(906)	(4,309)
Net cash (used in) operations		(906)	(4,309)

Analysis of changes in net debt	1 January 2019 £000	Cash flows 2019 £000	Non-cash movements 2019 £000	31 December 2019 £000
Cash at bank and in hand				
Bank overdraft	4,309	(3,403)	-	906
Bank loan	700	-	-	700
Manufacturer loan	-	-	870	870
Debt due within one year	5,009	(3,403)	870	2,476
Debt due after one year				
Bank loan	4,950	(700)	-	4,250
Manufacturer loan	17,400	19,000	(870)	35,530
Debt due after one year	22,350	18,300	(870)	39,780
Total net debt	27,359	14,897	-	42,256

Williams Motor Co. (Holdings) Limited

Accounting Policies

for the year ended 31 December 2019

General information

Williams Motor Co. (Holdings) Limited is a limited company domiciled and incorporated in England and Wales. The company's registered office and principal place of business is 2 Vincent Way, Raikes Lane, Bolton, BL3 2NB.

The company's principal activities are included in the Directors' report.

Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006, including the provisions of the large and medium-sized companies and groups (accounts and reports) regulations 2008.

The company has taken advantage of the exemption in section 402 of the Companies Act from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial performance of the company as a single entity.

Going concern

As set out in the Strategic Report, the Coronavirus (Covid-19) Pandemic has impacted on results during 2020. As at the date of approving these financial statements, the impact of Covid-19 had on the Group's operations has lessened, however it is difficult to assess what the medium and long-term impact will be.

The Directors have prepared forecasts for the company for the period to December 2021 which demonstrate that the company and group can continue to operate within its available financial resources. The Group continues to rely on strong, long term relationships with its manufacturer partners and its bankers. Costs are being closely monitored and controlled, with the option of further reductions if sales targets were not achieved. The Company also has a reasonable expectation that additional borrowings could be secured if additional funds were required.

The Directors are pleased with the trading performance of the company following the easing of the lockdown restrictions and the reopening of car showrooms from 1 June 2020. Since then, trading has been significantly ahead of the prior year months and ahead of expectations.

The Group has a strong balance sheet and significant headroom within the facilities it has access to. As a consequence, the Directors are confident that the company has sufficient liquidity during this challenging period as markets return to a more normal level of activity.

On this basis and at the time of approving the financial statements, the Directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Presentation and functional currencies

The financial statements are presented in sterling and amounts are rounded to the nearest £1,000 except where stated.

Turnover

Turnover is measured at invoice price, excluding value added tax, and principally comprises external vehicle sales, parts, servicing and bodyshop sales. Vehicles and parts sales are recognised when control over the vehicles or parts have been transferred to the customer. This is generally at the time of delivery to/collection by the customer. Service and bodyshop sales are recognised in line of delivery to/collection by the customer and in line with the work performed.

Revenue also includes commission receivable for arranging vehicle finance and related insurance products. Commissions are based on agreed rates and income is recognised at the time of approval of the vehicle finance by the finance provider.

Where the Company is acting as an agent on behalf of a principal, the commission earned is also recorded at an agreed rate when the transaction has occurred.

Williams Motor Co. (Holdings) Limited

Accounting Policies

for the year ended 31 December 2019

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost net of 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 useful economic life of the assets as follows:

Land and buildings	Up to a maximum of fifty years
Plant & equipment	Up to a maximum of ten years
Computer equipment	Up to a maximum of five years
Motor vehicles	Up to a maximum of four years

Freehold land is not depreciated and leasehold properties are depreciated over the useful life of the lease.

Goodwill

Goodwill arising on acquisitions is recognised as an intangible fixed asset and amortised on a straight line basis over its useful economic life of between 10 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

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

Leases and hire purchase contracts

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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 and recognised in cost of sales.

Vehicles on consignment are included in stock when substantially all of the principal benefits and inherent risks rest with the company. The corresponding liability is included under creditors, amounts falling due within one year.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Williams Motor Co. (Holdings) Limited

Accounting Policies

for the year ended 31 December 2019

Financial assets (trade debtors, other debtors and accrued income)

Financial assets which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Financial assets are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a counterparty constitutes a financing transaction, the financial asset is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of financial assets is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the financial asset over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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 company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Financial liabilities payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a counterparty constitutes a financing transaction, the financial liability is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in profit or loss unless hedge accounting is applied and the hedge is a cash flow hedge.

