

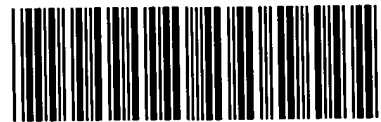
Williams Motor Co. (Holdings) Limited

REPORT AND ACCOUNTS

31 December 2023

Registered number: 00597708

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COMPANIES HOUSE

Williams Motor Co. (Holdings) Limited

Company Information

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
Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

Williams Motor Co. (Holdings) Limited

Strategic Report

The Directors present their strategic report for the year ended 31 December 2023.

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 2023, being the third 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 Company is committed to providing customers with an excellent omni-channel experience, both online and in our dealership facilities.

UK New car market	2023 Units	2022 Units	Change
Total	1,903,054	1,614,063	17.9%
BMW	111,734	108,624	2.9%
MINI	47,594	45,854	3.8%
Jaguar	14,235	12,165	17.0%
Land Rover	53,388	43,180	23.6%

2023 UK car registrations grew 17.9% to a total of 1,903,054 units (2022: 1,614,063 units) as global supply constraints eased. The adoption of pure electric vehicles ("EVs") continued during the year with a record high 314,687, although market share for BEV's has fallen to 16.5% (2022: 16.6%) of all registrations, with the majority taken by business and fleet customers who benefit from compelling tax incentives. When combined with hybrid vehicles the total market for vehicles electrified in some form accounted for 36.5% (2022: 34.5%).

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 2023 increased 1.4% to £543.9m (2022: £536.3m).

Overall, our new car volumes increased very marginally during 2023, whilst margins for all brands declined throughout the year as vehicle inventories increased and the retail customer began to have concerns with BEV charging availability and range anxiety, resulting in reduced margins compared to last year as supply exceeded demand. New vehicle turnover increased 6.2% to £225.7m (2022: £212.5m).

Used car volumes were marginally lower than 2022, but as a direct consequence of improved new car availability used car gross margin fell by 21.4%. Used vehicle turnover reduced 2.5% to £330.7m (2022: £339.3m).

Aftersales delivered strong growth with service direct profit increasing 4.6% to £7.1m (2022: £6.8m) driven by additional capacity with service sold hours increasing 5.8% during the year in which technician recruitment continued to be challenging. 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 recognise the significant reduction in vehicle parc due to the lack of registrations during 2020/21, being negatively impacted by the pandemic.

Bodyshop sold hours grew 7.3% resulting in a significant 28.9% increase in direct profit of £724k. Parts turnover increased 15.3% resulting from the increased sold hours across both service and bodyshop departments, whilst direct parts profit increased 21.7%.

Williams Motor Co. (Holdings) Limited

Strategic Report

During December 2023, the Company purchased land and buildings adjacent to the established Rochdale centre, which has been refurbished to provide additional workshop capacity and accommodate a Select retail used car facility that is expected to be operational during June 2024.

Overall gross profit for 2023 reduced marginally when compared to the prior year by 0.5% to £63.3m (2022: £63.6m). Operating profit in turn fell 6.9% to £16.3m (2022: £17.5m) as wage and other inflationary pressures increased the cost base. EBITDA reduced by 6.2% to £18.3m (2022: £19.5m).

Profit before taxation reduced to £13.5m (2022: £16.0m) predominantly driven by a fall in new and used car margins, and consequently used direct profit fell 24.8%, whilst aftersales direct profit increased 11.8%. The cost of vehicle funding has increased significantly compared to 2022, as the impact of both increased interest rates and the return of normalised consignment stock levels saw these costs increase 208%.

The Company reduced net debt by £4.7m in the year to £30.7m (2022: £35.4m).

The Company's financial position remains strong with shareholder funds of £82.7m as at 31 December 2023 (2022: £74.8m).

