

# Williams Motor Co. (Holdings) Limited

REPORT AND ACCOUNTS

31 December 2022

Registered number: 00597708

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# Williams Motor Co. (Holdings) Limited

## Company Information

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### 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

### Registered office

2 Vincent Way  
Raikes Lane  
Bolton  
BL3 2NB

### Bankers

Barclays Bank PLC  
Barclays Corporate  
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

## Report of the Directors

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The Directors present their report for the year ended 31 December 2022.

### 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 standard, and we continually invest to ensure we maintain these standards, whilst we continue to further enhance our digital presence to meet the developing expectations of customers.

### Business Review

The Directors are delighted to report the Group's strong trading performance during 2022, being the single most profitable year in our history despite the significant headwinds of supply disruption, increased energy costs and more recently double-digit inflation and rising interest rates. The result included improved year-on-year performances from most areas of the business, particularly from our parts, bodyshop and new car sales departments.

As we continue to develop our digital capability it remains clear that a significant proportion of our customers want to physically visit our retail centres to view and test drive vehicles, and ultimately receive the full brand experience, supporting the continued investment in physical infrastructure.

The Company is committed to providing customers with an excellent omni-channel experience, both online and in our dealership facilities.

UK New car market	2022 Units	2021 Units	Change
Total	1,614,063	1,647,181	-2.0%
BMW	108,624	116,577	-6.8%
MINI	45,854	45,756	0.2%
Jaguar	12,165	18,868	-35.5%
Land Rover	43,180	53,111	-18.7%

2022 UK car registrations fell 2.0% reaching 1,614,063 units (2021: 1,647,181 units) as supply challenges continued, primarily due to the restricted supply of semiconductors, and the manufacturers refocused production to meet the demand from more profitable high end retail supplies, and in particular fully electric vehicles.

The sector witnessed the continued adoption of pure electric vehicles ("EVs") during the year with 267,203 pure EVs registered, being 16.6% (2021: 11.6%) of all registrations and when combined with hybrid vehicles the total market for vehicles electrified in some form accounted for 34.5% (2021: 27.5%) of total registrations. The Company continues to invest both in employee training and in our physical facilities to stay ahead of these trends and to support our customers as they shift towards an electrified motoring experience.

Turnover for 2022 increased 6.1% to £536.3m (2021: £505.4m) despite the reduced availability of new cars. New vehicle registrations were clearly impacted by the lack of available new car stock, as disruption from the worldwide shortage of semi-conductors inhibited production. Overall, our new car volumes increased marginally whilst new car gross profit improved significantly from 5.0% (2021) to 7.9% (2022).

Pent-up demand, combined with restricted new car supply, pushed customers towards purchasing a used vehicle therefore avoiding extended lead times. As a result, used vehicle turnover increased 7.6% to £339.3m (2021: £315.4m).

Aftersales delivered strong growth as service sold hours increased 3.6% despite challenges recruiting technicians to fill vacant positions. Overall service direct profit fell 1.1%. The central bookings team has been successful in increasing the retail content of service hours sold and retention of customers with robust aftersales processes, although we must acknowledge the reduction in vehicle parc due to the lack of registrations during 2020/21, being negatively impacted by the pandemic.

# Williams Motor Co. (Holdings) Limited

## Report of the Directors

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Bodyshop sold hours grew by 1.4% resulting in a 4.2% increase in direct profit. Parts turnover increased 15.2% resulting from the increased sold hours across both service and bodyshop departments and improved trade sales, whilst direct parts profit increased 17.7%.

Overall gross profit for 2022 increased 12.6% to £63.6m (2021: £56.5m) compared to the prior year. As a result, operating profit rose 7.4% to £17.5m (2021: £16.3m) albeit the improved gross profit being tempered at operating profit level by the impact on operating costs of furlough and business rate support during 2021 and the increased energy and salary costs during 2022. EBITDA improved by 6.0% to £19.5m (2021: £18.4m).

Profit before taxation increased 6.0% to £16.0m (2021: £15.1m) predominantly driven by new car volumes and margin, resulting in an 18.4% increase in net assets, to £74.8m (2021: £63.2m) as set out below.

The Company has significant used vehicle funding facilities totalling £53.0m of which £10.2m was utilised as at 31 December 2022, whilst the Company also made an additional £5.0m capital repayment of the Trafford development loan in addition to the agreed repayment instalments, reducing net debt by £16.5m in the year to £35.4m (2022: £51.9m).

The Company's financial position remains strong with shareholder funds of £74.8m as at 31 December 2022.

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

Operating performance	2022	2021	Change
Turnover	£536.3m	£505.4m	+6.1%
Gross profit	£63.6m	£56.5m	+12.6%
Operating profit	£17.5m	£16.3m	+7.4%
EBITDA	£19.5m	£18.4m	+6.0%
Profit before taxation	£16.0m	£15.1m	+6.0%
Total net debt	£35.4m	£51.9m	-31.8%
Net assets	£74.8m	£63.2m	+18.4%
Average number of employees	750	745	0.7%

### Current trading and outlook

The business plan for 2023 anticipated a gradual, but sustained increase in new car production as the semi-conductor bottleneck abated, but despite these continuing challenges, the lack of new vehicles to meet strong demand yields greater margins, whilst enabling the Company to continue to deliver robust used vehicle profits.