Williams Motor Co. (Holdings) Limited

Accounting Policies

for the year ended 31 December 2019

De-recognition of financial assets and liabilities

A financial asset is de-recognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of *income and expenses in tax assessments in different periods from their recognition in the financial statements*. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Williams Motor Co. (Holdings) Limited

Accounting Policies

for the year ended 31 December 2019

Retirement benefits

Defined benefit scheme

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method.

Assets/liability

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains or losses recognised in the profit or loss

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Defined contribution pension scheme

Contributions are charged to the profit and loss account as they fall due (See note 5 for further details).

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the company.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

1 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Used stock valuations

Stocks are stated at the lower of cost and net realisable value. The value of all used vehicles as well as the provision for obsolete, slow moving or defective stock can have a significant influence on the stock valuation in the financial statements. A comprehensive review of the stock holding is carried out with reference to independent market valuation data.

Pensions

The liability recognised in the balance sheet in respect of the company's retirement benefit obligations represents the liabilities of the company's defined benefit pension scheme after deduction of the fair value of the related assets. The schemes' liabilities are derived by estimating the ultimate cost of benefits payable by the scheme and reflecting the discounted value of the proportion accrued by the year end in the balance sheet. In order to arrive at these estimates a number of key financial and non-financial assumptions are made, changes to which could have a material impact upon the net deficit and also the net cost recognised in the Income Statement.

All assumptions have been set in accordance with the statement of funding principles and no allowance has been made for members transferring benefits out of the scheme.

Goodwill

The Company annually considers if there are any indicators of impairment in respect of the carrying value of goodwill and other intangible assets.

At the point of any acquisition the company is required to assess whether intangible assets need to be separately identified and measured. The measurement and assessment of the useful economic lives of intangible assets requires the use of judgement by management.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee, or the lessee, where the company is a lessor.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

2 Turnover

Turnover arises solely within in the UK and is attributable to the one principal activity of the company. Further analysis of turnover by class of business has not been given, as in the opinion of the Directors such disclosure would be seriously prejudicial to the interests of the company.

3 Profit before taxation

	2019 £000	2018 £000
Profit before taxation is stated after charging/(crediting):		
Auditors' remuneration		
- audit of the parent company accounts	58	54
- audit of associated pension schemes	6	5
- taxation compliance	22	23
- other tax advisory services	26	18
Amortisation of goodwill	384	383
Depreciation	1,287	1,179
Operating lease rentals		
- plant and machinery	53	57
- land and buildings	1,010	1,044
Loss/(profit) on disposal of fixed assets	54	(7)

4 Directors and employees

The average number of people, including directors, employed by the company during the year was:

	2019 Number	2018 Number
Sales	504	479
Aftersales	178	160
Administration	153	137
	<u>835</u>	<u>776</u>
	2019 £000	2018 £000

Staff costs (including directors' remuneration) during the year were as follows:

Wages and salaries	28,439	26,167
Social security costs	3,120	2,824
Pension costs	896	635
	<u>32,455</u>	<u>29,626</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

4 Directors and employees (*continued*)

Directors' remuneration (excluding pension contributions) were as follows:	2019	2018
	£000	£000
Fees	61	53
Executive remuneration and benefits	586	626
	<u>647</u>	<u>679</u>

Three directors (2018: two) have benefits accruing under a Group Personal Pension scheme.

One of the above directors has benefits accruing under a defined benefit pension scheme, which is closed with no company contributions being made.

Pension contributions of £25,986 (2018: £9,483) were made on behalf of these directors.

Highest paid director

	2019	2018
	£000	£000
Remuneration and benefits	450	470

5 Pension costs

Defined Contribution Scheme

The Company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £761,000 (2018: £596,000) of which £147,000 (2018: £121,000) were payable to the fund at the year end and are included in creditors.

