

# Williams Motor Co. (Holdings) Limited

REPORT AND ACCOUNTS

31 December 2020

Registered number: 00597708



# 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

## Strategic Report

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The Directors present their report for the year ended 31 December 2020.

### 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 further enhance our digital presence to meet the developing expectations of all customers.

### Business Review

2020 was dominated by COVID-19 and the measures introduced to control the spread of the virus, including protracted periods during which retail businesses were closed, having a significant impact on our ability to trade. However, the motor sector quickly turned to digital vehicle sales channels and managed to meet customer demand in aftersales, consequently the effect of lockdowns was to a degree mitigated.

Our business utilised the significant Government support which included the Coronavirus Job Retention Scheme (CJRS), business rates relief and a VAT payment deferral, all of which were vital in sustaining the Company during periods of lockdown whilst, in periods in which restrictions were eased, the business benefitted from the inherent pent-up demand and increased levels of savings some consumers experienced.

The Group has over many years developed strong and close relationships with its brand partners and funders who continued to be extremely supportive during the year, in particular during the early stages of the pandemic, which helped the business to navigate the uniquely challenging circumstances which the virus yielded.

As a result of the uncertainty experienced by many due to COVID-19, continued Brexit uncertainty and the closure of production facilities, inevitably UK car registrations fell dramatically by 29.4% to 1.63m units (2019: 2.31m units).

Group turnover for 2020 fell 17.6% to £431.0m (2019: £522.8m) as Covid imposed showroom closures drove demand down and vehicle sales slumped, which accordingly delivered a 19.5% reduction in gross profit at £41.4m (2019: £51.4m). Conversely operating profit increased 72.9% to £8.3m (2019: £4.8m) and EBITDA improved by 72.3% to £11.2m (2019: £6.5m) as a consequence of reduced headcount following the rationalisation of the workforce, the sale of the vacated Land Rover property, rates relief and furlough support.

Profit before taxation increased 114.3% to £6.0m (2019: £2.8m), resulting in a 9.3% increase in net assets, being £53.1m (2019: £48.6m) as set out below.

We acknowledge the effort and support that our management team and staff have given during this challenging period and for ensuring our priority was the safety and wellbeing of all customers and colleagues.

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

Operating performance	2020	2019	Change
Turnover	£431.0m	£522.8m	-17.6%
Gross profit	£41.4m	£51.4m	-19.5%
Operating profit	£8.3m	£4.8m	+72.9%
EBITDA	£11.2m	£6.5m	+72.3%
Profit before taxation	£6.0m	£2.8m	+114.3%
Net assets	£53.1m	£48.6m	+9.3%
Average number of employees	781	835	-6.5%

The recent 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 unutilised used vehicle funding facilities and the Company's financial position remains strong with shareholder funds of £53.1m as at 31 December 2020.

# Williams Motor Co. (Holdings) Limited

## Strategic Report

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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 2020, utilisation of vehicle funding facilities amounted to £48.8m (2019: £77.0m).

#### 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 swap and cap 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

Economic conditions which support consumer demand are key requirements for a retail business. The impact of COVID-19 had a material effect on the financial performance of many businesses throughout the UK during 2020. Towards the end of the year the delivery of highly effective vaccines in the battle against the virus and the resolution of the UK's exit from the EU reduced the level of uncertainty in the economy, thereby increasing consumer confidence.

#### 5. United Kingdom's exit from the EU

The UK formally exited the EU on 31 January 2020 and immediately traded under rules covered by EU-third country trade agreements, which remained in place until 31 December 2020. Although the UK has now secured a trade deal with the EU the effect of the UK's withdrawal from the EU varies by sector, whilst the parallel influence of COVID-19, makes evaluation of Brexit on the economic outlook difficult.

#### 6. Regulatory risks

The Group 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 Group 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 Group established a formal compliance committee during 2020, initially to ensure compliance with the new regime which subsequently convenes monthly to review and evaluate process and the systems deployed to ensure the company remains compliant, whilst using exception reporting to identify potential divergence.