For the four months to 30 April 2023, our used vehicle sales remain robust with direct profit ahead of plan, whilst our aftersales departments are also ahead of plan and 17.3% ahead of previous year. Accordingly, the Board is confident that the Company is well positioned to continue to trade profitably in 2023.

# Williams Motor Co. (Holdings) Limited

## Report of the Directors

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### 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 2022, utilisation of new and used vehicle funding facilities amounted to £31.0m (2021: £34.6m), being 31.1% of the available vehicle stock funding facility.

#### 2. Interest rate risk management

The Company objective is to manage interest rate risk and volatility. The Company manages this by way of derivative financial instruments, namely via an interest rate swap and cap, in counterparty with Barclays Bank to protect the Company 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 advocate 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

Economic conditions which support consumer demand are key requirements for a retail business. The impact of many economic headwinds including inflationary pressures, significant energy cost and other inflationary increases and rising interest rates have endured through the second half of 2022 into the first quarter of 2023, but despite these pressures the financial performance of the business remains strong, being significantly ahead of plan and marginally ahead of 2022.

#### 5. Regulatory risks

The Company is an appointed representative of Automotive Compliance for both general finance and insurance products, who provide compliance and regulatory support.

The Senior Managers and Certification Regime (SM&CR) 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 Company has completed all aspects of the transition to this new regulatory framework including the appointment of a new compliance partner, being Automotive Compliance, effective from February 2021.

The Company established a formal compliance committee during 2021, initially to ensure compliance with the new regime, which subsequently convenes bi-monthly to review and evaluate the process and systems deployed to ensure the Company remains compliant, whilst using exception reporting to identify potential divergence.

#### 6. Cyber risks

There is a risk that the Company or one of its key systems providers is targeted for a malicious cyber-attack. The Company's systems are all hosted by third party providers with significant cloud-based security protocols in place. These are regularly stress tested, and the Company hardware is also regularly updated.

Regular reviews of the risks within each of the categories above are carried out and consideration given to the potential impact should an individual risk materialise. The risk register, 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.

# Williams Motor Co. (Holdings) Limited

## Report of the Directors

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### SECTION 172(1) STATEMENT AND 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 Company 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 business growth. 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 respective Head of Business. During the year, the Directors also made regular webcasts to all employees to ensure that restrictions of various activities did not preclude regular communication.

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 Company 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 conference.

#### Personnel

The Company strives to retain key personnel with the requisite knowledge, skills and expertise. There was one new addition to the senior management team during the year and the Company will continue to provide training and support to this individual.

#### 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.

# Williams Motor Co. (Holdings) Limited

## Report of the Directors

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**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, whilst monitoring the headroom and maturity of credit facilities. The Board approves, when necessary, changes to the Company's funding facilities.

### **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 Green agenda. We are fortunate to represent vehicle brands that are responding to the green agenda of Government, whilst ongoing investment is being made to cater for and support the sale and servicing of such vehicles.

### **Recent developments**

The Company will continue to develop and grow its digital presence by developing its digital retail sales team located in Bolton, whilst driving the service bookings team, based in Manchester, to ensure workshop capacity is fully utilised.

The Company completed a comprehensive pay review at the end of 2022 to revisit the need to offer competitive packages to attract and retain staff, as the lack of skilled labour commanded increased rates of pay.

The ceaseless conflict in the Ukraine has continued for over 12 months which initially caused significant disruption to global supply chains, in particular those goods sourced from both the Ukraine and Russia. As a result, manufacturers quickly responded and sourced component parts from other regions, but the soaring cost of energy throughout 2022 had a significant impact on many manufacturers, retailers, customers and our employees, whilst also being a significant contributory factor of inflation increases, these conditions may continue to negatively impact consumer confidence

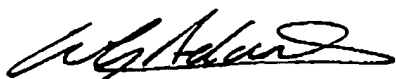
Despite inflationary pressures from enhanced pay, increased energy costs and the rapid increase in interest rates, as the Bank of England seeks to tame inflation resulting in increased vehicle ownership costs, the first quarter of 2023 has delivered a robust financial performance, being significantly ahead of plan and marginally ahead of 2022.

The UK has experienced a number of significant challenges in recent years with Brexit, Covid-19 and the war in Ukraine, but despite these headwinds the motor sector in particular has seen strong demand during a time of restricted supply due to these challenges, resulting in lower volumes with improved margins.