Defined Benefit Scheme

The Company also operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 30 June 2015 and updated to 31 December 2019 by a qualified independent actuary. The principal assumptions used in the calculation of the valuation of the plan assets and the present value of the defined benefit obligation include:-

	2019	2018
	%	%
Discount rate at 31 December	2.00	2.80
Inflation (RPI)	2.90	3.40
Future pension increases (CPI)	2.20	2.50

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

	2019	2018
Pre-retirement mortality (non-pensioners)	None	None
Post retirement mortality (non-pensioners)	S2PxA/CMI_2018[1.00%;S=7.5]	S2PxA/CMI_2017 [1.00%]
Post retirement mortality (pensioners)	S2PxA/CMI_2018[1.00%;S=7.5]	S2PxA/CMI_2017 [1.00%]

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

5 Pension costs (continued)

	2019 £000	2018 £000
Amounts recognised in profit or loss in respect of the defined benefit scheme is as follows:		
Net interest on the defined benefit pension liability	58	25
Net interest	<u>58</u>	<u>25</u>
	2019 £000	2018 £000
Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	3,432	2,437
Interest cost	94	60
Actuarial losses	503	1,042
Benefits paid	(158)	(107)
Closing defined benefit obligation	<u>3,871</u>	<u>3,432</u>
	2019 £000	2018 £000
Changes in the fair value of plan assets		
Opening plan assets	1,287	1,350
Interest income	36	35
Actuarial losses/(gains)	135	(120)
Contributions by employer	131	129
Benefits paid	(158)	(107)
Closing plan assets	<u>1,431</u>	<u>1,287</u>
	2019 £000	2018 £000
Pension scheme liability		
1 January	(1,780)	(902)
Movement in assets/liabilities	(660)	(1,243)
Deferred tax asset	415	365
31 December	<u>(2,025)</u>	<u>(1,780)</u>

The actual return on plan assets over the period ended 31 December 2019 was an increase of £171,000 or a 13.8% return (2018: decrease of £85,000 or -6.3%).

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

5 Pension costs (continued)

	2019 %	2018 %
Major categories of plan assets as a percentage of fair value of total plan assets		
Equities	30	29
Diversified growth assets	49	24
Gilts	18	19
Other	3	28
	<u>100</u>	<u>100</u>

The company continues to contribute £125,000 (increasing 3% annually) to its defined benefit pension plan. This is based on a plan to eliminate the deficit on the technical provisions basis over a 12 year period.

6 Interest

	2019 £000	2018 £000
Bank interest receivable	1	5
Interest receivable	<u>1</u>	<u>5</u>
Interest payable:		
Bank loan and overdraft	(1,348)	(690)
Vehicle stocking finance	(559)	(447)
Net interest on the defined benefit pension liability	(58)	(25)
Interest rate swap movement	(89)	-
Other	(4)	-
Interest payable	<u>(2,058)</u>	<u>(1,162)</u>
Net interest	<u>(2,057)</u>	<u>(1,157)</u>

7 Taxation

	2019 £000	2018 £000
(a) Current tax charge		
UK corporation tax at 19.00% (2018: 19.00%)	(5)	1,294
Total Current Tax	<u>(5)</u>	<u>1,294</u>
Deferred Tax		
Origination and reversal of timing differences	574	(27)
Total deferred tax	<u>574</u>	<u>(27)</u>
Total tax charge in income statement	<u>569</u>	<u>1,267</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

(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 19.00% (2018: 19.00%) is as follows:

	2019 £000	2018 £000
Profit on ordinary activities before tax	2,774	6,059
Profit on ordinary activities multiplied by rate of tax	527	1,151
Expenses not deductible for tax purposes	45	35
Other short term timing differences and unrealised tax losses	(2)	81
Total current tax (note 7(a))	570	1,267

(c) Factors that may affect future tax charges

The main rate of corporation tax stands at 19.00% in 2019/20 and remains at this rate in 2020/21.

8 Dividends

	2019 £000	2018 £000
Final ordinary: £3.00 (2018: £1.75) paid on 1 July 2019	719	420
Interim ordinary: £1.25 (2018: £1.50) paid on 6 December 2019	300	360
Dividends to equity shareholders	1,019	780

The final dividend paid in 2019 related to profits earned during the year to 31 December 2018.