# Williams Motor Co. (Holdings) Limited

## Strategic Report

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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. 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 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 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 respective Head of Business. During the year, the Directors also made regular webcasts to all employees to ensure that the lockdowns 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 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 was one change 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.

# Williams Motor Co. (Holdings) Limited

## Strategic Report

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### 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, whilst 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 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.

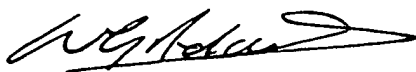
### Recent developments

The 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.

Covid-19 continues to impact the UK economy, with certain sectors being hugely affected by continued restrictions, but despite the enforced closure of our retail premises during the first quarter of 2021, the financial performance remains robust and ahead of both plan and 2019.

The Group will continue to utilise the Government furlough scheme where appropriate as well as the extended support of 100% property rate relief, which reduces to 66% from 1 July 2021.

By order of the Board



**W G Adams**  
Managing Director  
17 June 2021

# 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 2020.

### 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 14 to 36.

The Board considered carefully the final dividend for 2019, payable July 2020 and concluded that the significant negative impact on the financial performance of the business, due to the COVID-19 pandemic and the uncertain outcome of the UK's exit from the EU meant that the Board could not approve a final 2019 dividend.

Similarly, due to these continuing uncertainties, the Board decided that the 2020 interim dividend, which would normally be payable to shareholders in December 2020 would be deferred (2019: £1.25 per ordinary share).

### Donations

The company made no political donations (2019: £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 2020		Shareholdings at 31 December 2019	
	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.

### Energy and carbon reporting statement (SECR)

In accordance with the Companies (Directors' Report) Regulations 2018, the Group 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.

#### Methodology used in the calculation of disclosures

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

- 2019 HM Government Environmental Reporting Guidelines
- GHG Reporting Protocol – Corporate Standard
- 2020 UK Government's Conversion Factors for Company Reporting

# Williams Motor Co. (Holdings) Limited

## Report of the Directors

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### UK Greenhouse gas emissions and energy usage data for the period 1st January 2020 to 31st December 2020

Energy consumption used to calculate emissions (kWh)	12,712,101
Energy consumption break down (kWh):	
Natural Gas	2,647,735
Electricity	4,075,262
Transport fuel	5,989,104
Scope 1 emissions in metric tonnes CO2e	
Natural Gas consumption	487
Business transport mileage	1,408
Total	<hr/> 1,895
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	950
Total gross emissions in metric tonnes CO2e	<hr/> 2,845
Intensity ratio Tonnes CO2e per £million(revenue)	6.60

#### Energy efficiency action

Following the recent UK Government decision to bring forward the deadline for the cessation of the sale of new petrol and diesel vehicles to 2030, the Group reaffirms its commitment to continual improvements of its operational energy efficiency and will continue with efforts to deliver a sustainable transport future.

During 2020 the Group increased considerably the number of electric vehicles offered and sold, whilst in partnership with our brand partners the Group continued to invest in the installation of electrical vehicle (EV) charging points, with 46 units currently in use. BMW Group's emissions statement aims to reduce emissions by a further 80 percent from 2019 levels by 2030.

The Group completed the construction of two state of the art dealerships at Trafford accommodating BMW, MINI and JLR, each of which were built to the highest environmental standards with the inclusion of LED lighting systems, high efficiency boilers, full Building Management Systems and several electric vehicle charging points.

#### Post balance sheet events

##### Upper Brook Street properties

The sale of the two vacated properties on Upper Brook Street, Manchester has gathered momentum with heads of terms agreed during February 2021, including the provision of an exclusivity agreement with the proposed development being subject to planning application approval. The Board expects the transaction to conclude during the early part of 2022 with net receipts in line with expectations.