### **Future prospects and Agency**

The Company's manufacturer partners have indicated that they will move to an Agency sales distribution model over the next few years. Under this model, in respect of new vehicle sales, the Manufacturer transacts with the customer while the retailer remains the physical touchpoint with the customer as an Agent. The retailer-turned-agent receives a commission on each new vehicle sale, but will own no inventory and will no longer set prices or discounts. The Company is engaging with its manufacturer partners to assist, shape and manage the transition to this new commercial arrangement, which the Board believes will continue to provide a productive and profitable commercial relationship between the manufacturer and the retailer.

By order of the Board



W G Adams  
Managing Director  
5 June 2023

# Williams Motor Co. (Holdings) Limited

## Report of the Directors

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The Directors are pleased to submit their report and the audited company financial statements for the year ended 31 December 2022.

### 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 15 to 38.

An interim dividend of £3.00 per ordinary share (2021: £4.25) was paid to shareholders on 6 December 2022. The directors have recommended a final dividend of £6.00 per ordinary share (2021: £6.00), which will be payable on 3 July 2023.

### Donations

The Company made no political donations (2021: £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 as detailed below. The Directors' shareholdings remained unchanged from the numbers held on 31 December 2021 and their interests in the shares of the company are as follows:

	Shareholdings at 31 December 2022		Shareholdings at 31 December 2021	
	Ordinary		Ordinary	
	B	C	B	C
M M Orton Williams	2,480	62,560	2,480	62,560
N J Dunning	200	11,103	200	11,103
A M Cook	2	9,962	2	9,962
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.

# Williams Motor Co. (Holdings) Limited

## Report of the Directors

### Streamlined energy and carbon reporting (SECR)

In accordance with the Companies (Directors' Report) Regulations 2018, the Company has prepared the following energy and carbon declaration detailing its UK energy consumption and greenhouse emissions in respect of natural gas, electricity and transport fuel. The Company is not responsible for any energy consumption or emissions outside of the UK.

### Methodology used in the calculation of disclosures

The following standards are used in the calculation of the below disclosures:

- 2019 HM Government Environmental Reporting Guidelines
- GHG Reporting Protocol – Corporate Standard
- 2022 UK Government's Conversion Factors for Company Reporting

### UK Greenhouse gas emissions, energy consumption and energy efficiency data for the period 1st January 2022 to 31st December 2022

	2022	2021
Energy consumption used to calculate emissions (kWh)	7,759,481	8,846,444
Energy consumption breakdown (kWh):		
Natural Gas	2,544,945	3,454,859
Electricity	4,560,872	4,483,430
Transport fuel	653,664	908,155
Scope 1 emissions in metric tonnes CO <sub>2</sub> e		
Natural Gas consumption	465	633
Transport business mileage	154	213
Total Scope 1	619	846
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
Purchased electricity	882	952
Total gross emissions in metric tonnes CO <sub>2</sub> e	1,500	1,798
Intensity ratio Tonnes CO <sub>2</sub> e per £million (revenue)	2.80	3.56

### Energy efficiency action

With the UK Government bringing forward the deadline for the cessation of the sale of new petrol and diesel vehicles to 2030, the Company reaffirms its commitment to the continual improvement of its operational energy efficiency and will continue with efforts to deliver a sustainable transport future. BMW Group's emissions statement aims to reduce emissions by a further 80 percent from 2020 levels by 2030 and the Company continues endeavours to align itself with this objective.

During 2022 the Company significantly increased the number of electric vehicles offered and sold, whilst in partnership with our brand partners we continued to invest in the installation of electrical vehicle (EV) charging points, with 94 units currently in use, including 14 DC rapid chargers (2021: 46 units), thereby improving the capacity and speed of charging availability at our retail centres. The Company has also enhanced its review of energy usage at each individual location and will continue to deploy additional management measures in 2023 to ensure that our Carbon footprint is minimised.

2022 UK registrations of battery electric vehicles (BEV) increased 40.1% (267,203 units) when compared to the previous year (2021: 190,727 units), whilst sales of petrol and particularly diesel powertrain vehicles continued to decline. The increased BEV content was supported by constrained supply of semi-conductors and manufacturer emission targets, which together resulted in many manufacturers prioritising deliveries of the latest zero emission models.

# Williams Motor Co. (Holdings) Limited

## Report of the Directors

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The effectiveness of these measures is validated for the Company by a total energy consumption reduction of 12.3% in 2022, although electricity consumption increased 1.7% as more BEV vehicles were sold, this was more than offset by a 28.0% reduction in transport fuel. Further analysis of our electricity usage illustrates a significant reduction due to an upgrade of the Groups floodlighting to LED units, but these usage reductions were replaced by additional usage following the installation of an electric heating system at our Rochdale centre, which replaced the inefficient gas boilers and has contributed to a commensurate reduction in gas usage of 26.3%.

As a prestige motor company, our lighting requirements are of the highest standard and we continue to invest in LED technology to replace existing, less efficient fittings. All boiler replacements are of the highest specification condensing boilers and our business fleet is moving towards electric vehicles as our manufacturers continue to develop these products and improve mileage range.