9 Goodwill

	2019 £000	2018 £000
Cost		
At 1 January	3,876	3,876
Additions	-	-
At 31 December	3,876	3,876
Amortisation		
At 1 January	834	451
Charge for year	384	383
At 31 December	1,218	834
Net book value		
At 31 December	2,658	3,042

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

10 Tangible fixed assets

	Land and buildings		Plant and	Motor	Total
	Freehold	Leasehold	equipment	vehicles	
	£000	£000	£000	£000	£000
Cost					
At 1 January 2019	27,211	38,356	11,791	329	77,687
Additions	71	10,077	4,698	69	14,915
Transfers	4,190	(4,190)	-	37	37
Disposals	-	-	(2,703)	(53)	(2,756)
At 31 December 2019	31,472	44,243	13,786	382	89,883
Depreciation					
At 1 January 2019	3,300	1,697	9,280	177	14,454
Charge for year	354	167	704	62	1,287
Transfers	844	(844)	-	37	37
Disposals	-	-	(2,643)	(17)	(2,660)
At 31 December 2019	4,498	1,020	7,341	259	13,118
Net book value					
At 31 December 2019	26,974	43,223	6,445	123	76,765
At 31 December 2018	23,911	36,659	2,511	152	63,233

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

11 Fixed asset investments

The under mentioned are subsidiary companies and all of the companies are incorporated in the United Kingdom and registered in England. The parent company owns 100% of the share capital and voting rights of these 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%	Dormant
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	UK	Ordinary	100%	Dormant
Benham (Specialist Cars) Ltd	UK	Ordinary	100%	Dormant

The registered office of the entities above is 2 Vincent Way, Raikes Lane, Bolton BL3 2NB.

12 Stocks

	2019 £000	2018 £000
Consignment	36,268	16,663
Vehicles	52,774	56,155
Parts and other stocks	1,579	1,580
	<u>90,621</u>	<u>74,398</u>

Stock is shown net of a provision of £1,025,000 (2018: £1,143,000).

Vehicles held on consignment from the manufacturers are included within the balance sheet as consignment stock. Stocks of vehicles for the company shown above include £36,268,000 (2018: £16,663,000) in respect of vehicles held on consignment. The corresponding liabilities are shown under creditors.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

13 Debtors: amounts falling due within one year

	2019 £000	2018 £000
Trade debtors	23,842	13,822
Other debtors	1,673	1,858
Other tax and social security	-	1,628
Prepayments and accrued income	7,930	2,616
	<u>33,445</u>	<u>19,924</u>

Trade debtors are shown net of a provision of £70,849 (2018: £68,160).

13 (a) Debtors: amounts falling due after more than one year

	2019 £000	2018 £000
Deferred tax – defined benefit scheme	415	365
	<u>415</u>	<u>365</u>

14 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Bank overdraft	906	4,309
Bank loan	1,570	700
Payments on account	1,451	1,472
New car consignment loans	36,268	16,663
New car fully paid finance loans	6,293	12,995
Used/demonstrator vehicle finance loans	34,418	22,120
Trade creditors	22,947	19,851
Other creditors	3,163	4,009
Corporation tax	(158)	747
Other taxation and social security costs	2,590	1,038
Accruals and deferred income	2,581	4,337
	<u>112,029</u>	<u>88,241</u>

The bank loan and overdraft facility are secured by fixed and floating charges over the company's assets. The vehicle stocking finance loans of the company are secured by a fixed and floating charge on the vehicle stocks of the company.

A commercial rate of interest is charged on all loans and overdrafts payable on this facility at LIBOR plus a rate between 2.0% and 2.5%.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

14 (a) Creditors: amounts falling due after more than one year

Bank and manufacturer loans	2019 £000	2018 £000
Bank loan	4,250	4,950
Manufacturer loan	35,530	17,400
	<u>39,780</u>	<u>22,350</u>
	2019 £000	2018 £000
The maturity of these amounts is as follows:		
In one year or less	1,570	700
Between one and two years	1,870	12,058
Between two and five years	8,470	8,051
Greater than five years	29,440	2,241
	<u>41,350</u>	<u>23,050</u>

The Company has a Barclay's term loan of £6.0m together with a £6.0m overdraft facility and stock funding facility of £3.0m. These facilities were extended in 2018 for a 4 year period, giving certainty until 2022.

Two term loan facilities each of 20 years, totaling £39.6m and provided by BMW Financial Services were put in place to fund the TraffordCity, Manchester development. These loans are repayable in 240 monthly installments and are secured against the two centres at Trafford and three existing properties. In addition when the sale of any existing property occurs, a portion of the proceeds is required to be paid against the loan balance.

15 Financial instruments

The carrying amounts of the company's financial instruments at 31 December	2019 £000	2018 £000
Financial assets:		
Debt instruments, measured at amortised cost	25,515	17,308
Total	<u>25,515</u>	<u>17,308</u>
Financial liabilities:		
Measured at amortised cost	150,788	108,736
Measured at fair value through profit or loss		
- Interest rate swaps	159	70
- Other financial liabilities	-	-
	<u>150,947</u>	<u>108,806</u>

Debt instruments measured at amortised cost include trade debtors, other debtors and accrued income.