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

Operating performance	2023	2022	Change
Turnover	£543.9m	£536.3m	+1.4%
Gross profit	£63.3m	£63.6m	-0.5%
Operating profit	£16.3m	£17.5m	-6.9%
EBITDA	£18.3m	£19.5m	-6.2%
Profit before taxation	£13.5m	£16.0m	-15.6%
Total net debt	£30.7m	£35.4m	-13.3%
Net assets	£82.7m	£74.8m	+10.6%
Average number of employees	773	750	3.1%

Current trading and outlook

UK new car registrations grew by 8.4% in the four months to April 2024, with the growth dominated by fleet registrations. This has created a lower margin environment for new and used car sales. The Company's aftersales departments have continued to perform strongly, benefitting from the continuing investment in our people and facilities. While there are signs that inflationary pressures are abating, the lower vehicle margins result in the Company profits being below last year's levels during the four-month period.

Williams Motor Co. (Holdings) Limited

Strategic Report

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 2023, utilisation of new and used vehicle funding facilities amounted to £48.3m (2022: £31.0m), being 50.2% (2022: 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. The interest rate swap expired in the period and was not renewed, whilst the interest rate cap remained in place throughout the year and expired in March 2024.

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 throughout 2023 and into the first quarter of 2024, but despite these pressures the financial performance of the business remains robust.

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 Company established a formal compliance committee during 2021 which convenes quarterly to review and evaluate the process and systems deployed to ensure the Company remains compliant with its various regulatory obligations, whilst using exception reporting to identify potential divergence.

The Financial Conduct Authority (FCA) is currently investigating Discretionary Commission Arrangements (DCAs) within automotive finance. Preliminary findings from the FCA review suggest that motor finance providers, and motor finance credit brokers (including motor dealers) who have engaged in motor finance agreements involving DCAs could be impacted. The Company ceased sales involving DCAs in January 2021. The FCA have indicated that an update on this investigation will be given by September 2024. The Board does not currently consider that provisions are required to be made in respect of any exposures in this area and will update shareholders as the position becomes clearer. In a separate development, in November 2023, the FCA highlighted concerns regarding the proportion of premiums paid by customers being disbursed in claims in respect of guaranteed asset protection (GAP) insurance. The Company ceased the sale of GAP insurance to customers on 31 January 2024. No provisions have been made.

6. Cyber risks

There is a risk that the Company or one of its key systems providers is the target of 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

Strategic Report

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, ensuring they receive coherent communications in respect of performance and upcoming events and challenges.

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 an annual conference.

During the year the Company made three separate cost of living support payments to colleagues amounting to £800 per person, this in recognition of inflationary pressures and elevated Bank of England base rates.

The Company also carried out its first staff survey in 2023, which was positively received with the feedback from colleagues being interpreted and communicated to management and the Board.

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.

Williams Motor Co. (Holdings) Limited

Strategic Report

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 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 completed a comprehensive pay review during April 2024, following confirmation of the new minimum wage to ensure we offer competitive packages to attract and retain staff.

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 2024 has delivered our planned performance.

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, although JLR have postponed their adoption indefinitely. 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
10 June 2024

Williams Motor Co. (Holdings) Limited

Directors' Report

The Directors are pleased to submit their report and the audited company financial statements for the year ended 31 December 2023.

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 19 to 42.

An interim dividend of £3.00 per ordinary share (2022: £3.00) was paid to shareholders on 6 December 2023. The directors have recommended a final dividend of £6.00 per ordinary share (2022: £6.00), which will be payable on 1 July 2024.

Donations

The Company made no political donations (2022: £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.

		Shareholdings at 31 December 2023		Shareholdings at 31 December 2022	
		Ordinary		Ordinary	
		B	C	B	C
M M Orton Williams	Directly held	-	52,032	2,480	62,560
	Indirectly held in Utopia	2,480	10,528		
N J Dunning	Directly held	-	-	200	11,103
	Indirectly held in Utopia	200	11,103		
A M Cook		2	9,962	2	9,962
W G Adams		-	-	-	-
M Sherwin		-	-	-	-

During the year Mrs. M M Orton Williams transferred 2,480 'B' shares and 10,528 'C' shares and Mr. N J Dunning transferred 200 'B' shares and 11,103 'C' shares to a German company, namely Utopia Beratungs-und Beteiligungs.