### Post balance sheet events

#### Upper Brook Street properties

The planned sale of the two vacated properties on Upper Brook Street, Manchester continues with new developers, with whom the Company exchanged conditional contracts on 21 June 2022. These sites will form part of a complex landmark development for the city, which local stakeholders have agreed and is subject to planning approval, being one of Manchester's largest prospective developments. The Board anticipates completion to occur late 2023 and expect this to result in a material gain on sale of the property.

### 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, 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  
5 June 2023

# **Williams Motor Co. (Holdings) Limited**

## **Directors' responsibilities in the preparation of financial statements**

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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 2022**

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

#### **Opinion**

We have audited the financial statements of Williams Motor Co. (Holdings) Limited (the 'Company') for the year ended 31 December 2022 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 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 2022 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**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### **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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# **Williams Motor Co. (Holdings) Limited**

## **Independent Auditor's Report to the members of Williams Motor Co. (Holdings) Limited for the year ended 31 December 2022**

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### **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.

### **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 or 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 11, 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

# Williams Motor Co. (Holdings) Limited

## Independent Auditor's Report to the members of Williams Motor Co. (Holdings) Limited for the year ended 31 December 2022

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However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operates in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls and revenue recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing the appropriateness of journal entries, assessing judgements made in making accounting estimates and evaluating the business rationale for any significant unusual transactions or those outside the normal course of business. We tested a sample of revenue transactions recognised either side of the reporting date to determine whether revenue was recorded in the correct period.

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*

Alison Ashley (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF  
6 June 2023

# Williams Motor Co. (Holdings) Limited

## Income Statement

for the year ended 31 December 2022

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	Note	2022 £000	2021 £000
Turnover	2	536,267	505,418
Cost of sales		(472,714)	(448,921)
<b>Gross profit</b>		<u>63,553</u>	<u>56,497</u>
Selling and distribution costs		(9,707)	(9,241)
Administrative expenses		(36,385)	(31,492)
<b>Operating profit before other income</b>	3	<u>17,461</u>	<u>15,764</u>
Other Operating Income – CJRS Grant		-	569
<b>Profit before interest</b>		<u>17,461</u>	<u>16,333</u>
Interest payable and similar expenses	6	(1,445)	(1,213)
<b>Profit on ordinary activities before taxation</b>		<u>16,016</u>	<u>15,120</u>
Tax on profit on ordinary activities	7	(3,217)	(3,505)
<b>Profit for the financial year</b>		<u><u>12,799</u></u>	<u><u>11,615</u></u>

# Williams Motor Co. (Holdings) Limited

## Statement of Comprehensive Income

for the year ended 31 December 2022

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	Note	2022 £000	2021 £000
<b>Profit for the financial year</b>		<b>12,799</b>	<b>11,615</b>
Other comprehensive income:			
Actuarial gains/(losses) recognised in the pension scheme	5	1,278	630
Tax relating to other comprehensive income		(345)	(385)
<b>Total comprehensive income for the year</b>		<b>13,732</b>	<b>11,860</b>

# Williams Motor Co. (Holdings) Limited

## Statement of Financial Position

for the year ended 31 December 2022

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Goodwill	9	-	720
Tangible assets	10	72,589	73,028
Investments	11	-	-
		<u>72,589</u>	<u>73,748</u>
<b>Current assets</b>			
Stocks	12	66,258	61,877
Debtors	13	25,442	23,336
Cash and cash equivalents		847	1,068
		<u>92,547</u>	<u>86,281</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(63,802)	(62,309)
<b>Net current assets</b>		<u>28,745</u>	<u>23,972</u>
<b>Total assets less current liabilities</b>		<u>101,334</u>	<u>97,720</u>
Creditors: amounts falling due after more than one year	14a	(23,495)	(30,372)
<b>Provisions for liabilities and charges</b>			
Deferred taxation	16	(2,533)	(2,236)
Pension scheme liability	5	(499)	(1,878)
		<u>(3,032)</u>	<u>(4,114)</u>
<b>Net assets</b>		<u>74,807</u>	<u>63,234</u>
<b>Capital and reserves</b>			
Called up share capital	17	240	240
Share premium		124	124
Capital redemption reserve	18	21	21
Profit and loss account		74,422	62,849
<b>Total equity</b>		<u>74,807</u>	<u>63,234</u>

The financial statements on pages 15 to 38 were approved and authorised by the Board of Directors on 5 June 2023 and are signed on their behalf by:



W G Adams  
Managing Director  
5 June 2023

Registered company number 00597708

# Williams Motor Co. (Holdings) Limited

## Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital £000	Capital redemption £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2021	240	21	124	52,727	53,112
Profit for the year 2021				11,615	11,615
Other comprehensive income, net of tax:				(291)	(291)
actuarial losses on pension scheme				536	536
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,860</u>	<u>11,860</u>
<b>Dividends paid</b>				<u>(1,738)</u>	<u>(1,738)</u>
<b>Balance at 31 December 2021</b>	<u>240</u>	<u>21</u>	<u>124</u>	<u>62,849</u>	<u>63,234</u>
Profit for the year 2022				12,799	12,799
Other comprehensive income, net of tax:					
actuarial gains on pension scheme				933	933
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,732</u>	<u>13,732</u>
<b>Dividends paid</b>				<u>(2,156)</u>	<u>(2,156)</u>
<b>Share buyback</b>				<u>(3)</u>	<u>(3)</u>
<b>Balance at 31 December 2022</b>	<u>240</u>	<u>21</u>	<u>124</u>	<u>74,422</u>	<u>74,807</u>