#### Interim dividend

During March 2021, following the UK's exit from the EU and the promising Covid vaccine rollout, the Board approved an interim 2020 dividend payment of £299,620 (£1.25 per ordinary share), paid on 29 March 2021 and funded from the profit on the 2020 sale of the old Land Rover centre. The Company was not committed to this action at the period end and therefore this represents a non adjusting post balance sheet event.

# Williams Motor Co. (Holdings) Limited

## Report of the Directors

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### 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  
17 June 2021

# **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 2020

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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 2020 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 2020 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 2020**

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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 10, 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.

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# Williams Motor Co. (Holdings) Limited

## Independent Auditor's Report to the members of Williams Motor Co. (Holdings) Limited for the year ended 31 December 2020

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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.

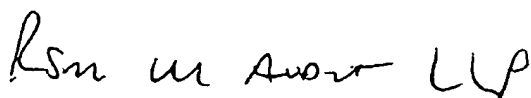
As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Coronavirus Job Retention Scheme (CJRS) regulations and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, testing a sample of entries included on the associated CJRS claims, 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 areas 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 (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF  
21 June 2021

# Williams Motor Co. (Holdings) Limited

## Income Statement

for the year ended 31 December 2020

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	Note	2020 £000	2019 £000
Turnover	2	431,013	522,845
Cost of sales		(389,656)	(471,446)
<b>Gross profit</b>		<u>41,357</u>	<u>51,399</u>
Selling and distribution costs		(9,438)	(11,499)
Administrative expenses		(30,855)	(35,070)
Other income - Profit on disposal of land and buildings		1,905	-
<b>Operating profit before other income</b>	3	<u>2,969</u>	<u>4,830</u>
Other Operating Income – CJRS Grant		5,321	-
<b>Profit before interest</b>		<u>8,290</u>	<u>4,830</u>
Interest payable and similar expenses	6	(2,244)	(2,057)
<b>Profit on ordinary activities before taxation</b>		<u>6,046</u>	<u>2,773</u>
Tax on profit on ordinary activities	7	(1,103)	(569)
<b>Profit for the financial year</b>		<u><u>4,943</u></u>	<u><u>2,204</u></u>

# Williams Motor Co. (Holdings) Limited

## Statement of Comprehensive Income for the year ended 31 December 2020

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	Note	2020 £000	2019 £000
Profit for the financial year		4,943	2,204
Other comprehensive income:			
Actuarial (losses) recognised in the pension scheme	5	(610)	(368)
Tax relating to other comprehensive income		149	50
<b>Total comprehensive income for the year</b>		<b>4,482</b>	<b>1,886</b>

# Williams Motor Co. (Holdings) Limited

## Statement of Financial Position for the year ended 31 December 2020

		2020 £000	2019 £000
<b>Fixed assets</b>	<b>Note</b>		
Goodwill	9	1,541	2,658
Tangible assets	10	74,211	76,765
Investments	11	-	-
		<u>75,752</u>	<u>79,423</u>
<b>Current assets</b>			
Stocks	12	69,828	90,621
Debtors	13	21,875	33,860
Cash and cash equivalents		5,099	-
		<u>96,802</u>	<u>124,481</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(81,941)	(112,029)
<b>Net current assets</b>		<u>14,861</u>	<u>12,452</u>
<b>Total assets less current liabilities</b>		<u>90,613</u>	<u>91,875</u>
Creditors: amounts falling due after more than one year	14a	(33,395)	(39,780)
<b>Provisions for liabilities and charges</b>			
Deferred taxation	16	(1,136)	(1,025)
Pension scheme liability	5	(2,970)	(2,440)
		<u>(4,106)</u>	<u>(3,465)</u>
<b>Net assets</b>		<u>53,112</u>	<u>48,630</u>
<b>Capital and reserves</b>			
Called up share capital	17	240	240
Share premium		124	124
Capital redemption reserve		21	21
Profit and loss account		52,727	48,245
<b>Total equity</b>		<u>53,112</u>	<u>48,630</u>