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

Directors' Report

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
- 2023 UK Government's Conversion Factors for Company Reporting

UK Greenhouse gas emissions, energy consumption and energy efficiency data for the period 1st January 2023 to 31st December 2023

	2023	2022
Energy consumption used to calculate emissions (kWh)	6,917,302	7,759,481
Energy consumption breakdown (kWh):		
Natural Gas	2,292,334	2,544,945
Electricity	3,896,627	4,560,872
Transport fuel	728,341	653,664
Scope 1 emissions in metric tonnes CO ₂ e		
Natural Gas consumption	419	465
Transport business mileage	170	154
Total Scope 1	589	619
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	807	882
Total gross emissions in metric tonnes CO ₂ e	1,396	1,500
Intensity ratio Tonnes CO ₂ e per £million (revenue)	2.57	2.80

Energy efficiency action

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.

During 2022 the Company, in collaboration with brand partners significantly increased the number of electric vehicles sold, whilst making considerable investment in the installation of electrical vehicle (EV) charging points. The EV charging estate currently has 94 units in use, including 14 DC rapid chargers 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 2024 to ensure that our Carbon footprint is minimised.

During 2023 the Company completed a comprehensive LED upgrade project at each centre, where appropriate, which contributed to a saving of over half a GWh of electricity versus the prior year or 14.6% of our consumption. The heating system at our Rochdale centre was also converted from gas to an electrical system, which has further improved the efficiency of energy usage at this location, and reduced our Carbon footprint.

Williams Motor Co. (Holdings) Limited

Directors' Report

Weekly energy usage reports detailing consumption at all our centres are circulated to each respective head of business and provide a year-on-year consumption comparison, thereby ensuring local management teams, who retain power over the energy consumption patterns are focused on the objective of reducing consumption through managing behaviours within their respective centre. Any anomalies identified from the data provided by these reports are dealt with on an ad-hoc basis using this monitoring process. The effectiveness of these measures is validated by energy consumption reductions, with this continual effort resulting in a year-on-year consumption reduction of 9.9% of natural gas and a 14.6% of electricity.

As a result of the actions detailed above, the energy intensity metric of the business has fallen by 232kgCO₂e or over 8.2% this year compared to 2022.

Additionally, our waste management company ensures that the Company deals with its waste sustainably and provide Carbon footprint endorsements confirming that 100% of the waste they process on our behalf is recycled. The 2023 Environmental report produced by our waste management partner reflects a Carbon saving of 162,087 kg, equivalent to 50,531 car miles.

The Company has recently invested in the recruitment of a Group Infrastructure Manager, being a new role within our business, whose responsibilities will include a focus on the management of energy-efficient upgrades. The board have also approved investment in solar panels with analysis starting at the Trafford sites initially, with a view to then examining solar options in conjunction with roofing improvement works at our Bolton centre.

The Company actively engages with the Energy Savings Opportunity Scheme (ESOS) audit process, identifying tailored and cost-effective measures to allow the Company to make energy savings and reduce its Carbon footprint, whilst achieving considerable cost savings.

In the longer term, the Company is currently considering the procurement of 100% REGO-backed electricity, and in 2025 may also consider looking at the possibility of RGGO-accredited natural gas to further reduce its Carbon footprint as it endeavours to align itself with BMW Group's wider targets of reducing emissions by 80% from 2019 to 2030.

Williams Motor Co. (Holdings) Limited

Directors' Report

Taskforce on Climate Related Disclosures (TCFD)

The Board recognises the four core elements of the TCFD regarding governance, strategy, risk management and metrics and targets in relation to climate-related matters as the UK progresses to a low-carbon economy.