# Williams Motor Co. (Holdings) Limited

## Statement of Cash Flow

for the year ended 31 December 2022

		2022	2021
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Cash generated from operations	19	23,788	8,694
Interest paid		(1,436)	(1,224)
Taxation paid		(2,689)	(1,832)
<b>Net cash from operating activities</b>		<u>19,663</u>	<u>5,638</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,446)	(616)
Proceeds on disposal of tangible fixed assets		40	32
<b>Net cash used in investing activities</b>		<u>(1,406)</u>	<u>(584)</u>
<b>Cash flows from financing activities</b>			
Proceeds of borrowings		150	-
Repayment of borrowings		(7,311)	(3,023)
Repayment of vehicle finance loans		(9,158)	(4,324)
Dividends paid		(2,156)	(1,738)
Share buyback		(3)	-
<b>Net cash used in financing activities</b>		<u>(18,478)</u>	<u>(9,085)</u>
<b>Net decrease in cash and cash equivalents</b>		(221)	(4,031)
<b>Cash and cash equivalents at 1 January</b>		<u>1,068</u>	<u>5,099</u>
<b>Cash and cash equivalents at 31 December</b>		<u>847</u>	<u>1,068</u>
Relating to: -			
Bank balances and short-term deposits included in cash at bank and in hand		847	1,068
Overdrafts included in creditors falling due within one year		-	-
		<u>847</u>	<u>1,068</u>

# Williams Motor Co. (Holdings) Limited

## Statement of Cash Flow

for the year ended 31 December 2022

	1 January	Cash flows	Non-cash movements	31 December
	2022	2022	2022	2022
	£000	£000	£000	£000
<b>Cash at bank and bank overdrafts</b>				
Cash at bank	1,068	(221)	-	847
Bank overdraft	-	-	-	-
Bank loan	(1,284)	420	(136)	(1,000)
Manufacturer loan	(1,740)	6,740	(6,740)	(1,740)
Vehicle funding loans	(19,533)	9,158	-	(10,375)
Interest rate swaps	(16)	-	423	407
<b>Net debt due within one year</b>	<b>(21,505)</b>	<b>16,097</b>	<b>(6,453)</b>	<b>(11,861)</b>
Bank loan	(1,886)	-	136	(1,750)
Manufacturer loan	(28,485)	-	6,740	(21,745)
<b>Debt due after one year</b>	<b>(30,371)</b>	<b>-</b>	<b>6,876</b>	<b>(23,495)</b>
<b>Total net debt</b>	<b>(51,876)</b>	<b>16,097</b>	<b>423</b>	<b>(35,356)</b>

# Williams Motor Co. (Holdings) Limited

## Accounting Policies

for the year ended 31 December 2022

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### 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

The Directors have produced forecasts for the Company including the 2023 financial year and quarter one of 2024, which demonstrate that the Company can continue to operate within its available financial resources, having taken steps to reshape the business and reduce costs, which are expected to continue. The Directors have further extended their consideration to cover a period of 12 months from the approval of the financial statements.

The Company continues to rely on strong, long-term relationships with its manufacturer partners and its bankers. 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. 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, based on the underlying value of its property portfolio.

The term loan provided by Barclays Bank (note 14) fell due for repayment on 20 April 2022, accordingly the Directors commenced discussions to renew this facility during January 2022 and subsequently received a proposal from Barclays of a three year £3m term loan effective 19 July 2022. The Company also has a £6m overdraft facility, which was unused at the period end, and used for working capital which was renewed at the same time as the term loan. The Directors confirm that these facilities have been agreed and facility letters issued.

The Company has a strong balance sheet and significant headroom within the facilities it has available, with confirmed continuance at current levels from its funding partners. As a consequence, the Directors are confident that the Company has sufficient liquidity.

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.

# Williams Motor Co. (Holdings) Limited

## Accounting Policies

for the year ended 31 December 2022

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### 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 deemed to be at the earlier of the delivery to/collection by the customer, or full payment. 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.

### Government grants

Income from Government grants is presented within other operating income. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The choice of the performance model or accrual model is available on a class-by-class basis.

### 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 instalments 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 and 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 5 and 10 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. Any impairment losses are recognised in profit or loss.

# Williams Motor Co. (Holdings) Limited

## Accounting Policies

for the year ended 31 December 2022

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### 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 impairment 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.

#### 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.

# Williams Motor Co. (Holdings) Limited

## Accounting Policies

for the year ended 31 December 2022

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### 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.

### 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 2022

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### 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 2022

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### 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. Details of the provision against stock are provided in note 12.