Financial instruments measured at amortised cost include bank loans, payments on account, new car consignment, new car fully paid finance loans, trade creditors, other creditors, other loans and accruals.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2019

15 Financial instruments (continued)

Interest rate swap and cap

The Company had a £10m interest rate swap, at the rate of 1.45% in place to provide a degree of certainty in its interest rate costs.

This fixed rate swap, at a rate of 1.45% remained in place and was due to expire in September 2020. During April 2019 this interest rate swap for £10m was cancelled and a replacement interest rate swap with a blended rate of 1.25% agreed, with an expiry date of September 2023. The company also arranged an interest rate cap for £5m in July 2019, at a cap rate of 1.50% with an expiry date of March 2024.

16 Deferred taxation

	£000
At 31 December 2018	464
Charged in the year	561
At 31 December 2019	<u>1,025</u>

Provision for deferred tax has been made up as follows:

	2019 £000	2018 £000
Excess of capital allowances over depreciation	1,058	542
Short term timing differences	(33)	(78)
	<u>1,025</u>	<u>464</u>

17 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2019 Number	2018 Number	2019 Number	2018 Number
'B' Ordinary shares of £1 each	5,000	5,000	4,665	4,665
'C' Ordinary shares of £1 each	295,000	295,000	235,031	235,031
	<u>300,000</u>	<u>300,000</u>	<u>239,696</u>	<u>239,696</u>

'C' Ordinary shares rank pari passu in all respects to 'B' Ordinary shares save that they have no voting rights except on the variation of their terms.

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2019

18 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserves

Nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss account

Cumulative profit and loss net of distribution to owners.

19 Reconciliation of profit after tax to net cash generated from/(used in) operations

	2019 £000	2018 £000
Profit after tax	2,204	4,792
Adjustments for:		
Depreciation of tangible fixed assets	1,287	1,179
Amortisation of intangible assets	384	383
Loss on disposal of fixed assets	54	(7)
Interest receivable	(1)	(5)
Interest payable	2,058	1,162
Taxation	569	1,267
Share buyback	-	(2)
Defined benefit pension scheme	(58)	(104)
Fair value gains/(losses) on financial instruments	62	(105)
Operating cash flow before movements in working capital	6,559	8,560
(Increase)/decrease in stock	(16,223)	4,253
Increase in trade and other debtors	(13,106)	(3,383)
Increase in trade and other creditors	21,126	4,099
Cash (outflow)/generated from operations	(1,644)	13,529

20 Operating lease commitments

At 31 December 2019 the Company had total commitments under non-cancellable operating leases as set out below:

	31 December 2019		31 December 2018	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases expiring:				
- within one year	1,010	53	1,003	57
- within two to five years	4,044	-	3,918	-
- after more than five years	2,831	-	3,880	-
	<u>7,885</u>	<u>53</u>	<u>8,801</u>	<u>57</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2019

21 Capital commitments

Amounts contracted for but not provided in the company accounts amount to £408,000 in relation to the TraffordCity development (2018: £12,500,000).

22 Related party transactions

The total remuneration of the Directors and managers who are considered to be the key management personnel of the company was £690,000 (2018: £721,000).

During the year, the Company provided interest free loans to Directors and senior managers, to enable them to acquire cars at cost under a company car scheme. Under this scheme, the company repurchases these vehicles within the next twelve months.

23 Ultimate controlling party

Mrs Orton Williams controls 53.16% of the voting shares of the company.

24 Post balance sheet events

In April 2020 the Group completed the sale of the old Land Rover site at Birchall Way, Manchester to the Manchester Metropolitan University (MMU). The sale proceeds of £4m were applied to the development loan reducing the balance to £32.4m.

As previously noted, Covid-19 has impacted all areas of the UK economy, with certain sectors being hugely affected by continued restrictions, but despite the enforced closure of our retail premises during the second quarter we continued trading online via our digital sales teams throughout the lockdown period. Following the lifting of restrictions placed on retail businesses at the beginning of June, our activity levels have grown significantly.

The Group will continue to utilise the Governments furlough scheme where appropriate, but with our current levels of business activity the number of colleagues who remain furloughed has reduced below 10% of the pre-covid workforce.