The Company acknowledges the material impacts of man-made climate change affecting our employees, customers and communities alike, whilst also recognising that the sector in which it operates is on a journey to decarbonise and achieve net-zero in the longer-term. During this journey to a net-zero future, both the risks and opportunities presented along the way must be duly considered and acted upon.

The Company continues to minimise the environmental impact generated through activities it performs, as an example by ensuring that waste is minimised and that all service consumables and removed parts items are disposed of in a 100% environmentally friendly way.

TCFD disclosure	Summary of progress and planned measures to ensure consistency
Governance Description of governance and board oversight in assessing and managing climate-related risk.	A Board committee, comprising the Managing Director and another director, has undertaken a review during the year to identify and assess the climate-related risk and opportunities faced by the company, with reviews to be updated and presented to the Board on a six-monthly basis.
Strategy Description of the process for identifying and accessing climate risk.	The Board committee has reviewed the climate-related risks and opportunities, taking account of industry data and the emerging regulatory frameworks. Potential risks were categorised as either Short Term (in the 2023/2025-time horizon), Medium Term (2025-2035) or Long Term (after 2035), and their potential impact was rated as either High, Medium or Low. For each risk identified the Board has considered how mitigating responses should be built into the Company's strategy and its annual business planning process.
Risk management Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process of the company.	The process adopted for climate-related risks is similar to that adopted for operational, financial, funding, macro-economic, regulatory and compliance risks. Each risk identified is recorded in the Company Risk Register which is updated six-monthly by the executive directors, and an assessment is made of the impact and likelihood of each potential risk, along with consideration of the mitigating controls in place. Each potential risk is allocated an individual responsible for managing the risk, and the frequency of testing the risk is established. The Risk Register is reviewed and approved six-monthly by the Board. The Principal Risks identified by this process are highlighted in the Report of the Directors above. None of the climate-related risks identified for the Company have been classified as Principal Risks.
Metrics and targets Description of the typical Metrics employed.	The key areas of impact from the Company's operations are in energy efficiency and waste management. The Company's performance metrics are set out on page 9, and the Company's action plan targets further reductions in emissions.

Williams Motor Co. (Holdings) Limited

Directors' Report

Climate-change related risks

TRANSITION RISKS	Time horizon	Impact and Mitigation
<p>Changing consumer preferences The impact of changing consumer preferences towards sustainable lower emission alternatives and Battery electric vehicles (BEVs).</p>	Medium term (2025-2035)	<p>Decrease in aftersales revenue opportunities BEVs have fewer parts, use fewer fluids, do not possess exhaust systems and exhibit lower wear. However, BEVs will still need to be serviced and repaired by highly trained technicians, with similar servicing schedules to ICE engines. The Company's business model is diverse and resilient in terms of exposure across new, used and aftersales, and we do not expect this to pose a significant risk to the business. The Company has recently invested in reducing our impact on the environment, by ensuring our operations are energy efficient.</p>
<p>Increased costs of raw materials Increases in raw material costs in our supply chain could adversely impact the Company's profitability.</p>	Long-term (2035-2050)	<p>Adverse impact on profitability Climate change is likely to result in increased raw material costs, supply disruptions, and delayed deliveries. We maintain strong relationships with key suppliers whom we regularly review. Where possible, we ensure that supply options are diversified, providing flexibility and reducing reliance on individual suppliers.</p>
<p>Availability of raw materials A reduced supply of vehicle components could result in the supply of vehicles and parts not meeting the Company's demand, leading to delays and disruptions, impacting our revenue streams.</p>	Long-term (2035-2050)	<p>Supply constraints and interruption resulting in lost revenue We are always researching options to diversify our supply chain, to prevent potential delays and scenarios, where products are not available with a particular supplier. As we move forward, we will continue to monitor and maintain these relationships with our current suppliers, so we will be informed of delays or issues as early as possible.</p>
<p>Costs to transition to lower emissions technology and BEVs BEVs are already increasing their market share annually and newer sustainable technology will come onto the market over the coming years.</p>	Short-term (2023-2025)	<p>Increased operating costs resulting in reduced total revenue Adopting or deploying new practices or processes will come at a cost to the business. However, we expect changes to occur gradually over time. As we aim to reduce our carbon emissions, we may need to invest in lower-emission technology, including but not limited to the transition to BEVs, resulting in increased costs for the Company. Current technicians will need to be retrained in electrification conversion courses at an additional cost to the business. Timing the BEV transition is crucial as moving too quickly could result in write-offs of stranded assets, whilst moving too slowly could damage our market share. We continue to invest responsibly into the BEV transition, which is core to our strategy.</p>
<p>The operational impact of the shift to lower emissions alternatives & BEVs. Shifting our product range to more efficient and sustainable products will be a gradual process until 2035. We expect increasing demand for BEVs, in all timeframes</p>	Medium-term (2025-2035)	<p>Increased operating costs / reduced aftersales revenue While we are ready for this change from a sales perspective, we are aware of the impact this will have on aftersales revenue. BEVs have fewer parts, use fewer fluids, do not possess exhaust systems and exhibit lower wear from use. We expect total aftersales revenue opportunities to decrease as demand for BEVs increases. However, BEVs will still need to be serviced and repaired by highly trained technicians, with similar servicing schedules to ICE engines.</p>