#### 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, which are disclosed in note 5, 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. Details of impairments made in the period are given in note 3.

#### Critical areas of judgement

No material critical judgements, apart from those involving estimations (which are dealt with separately above), have been made by the Directors in the process of applying the Company's accounting policies.

### 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.

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2022

### 3 Profit before taxation

	2022	2021
	£000	£000
Profit before taxation is stated after charging/(crediting):		
Auditors' remuneration		
- audit of the parent company accounts	74	67
- audit of associated pension schemes	-	7
- taxation compliance	17	13
- other tax advisory services	54	21
Amortisation of goodwill	186	321
Impairment of goodwill	534	500
Depreciation	1,843	1,767
Operating lease rentals		
- plant and machinery	84	13
- land and buildings	886	865

#### Goodwill impairment

The Company originally purchased the Stockport business during 2010, including an element of goodwill, to be amortised over 20 years, which is now considered excessive with a 5 or 10-year period being more appropriate. Subsequently, following the property transfer the Directors have continued to review the remaining economic life of the goodwill attributed to the Groups acquisition of the Stockport centre, concluding that for the remaining £534,000 a goodwill impairment should be made.

### 4 Directors and employees

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

	2022	2021
	Number	Number
Sales	247	260
Aftersales	370	365
Administration	133	120
	<u>750</u>	<u>745</u>

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

	2022	2021
	£000	£000
Wages and salaries	27,619	26,182
Social security costs	2,980	2,545
Pension costs	917	869
	<u>31,516</u>	<u>29,596</u>

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2022

### 4 Directors and employees (*continued*)

Directors' remuneration (including pension contributions) was as follows:	2022 £000	2021 £000
Fees	111	108
Executive remuneration and benefits	944	918
Pension contributions	31	28
	<u>1,086</u>	<u>1,054</u>

Three Directors (2021: three) 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.

### Highest paid director

Directors' remuneration (including pension contributions) was as follows:	2022 £000	2021 £000
Remuneration and benefits	786	752
Pension contributions	19	18
	<u>805</u>	<u>770</u>

### 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 £777,000 (2021: £727,000) of which £25,000 (2021: £36,000) was 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 2021 and updated to 31 December 2022 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: -

	2022 %	2021 %
Discount rate at 31 December	4.75	1.80
Inflation (RPI)	3.30	3.30
Future pension increases (CPI)	2.50	3.00

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

	2022	2021
Pre-retirement mortality (non-pensioners)	No allowance	No allowance
Post retirement mortality (non-pensioners)	100% of S3PxA CMI_2021[1.25%; S=7.0]	100% of S2PxA CMI_2020[1.25%; S=7.5]
Post retirement mortality (pensioners)	100% of S3PxA CMI_2021[1.25%; S=7.0]	100% of S2PxA CMI_2020[1.25%; S=7.5]

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2022

### 5 Pension costs (continued)

	2022 £000	2021 £000
<b>Amounts recognised in profit or loss in respect of the defined benefit scheme is as follows:</b>		
Net interest on the defined benefit pension liability	33	38
Net interest	<u>33</u>	<u>38</u>
	<b>2022 £000</b>	<b>2021 £000</b>
<b>Changes in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	3,825	4,439
Interest cost	68	61
Actuarial gains	(1,661)	(557)
Benefits paid	(105)	(118)
Closing defined benefit obligation	<u>2,127</u>	<u>3,825</u>
	<b>2022 £000</b>	<b>2021 £000</b>
<b>Changes in the fair value of plan assets</b>		
Opening plan assets	1,947	1,469
Interest income	35	23
Actuarial (losses)/gains	(383)	73
Contributions by employer	134	500
Benefits paid	(105)	(118)
Closing plan assets	<u>1,628</u>	<u>1,947</u>
	<b>2022 £000</b>	<b>2021 £000</b>
<b>Pension scheme liability</b>		
1 January	(1,408)	(2,406)
Movement in assets/liabilities	1,379	1,092
Deferred tax asset	(345)	(94)
31 December	<u>(374)</u>	<u>(1,408)</u>

The actual return on plan assets over the period ended 31 December 2022 was a decrease of £351,000 or a -18.9% return (2021: increase of £74,000 or 4.0%).

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2022

### 5 Pension costs (continued)

	2022	2021
	%	%
<b>Major categories of plan assets as a percentage of the fair value of total plan assets</b>		
Equities	27	32
Diversified growth assets	50	45
Gilts	16	18
Other	7	5
	<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 provision's basis over a 12-year period.