The financial statements on pages 14 to 36 were approved and authorised by the Board of Directors on 9 June 2021 and are signed on their behalf by:



W G Adams  
Managing Director  
17 June 2021

Registered company number 00597708

# Williams Motor Co. (Holdings) Limited

## Statement of Changes in Equity for the year ended 31 December 2020

	Share capital £000	Capital redemption £000	Share premium £000	Profit and loss account £000	Total equity £000
<b>Balance at 1 January 2019</b>	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)
<b>Total comprehensive income for the year</b>	-	-	-	1,886	1,886
<b>Dividends paid</b>	-	-	-	(1,018)	(1,018)
<b>Balance at 31 December 2019</b>	240	21	124	48,245	48,630
Profit for the year 2020	-	-	-	4,943	4,943
Other comprehensive income, net of tax:					
actuarial losses on pension scheme	-	-	-	(461)	(461)
<b>Total comprehensive income for the year</b>	-	-	-	4,482	4,482
<b>Dividends paid</b>	-	-	-	-	-
<b>Balance at 31 December 2020</b>	240	21	124	52,727	53,112

# Williams Motor Co. (Holdings) Limited

## Statement of Cash Flow

for the year ended 31 December 2020

	Note	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Cash generated/(outflows) from operations	19	27,301	(1,644)
Interest paid		(2,244)	(2,057)
Taxation paid		30	(900)
<b>Net cash from operating activities</b>		<u>25,087</u>	<u>(4,601)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,303)	(14,915)
Proceeds on disposal of tangible fixed assets		4,006	41
<b>Net cash generated by/(used in) investing activities</b>		<u>2,703</u>	<u>(14,874)</u>
<b>Cash flows from financing activities</b>			
(Repayment of)/Inflow of borrowings		(4,931)	18,300
(Repayments of)/ Inflow from vehicle finance loans		(16,854)	5,596
Dividends paid		-	(1,018)
<b>Net cash (used in )/generated from financing activities</b>		<u>(21,785)</u>	<u>22,878</u>
<b>Net increase in cash and cash equivalents</b>		6,005	3,403
<b>Cash and cash equivalents at 1 January</b>		<u>(906)</u>	<u>(4,309)</u>
<b>Cash and cash equivalents at 31 December</b>		<u>5,099</u>	<u>(906)</u>
Relating to:-			
Bank balances and short term deposits included in cash at bank and in hand		5,099	-
Overdrafts included in creditors falling due within one year		-	(906)
<b>Net cash generated by/(used in) operations</b>		<u>5,099</u>	<u>(906)</u>

# Williams Motor Co. (Holdings) Limited

## Statement of Cash Flow

for the year ended 31 December 2020

Analysis of changes in net debt	1 January	Cash flows	Non-cash movements	31 December
	2020	2020	2020	2020
	£000	£000	£000	£000
<b>Cash at bank and bank overdrafts</b>				
Cash at bank	-	5,099	-	5,099
Bank overdraft	(906)	906	-	-
Bank loan	(700)	496	(1,080)	(1,284)
Manufacturer loan	(870)	4,435	(5,305)	(1,740)
Vehicle funding loans	(40,711)	16,854	-	(23,857)
Interest rate swaps	(340)	-	181	(159)
<b>Net debt due within one year</b>	<b>(43,527)</b>	<b>27,790</b>	<b>(6,204)</b>	<b>(21,941)</b>
Bank loan	(4,250)	-	1,080	(3,170)
Manufacturer loan	(35,530)	-	5,305	(30,225)
<b>Debt due after one year</b>	<b>(39,780)</b>	<b>-</b>	<b>6,385</b>	<b>(33,395)</b>
<b>Total net debt</b>	<b>(83,307)</b>	<b>27,790</b>	<b>181</b>	<b>(55,336)</b>

# Williams Motor Co. (Holdings) Limited

## Accounting Policies

for the year ended 31 December 2020

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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 Coronavirus (Covid-19) pandemic required the closure of non-essential retail space for a significant period during the 2020 financial year which has negatively impacted the Group's profitability. Without the support of both the Coronavirus Job Retentions Scheme (CJRS) and the business rates relief, the Group would have been in loss before taxation.