Williams Motor Co. (Holdings) Limited

Directors' Report

PHYSICAL RISKS	Time horizon	Impact and Mitigation
Increased severity of flooding Only one of our sites is located near water bodies and none are considered a high flood risk, which could increase with climate change. As a consequence, the risk of direct damage to our assets and transport networks, resulting in increased costs and operational delays is considered to be remote.	Medium-term (2025-2035)	Extreme weather conditions may increase production costs or cause supply chain disruptions, but they are unlikely to permanently disrupt our ability to sell or service vehicles in the long term. We ensure that we are comprehensively covered by insurance, and have a business continuity framework in place which includes site-specific crisis management plans to mitigate the impact of a flooded site, such as diverting staff and customers to nearby dealerships.
Consumer demand shifting to BEVs The switch to BEVs due to consumer demand presents a significant potential for primary sales.	Medium-term (2025-2035)	Our main goal is to establish a competitive position in the BEV market and successfully address technological risks to generate revenue.
Increased demand for BEV servicing With the shift to BEVs, our dealerships will have specialist capabilities to service and repair BEVs after the sale, whereas smaller independent garages may not have these capabilities.	Medium-term (2025-2035)	The consumer shift to BEVs will put the Company in a position to capitalise on BEV aftersales opportunities. Ensuring the technicians at our dealerships have the expert knowledge and training required to deliver exceptional BEV servicing will be essential to the Company becoming industry leaders in this area. This training will be a focus over the next few years.
Energy efficiency in operations Investment in resource efficiency will lower energy intensity and lead to cheaper and more consistent operating costs, enhancing operational efficiency.	Short-term (2023-2025)	This will be accomplished by decreasing energy, water, and waste across the Company. The power needed for our workshops, heating, ventilation, air conditioning, and lighting are the primary energy users on the sites. Further detail on our energy-saving initiatives can be found on pages 9 and 10 within the Streamlined Energy and Carbon Reporting (SECR).

Post balance sheet events

Upper Brook Street properties

The planned sale of the two vacated properties on Upper Brook Street, Manchester continues with our current developer partners, with whom the Company exchanged conditional contracts on 21 June 2022. These sites will form part of a complex landmark development for the city, being one of Manchester's largest prospective developments for which planning approval has been provisionally granted, subject to the agreement of the section 106 obligations, which are progressing.

The Board anticipates completion to occur during the third quarter of 2024 and expects this to result in a material gain to arise 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.