### 6 Interest

	2022	2021
	£000	£000
Bank interest receivable	2	1
Interest receivable	<u>2</u>	<u>1</u>
Interest payable:		
Bank loan and overdraft	(1,387)	(1,199)
Vehicle stocking finance	(450)	(296)
Net interest on the defined benefit pension liability	(33)	(38)
Interest rate swap movement	423	324
Other	-	(5)
Interest payable	<u>(1,447)</u>	<u>(1,214)</u>
Net interest	<u>(1,445)</u>	<u>(1,213)</u>

### 7 Taxation

	2022	2021
	£000	£000
<b>(a) Current tax charge</b>		
UK corporation tax at 19.00% (2021: 19.00%)	2,897	2,825
Adjustments in respect of prior period	(2)	(179)
Total Current Tax	<u>2,895</u>	<u>2,646</u>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	322	859
Total deferred tax	<u>322</u>	<u>859</u>
Total tax charge in income statement	<u>3,217</u>	<u>3,505</u>

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2022

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### (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% (2021: 19.00%) is as follows:

	2022 £000	2021 £000
Profit on ordinary activities before tax	16,016	15,120
Profit on ordinary activities multiplied by rate of tax	3,043	2,873
Expenses not deductible for tax purposes	44	(47)
Other short term timing differences and unrealised tax losses	52	293
Amounts relating to change in tax rates	78	386
Total current tax (note 7(a))	<u>3,217</u>	<u>3,505</u>

### (c) Factors that may affect future tax charges

An increase in the main UK corporation tax rate from 19% to 25% is effective from 1 April 2023. An additional deferred tax expense of £78k was recognised in the year as a result of the remeasurement of deferred tax to 25% from 19%.

## 8 Dividends

	2022 £000	2021 £000
Final ordinary: £6.00 (2021: £3.00) paid on 1 July 2022	1,438	719
Interim ordinary: (2021: £1.25 additional interim dividend paid on 29 March 2021) £3.00 (2021: £3.00) paid on 6 December 2022	718	300
Dividends to equity shareholders	<u>2,156</u>	<u>1,738</u>

The final dividend for 2021 was paid at £6.00 per share during July 2022 and an interim dividend for 2022 was paid at £3.00 per share during December 2022.

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts for the year ended 31 December 2022

### 9 Goodwill

	2022 £000	2021 £000
<b>Cost</b>		
At 1 January	3,876	3,876
At 31 December	<u>3,876</u>	<u>3,876</u>
<b>Amortisation</b>		
At 1 January	3,156	2,335
Charge for year	186	321
Impairment	534	500
At 31 December	<u>3,876</u>	<u>3,156</u>
<b>Net book value</b>		
At 31 December	<u><u>-</u></u>	<u><u>720</u></u>

The leased Stockport property was acquired by a third party during 2021.

The Company originally purchased the Stockport business during 2010, including an element of goodwill, to be amortised over 20 years, which is now considered excessive with a 5 or 10-year period being more appropriate. Subsequently, following the property transfer the Directors have continued to review the remaining economic life of the goodwill attributed to the Groups acquisition of the Stockport centre, concluding that for the remaining £534,000 a goodwill impairment should be made.

### 10 Tangible fixed assets

	Land and buildings		Plant and equipment	Motor vehicles	Total
	Freehold £000	Leasehold £000			
<b>Cost</b>					
At 1 January 2022	31,472	42,580	14,476	361	88,889
Additions	-	-	1,411	36	1,447
Disposals	-	-	(1,165)	(69)	(1,234)
At 31 December 2022	<u>31,472</u>	<u>42,580</u>	<u>14,722</u>	<u>328</u>	<u>89,102</u>
<b>Depreciation</b>					
At 1 January 2022	5,206	1,235	9,127	294	15,862
Charge for year	353	376	1,083	31	1,843
Disposals	-	-	(1,158)	(34)	(1,192)
At 31 December 2022	<u>5,559</u>	<u>1,611</u>	<u>9,052</u>	<u>291</u>	<u>16,513</u>
<b>Net book value</b>					
At 31 December 2022	<u>25,913</u>	<u>40,969</u>	<u>5,670</u>	<u>37</u>	<u>72,589</u>
At 31 December 2021	<u><u>26,266</u></u>	<u><u>41,345</u></u>	<u><u>5,349</u></u>	<u><u>67</u></u>	<u><u>73,027</u></u>

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2022

### 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 Co. (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

	2022 £000	2021 £000
Consignment	20,706	15,058
Vehicles	42,371	45,194
Parts and other stocks	3,181	1,625
	<u>66,258</u>	<u>61,877</u>

Stock is shown net of a provision of £1,458,000 (2021: £445,000).

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 £20,706,000 (2021: £15,058,000) 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 2022

13	Debtors: amounts falling due within one year	2022 £000	2021 £000
	Trade debtors	18,886	17,943
	Other debtors	2,457	1,511
	Prepayments and accrued income	3,974	3,412
		<u>25,317</u>	<u>22,866</u>

Trade debtors are shown net of a provision of £254,478 (2021: £141,976).