The Directors have produced forecasts for the Company including the 2021 financial year and quarter one of 2022, which demonstrate that the Company and Group can continue to operate within its available financial resources having taken steps during 2020 to reshape the business and reduce costs, which are expected to continue into 2021 and beyond. The Directors have further extended their consideration to cover a period of 12 months from the approval of the financial statements.

The Group 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 from Barclays Bank (note 14) falls due for repayment within 12 months of the approval of these financial statements. The Directors have commenced discussions to renew this facility and have confidence that this will be confirmed before the final bullet repayment of £2.85m falls due. The Group also has a £6m overdraft facility which was unused at the period end but is used for working capital and is due for renewal at the same time. The directors have no reason to believe this facility will not be extended.

The Directors were pleased with the trading performance of the Company following the easing of the first lockdown restrictions, whilst further lockdowns were necessary, the Company adapted rapidly to the new trading environment and provided a digital experience which maintained a reasonable level of vehicle sales transactions, whilst the aftersales retention team delivered significant increases in service bookings during the year.

The Company has a strong balance sheet and significant headroom within the facilities it has available, with confirmed continuance at current levels from the Group's funding partners. As a consequence, the Directors are confident that the Company has sufficient liquidity as we emerge from this challenging period and markets return to a more normal level of activity as customer confidence rapidly improves.

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 2020

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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 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.

### 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 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 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 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. Any impairment losses are recognised in profit or loss.

# Williams Motor Co. (Holdings) Limited

## Accounting Policies

for the year ended 31 December 2020

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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 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.

### 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 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 2020

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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 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 2020

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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 2020

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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

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.

### 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 2020

### 3 Profit before taxation

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Profit before taxation is stated after charging/(crediting):		
Auditors' remuneration		
- audit of the parent company accounts	59	58
- audit of associated pension schemes	6	6
- taxation compliance	22	22
- other tax advisory services	28	26
Amortisation of goodwill	884	384
Impairment of goodwill	233	-
Depreciation	1,822	1,287
Operating lease rentals		
- plant and machinery	50	53
- land and buildings	927	1,010
(Profit)/loss on disposal of fixed assets	(1,907)	54

#### Goodwill impairment

Jaguar Manchester acquired in 2015, with £500k goodwill attached was amortised over a 10 year period, but following the amalgamation of the Jaguar and Land Rover brands into the single arch concept building at Trafford during 2019, the brand separation has become less obvious.

Furthermore, Jaguar as a brand have confirmed there will be no further investment in conventionally powered vehicles, therefore the current limited and ageing product line are the only vehicles available until the new fully electric models are released in 2024.

The overall combination of these two factors prompted a discussion at board level around short term profitability of this cash generating unit and the decision was made to write off the balance of the goodwill (£233,000) due to impairment.

### 4 Directors and employees

The average number of people, including directors, employed by the company during the year was:	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Sales	464	504
Aftersales	175	178
Administration	142	153
	<u>781</u>	<u>835</u>
	<u><u>781</u></u>	<u><u>835</u></u>
Staff costs (including directors' remuneration) during the year were:	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	25,704	28,439
Social security costs	2,599	3,120
Pension costs	887	896
	<u>29,190</u>	<u>32,455</u>
	<u><u>29,190</u></u>	<u><u>32,455</u></u>

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2020

### 4 Directors and employees (continued)

Directors' remuneration (excluding pension contributions) were as follows:	2020 £000	2019 £000
Fees	105	61
Executive remuneration and benefits	595	586
	<u>700</u>	<u>647</u>

Three Directors (2019: 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.

Pension contributions of £26,586 (2019: £25,986) were made on behalf of these directors.

#### Highest paid director

	2020 £000	2019 £000
Remuneration and benefits	449	450

### 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 £751,000 (2019: £761,000) of which £24,000 (2019: £147,000) 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 2018 and updated to 31 December 2020 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:-

	2020 %	2019 %
Discount rate at 31 December	1.40	2.00
Inflation (RPI)	2.90	2.90
Future pension increases (CPI)	2.60	2.20

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

	2020	2019
Pre-retirement mortality (non-pensioners)	No allowance	No allowance
Post retirement mortality (non-pensioners)	100% of S2PxA CMI_2019[1.25%;S=7.5]	100% of S2PxA CMI_2018[1.00%;S=7.5]
Post retirement mortality (pensioners)	100% of S2PxA CMI_2019[1.25%;S=7.5]	100% of S2PxA CMI_2018[1.00%;S=7.5]

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2020

### 5 Pension costs (continued)

	2020 £000	2019 £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	47	58
Net interest	<u>47</u>	<u>58</u>
	<b>2020 £000</b>	<b>2019 £000</b>
<b>Changes in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	3,871	3,432
Interest cost	76	94
Actuarial losses	626	503
Benefits paid	(134)	(158)
Closing defined benefit obligation	<u>4,439</u>	<u>3,871</u>
	<b>2020 £000</b>	<b>2019 £000</b>
<b>Changes in the fair value of plan assets</b>		
Opening plan assets	1,431	1,287
Interest income	29	36
Actuarial gain	16	135
Contributions by employer	127	131
Benefits paid	(134)	(158)
Closing plan assets	<u>1,469</u>	<u>1,431</u>
	<b>2020 £000</b>	<b>2019 £000</b>
<b>Pension scheme liability</b>		
1 January	(2,025)	(1,780)
Movement in assets/liabilities	(945)	(660)
Deferred tax asset	564	415
31 December	<u>(2,406)</u>	<u>(2,025)</u>

The actual return on plan assets over the period ended 31 December 2020 was an increase of £45,000 or a 3.1% return (2019: increase of £171,000 or 13.8%).

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2020

5 Pension costs (continued)	2020	2019
	%	%
<b>Major categories of plan assets as a percentage of the fair value of total plan assets</b>		
Equities	27	30
Diversified growth assets	48	49
Gilts	18	18
Other	7	3
	<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	2020	2019
	£000	£000
Bank interest receivable	1	1
Interest receivable	<u>1</u>	<u>1</u>
Interest payable:		
Bank loan and overdraft	(1,401)	(1,348)
Vehicle stocking finance	(606)	(559)
Net interest on the defined benefit pension liability	(47)	(58)
Interest rate swap movement	(181)	(89)
Other	(10)	(4)
Interest payable	<u>(2,245)</u>	<u>(2,058)</u>
Net interest	<u>(2,244)</u>	<u>(2,057)</u>

7 Taxation	2020	2019
	£000	£000
<b>(a) Current tax charge</b>		
UK corporation tax at 19.00% (2019: 19.00%)	1,034	(5)
Total Current Tax	<u>1,034</u>	<u>(5)</u>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	69	574
Total deferred tax	<u>69</u>	<u>574</u>
Total tax charge in income statement	<u>1,103</u>	<u>569</u>

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2020

### (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% (2019: 19.00%) is as follows:

	2020 £000	2019 £000
Profit on ordinary activities before tax	6,046	2,774
Profit on ordinary activities multiplied by rate of tax	1,148	527
Expenses not deductible for tax purposes	(207)	44
Other short term timing differences and unrealised tax losses	90	(2)
Amounts relating to change in tax rates	72	-
Total current tax (note 7(a))	1,103	569

### (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

	2020 £000	2019 £000
Final ordinary: £ nil (2019: £3.00)	-	719
Interim ordinary: £ nil (2019: £1.25)	-	300
Dividends to equity shareholders	-	1,019

As a result of Brexit uncertainties coupled with the impact of the global pandemic, the Board elected not to pay either a 2019 final or 2020 interim dividend during the year. Following the UK's subsequent exit from the EU and the promising vaccine rollout, the Board approved an interim 2020 dividend payment of £299,620 (£1.25 per share), paid on 29 March 2021 and funded from the profit on the 2020 sale of the old Land Rover centre. The Company was not committed to this action at the period end and therefore this represents a non adjusting post balance sheet event.