13 (a)	Debtors: amounts falling due after more than one year	2022 £000	2021 £000
	Deferred tax – defined benefit scheme	125	470
		<u>125</u>	<u>470</u>

14	Creditors: amounts falling due within one year	2022 £000	2021 £000
	Bank overdraft	-	-
	Bank loan	1,000	1,284
	Manufacturer loan (note 14a)	1,740	1,740
	Payments on account	3,646	3,086
	New car consignment loans	20,646	15,058
	New car fully paid finance loans	173	-
	Used/demonstrator vehicle finance loans	10,202	19,533
	Trade creditors	14,069	10,313
	Other creditors	2,433	2,995
	Corporation tax	1,902	1,696
	Other taxation and social security costs	1,691	1,363
	Accruals and deferred income	6,300	5,241
		<u>63,802</u>	<u>62,309</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 1.75% and 2.5%.

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2022

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

Bank and manufacturer loans	2022 £000	2021 £000
Bank loan	1,750	1,887
Manufacturer loan	21,745	28,485
	<u>23,495</u>	<u>30,372</u>

The maturity of these amounts is as follows:	2022 £000	2021 £000
In one year or less	2,740	3,024
Between one and two years	2,740	3,627
Between two and five years	5,970	5,220
Greater than five years	14,785	21,525
	<u>26,235</u>	<u>33,396</u>

The Company had a Barclays bank term loan of £6.0m alongside a £6.0m overdraft facility and additionally a stock funding line of £3.0m. These facilities, with the exception of the stock funding were extended in June 2022, comprising a term loan of £3.0m alongside a £6.0m overdraft facility, for a 3-year period.

Two development loan facilities each of 20 years, totalling £39.6m and provided by BMW Financial Services were put in place to fund the Trafford City, Manchester development. These loans are repayable in 240 monthly instalments and secured against the two centres at Trafford and the two vacated properties. Additionally, when the sale of any vacated properties occurs, a portion of the proceeds will be paid against the development loan balance.

### 15 Financial instruments

	2022 £000	2021 £000
The carrying amounts of the company's financial instruments measured at fair value through profit and loss at 31 December		
Financial assets / liabilities:		
- Interest rate swaps	407	(16)
	<u>407</u>	<u>(16)</u>

#### Interest rate swap and cap

The Company has a £10m interest rate swap, with a blended rate of 1.25%, and an expiry date of September 2023. The Company also has an interest rate cap for £5m, at a cap rate of 1.50% with an expiry date of March 2024.

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts for the year ended 31 December 2022

<b>16</b>	<b>Deferred taxation</b>	<b>£000</b>
	At 31 December 2021	2,236
	Charged in the year	297
	At 31 December 2022	<u>2,533</u>

Provision for deferred tax has been made up as follows:

	2022 £000	2021 £000
Excess of capital allowances over depreciation	2,489	2,208
Short term timing differences	44	28
	<u>2,533</u>	<u>2,236</u>

<b>17</b>	<b>Called up share capital</b>	<b>Authorised</b>		<b>Allotted, called up and fully paid</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
	'B' Ordinary shares of £1 each	5,000	5,000	4,665	4,665
	'C' Ordinary shares of £1 each	295,000	295,000	234,597	235,031
		<u>300,000</u>	<u>300,000</u>	<u>239,262</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.

During the year the Company repurchased a total of 434 'C' Ordinary shares for £3,255.

### **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.

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2022

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

	2022	2021
	£000	£000
Profit after tax	12,799	11,615
Adjustments for:		
Depreciation of tangible fixed assets	1,843	1,767
Amortisation of intangible assets	720	821
(Profit)/Loss on disposal of fixed assets	(1)	-
Interest receivable	(2)	(1)
Interest payable	1,835	1,499
Taxation	3,217	3,505
Defined benefit pension scheme	(101)	(462)
Fair value gains on financial instruments	(423)	(324)
	<hr/>	<hr/>
Operating cash flow before movements in working capital	19,887	18,420
Decrease/(Increase) in stock	(4,380)	7,951
Decrease/(Increase) in trade and other debtors	(2,451)	(1,555)
(Decrease)/Increase in trade and other creditors	10,732	(16,122)
	<hr/>	<hr/>
Cash generated from operations	23,788	8,694
	<hr/> <hr/>	<hr/> <hr/>

### 20 Operating lease commitments

At 31 December 2022 the Company had total commitments under non-cancellable operating leases as set out below:

	31 December 2022		31 December 2021	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases expiring:				
- within one year	886	84	865	13
- within two to five years	2,884	-	3,238	-
- after more than five years	360	-	848	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,130	84	4,951	13
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2022

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### 21 Capital commitments

Amounts contracted for but not provided in the Company accounts amount to £nil (2021: £nil).

### 22 Related party transactions

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. The net realisable value of those vehicles is expected to be in excess of the repurchase values.

### 23 Ultimate controlling party

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

### 24 Post balance sheet events

#### Upper Brook Street properties

The planned sale of the two vacated properties on Upper Brook Street, Manchester continues with new developers, with whom the Company exchanged conditional contracts on 21 June 2022. These sites will form part of a complex landmark prospective development for the city, which local stakeholders have agreed and is subject to planning approval, being one of Manchester's largest developments. The Board anticipates completion to occur late 2023 and expect this to result in a material gain on sale of the property.