### 9 Goodwill

	2020 £000	2019 £000
<b>Cost</b>		
At 1 January	3,876	3,876
Additions	-	-
At 31 December	3,876	3,876
<b>Amortisation</b>		
At 1 January	1,218	834
Charge for year	884	384
Impairment	233	-
At 31 December	2,335	1,218
<b>Net book value</b>		
At 31 December	1,541	2,658

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2020

### 9 Goodwill (continued)

As a consequence of the lease renegotiation of our Stockport property during the year, the board has reviewed the remaining economic life of goodwill attributed to the acquisition of the Stockport centre (originally 20 years), concluding that it would be appropriate to revise this estimate. Accordingly, the remaining economic life has been reduced from 10 to 5 years. This has resulted in an additional amortisation charge in the period of £500k.

### 10 Tangible fixed assets

	Land and buildings		Plant and equipment	Motor vehicles	Total
	Freehold	Leasehold			
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 January 2020	31,472	44,243	13,786	382	89,883
Additions	-	912	367	24	1,303
Transfers	-	-	-	-	-
Disposals	-	(2,575)	(21)	(24)	(2,620)
At 31 December 2020	<u>31,472</u>	<u>42,580</u>	<u>14,132</u>	<u>382</u>	<u>88,566</u>
<b>Depreciation</b>					
At 1 January 2020	4,498	1,020	7,341	259	13,118
Charge for year	354	384	1,024	60	1,822
Transfers	-	-	-	-	-
Disposals	-	(545)	(21)	(19)	(585)
At 31 December 2020	<u>4,852</u>	<u>859</u>	<u>8,344</u>	<u>300</u>	<u>14,355</u>
<b>Net book value</b>					
At 31 December 2020	<u>26,620</u>	<u>41,721</u>	<u>5,788</u>	<u>82</u>	<u>74,211</u>
At 31 December 2019	<u>26,974</u>	<u>43,223</u>	<u>6,445</u>	<u>123</u>	<u>76,765</u>

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2020

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### 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

	2020 £000	2019 £000
Consignment	24,966	36,268
Vehicles	43,064	52,774
Parts and other stocks	1,798	1,579
	<u>69,828</u>	<u>90,621</u>

Stock is shown net of a provision of £1,212,000 (2019: £1,025,000).

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 £24,966,000 (2019: £36,268,000) 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 2020

### 13 Debtors: amounts falling due within one year

	2020 £000	2019 £000
Trade debtors	15,380	23,842
Other debtors	1,461	1,673
Prepayments and accrued income	4,470	7,930
	<u>21,311</u>	<u>33,445</u>

Trade debtors are shown net of a provision of £153,964 (2019: £70,849).

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

	2020 £000	2019 £000
Deferred tax – defined benefit scheme	564	415
	<u>564</u>	<u>415</u>

### 14 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Bank overdraft	-	906
Bank loan	1,284	700
Manufacturer loan (note 14a)	1,740	870
Payments on account	2,196	1,451
New car consignment loans	24,966	36,268
New car fully paid finance loans	2,965	6,293
Used/demonstrator vehicle finance loans	20,892	34,418
Trade creditors	18,911	22,947
Other creditors	2,464	3,163
Corporation tax	882	(158)
Other taxation and social security costs	2,082	2,590
Accruals and deferred income	3,559	2,581
	<u>81,941</u>	<u>112,029</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 2020

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

Bank and manufacturer loans	2020 £000	2019 £000
Bank loan	3,170	4,250
Manufacturer loan	30,225	35,530
	<u>33,395</u>	<u>39,780</u>
	2020 £000	2019 £000
The maturity of these amounts is as follows:		
In one year or less	3,024	1,570
Between one and two years	4,910	1,870
Between two and five years	5,220	8,470
Greater than five years	23,265	29,440
	<u>36,419</u>	<u>41,350</u>

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

Two development 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 secured against the two centres at Trafford and three existing properties. Additionally when the sale of any existing property occurs, a portion of the proceeds is required to be paid against the loan balance.

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

### 15 Financial instruments

	2020 £000	2019 £000
The carrying amounts of the company's financial instruments measured at fair value through profit and loss at 31 December		
Financial liabilities:		
- Interest rate swaps	340	159
	<u>340</u>	<u>159</u>

#### 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.

# Williams Motor Co. (Holdings) Limited

Notes to the accounts  
for the year ended 31 December 2020

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<b>16</b>	<b>Deferred taxation</b>	<b>£000</b>
	At 31 December 2019	1,025
	Charged in the year	111
	At 31 December 2020	<u>1,136</u>

Provision for deferred tax has been made up as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Excess of capital allowances over depreciation	1,232	1,058
Short term timing differences	(96)	(33)
	<u>1,136</u>	<u>1,025</u>

<b>17</b>	<b>Called up share capital</b>	<b>Authorised</b>		<b>Allotted, called up and fully paid</b>	
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</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	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.

## **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 2020

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

	2020 £000	2019 £000
Profit after tax	4,944	2,204
Adjustments for:		
Depreciation of tangible fixed assets	1,822	1,287
Amortisation of intangible assets	1,117	384
(Profit)/Loss on disposal of fixed assets	(1,907)	54
Interest receivable	(1)	(1)
Interest payable	2,017	2,058
Taxation	1,103	569
Defined benefit pension scheme	(80)	(58)
Fair value gains on financial instruments	181	62
	<hr/>	<hr/>
Operating cash flow before movements in working capital	9,196	6,559
Decrease/(Increase) in stock	20,793	(16,223)
Decrease/(Increase) in trade and other debtors	12,134	(13,106)
(Decrease)/Increase in trade and other creditors	(14,822)	21,126
	<hr/>	<hr/>
Cash generated/(outflow) from operations	27,301	(1,644)
	<hr/> <hr/>	<hr/> <hr/>

### 20 Operating lease commitments

At 31 December 2020 the Company had total commitments under non-cancellable operating leases as set out below:

	31 December 2020		31 December 2019	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases expiring:				
- within one year	838	50	1,010	53
- within two to five years	3,321	-	4,044	-
- after more than five years	1,593	-	2,831	-
	<hr/>	<hr/>	<hr/>	<hr/>
	5,752	50	7,885	53
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Williams Motor Co. (Holdings) Limited

## Notes to the accounts

for the year ended 31 December 2020

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### 21 Capital commitments

Amounts contracted for but not provided in the Company accounts amount to £nil (2019: £408,000 relating to TraffordCity).

### 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 £767,000 (2019: £690,000).

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

#### Upper Brook Street properties

The sale of the two vacated properties on Upper Brook Street, Manchester has gathered momentum with heads of terms agreed during February 2021, including the provision of an exclusivity agreement with the proposed development being subject to planning application approval. The Board expects the transaction to conclude during the early part of 2022 with net receipts in line with expectations.

#### Interim dividend

During March 2021, following the UK's exit from the EU and the promising Covid vaccine rollout, the Board approved an interim 2020 dividend payment of £299,620 (£1.25 per ordinary share), paid on 29 March 2021 and funded from the profit on the 2020 sale of the old Land Rover centre. The Company was not committed to this action at the period end and therefore this represents a non adjusting post balance sheet event.