Williams Motor Co. (Holdings) Limited

Directors' Report

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
10 June 2024

Williams Motor Co. (Holdings) Limited

Directors' responsibilities in the preparation of financial statements

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

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

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

In preparing those financial statements, the Directors are required to:

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

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

Williams Motor Co. (Holdings) Limited

Independent Auditor's Report to the members of Williams Motor Co. (Holdings) Limited for the year ended 31 December 2023

Opinion

We have audited the financial statements of Williams Motor Co. (Holdings) Limited (the 'Company') for the year ended 31 December 2023 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 2023 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 2023

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 15, 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 2023

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
Ninth Floor, Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

11 June 2024

Williams Motor Co. (Holdings) Limited

Income Statement

for the year ended 31 December 2023

	Note	2023 £000	2022 £000
Turnover	2	543,886	536,267
Cost of sales		(480,568)	(472,714)
Gross profit		<u>63,318</u>	<u>63,553</u>
Selling and distribution costs		(10,702)	(9,707)
Administrative expenses		(36,358)	(36,385)
Operating profit	3	<u>16,258</u>	<u>17,461</u>
Interest payable and similar expenses	6	(2,726)	(1,445)
Profit on ordinary activities before taxation		<u>13,532</u>	<u>16,016</u>
Tax on profit on ordinary activities	7	(3,478)	(3,217)
Profit for the financial year		<u><u>10,054</u></u>	<u><u>12,799</u></u>

Williams Motor Co. (Holdings) Limited

Statement of Comprehensive Income for the year ended 31 December 2023

	Note	2023 £000	2022 £000
Profit for the financial year		10,054	12,799
Other comprehensive income:			
Actuarial (losses)/gains recognised in the pension scheme	5	(34)	1,278
Tax relating to other comprehensive income		(21)	(345)
Total comprehensive income for the year		9,999	13,732

Williams Motor Co. (Holdings) Limited

Statement of Financial Position as at 31 December 2023

	Note	2023 £000	2022 £000
Fixed assets			
Goodwill	9	-	-
Tangible assets	10	73,097	72,589
Investments	11	-	-
		<u>73,097</u>	<u>72,589</u>
Current assets			
Stocks	12	82,746	66,258
Debtors	13	31,910	25,442
Cash and cash equivalents		3,812	847
		<u>118,468</u>	<u>92,547</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(88,814)	(63,802)
Net current assets		<u>29,654</u>	<u>28,745</u>
Total assets less current liabilities		<u>102,751</u>	<u>101,334</u>
Creditors: amounts falling due after more than one year	14a	(17,305)	(23,495)
Provisions for liabilities and charges			
Deferred taxation	16	(2,378)	(2,533)
Pension scheme liability	5	(415)	(499)
		<u>(2,793)</u>	<u>(3,032)</u>
Net assets		<u>82,653</u>	<u>74,807</u>
Capital and reserves			
Called up share capital	17	240	240
Share premium		124	124
Capital redemption reserve	18	21	21
Profit and loss account		82,268	74,422
Total equity		<u>82,653</u>	<u>74,807</u>

The financial statements on pages 19 to 42 were approved and authorised by the Board of Directors on 10 June 2024 and are signed on their behalf by:



W G Adams
Managing Director
10 June 2024

Registered company number 00597708

Williams Motor Co. (Holdings) Limited

Statement of Changes in Equity for the year ended 31 December 2023

	Share capital £000	Capital redemption £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2022	240	21	124	62,849	63,234
Profit for the year				12,799	12,799
Other comprehensive income, net of tax: actuarial gains on pension scheme				933	933
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,732</u>	<u>13,732</u>
Dividends paid				(2,156)	(2,156)
Share buyback				(3)	(3)
Balance at 31 December 2022	<u>240</u>	<u>21</u>	<u>124</u>	<u>74,422</u>	<u>74,807</u>
Profit for the year				10,054	10,054
Other comprehensive income, net of tax: actuarial gains on pension scheme				(55)	(55)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,999</u>	<u>9,999</u>
Dividends paid				(2,153)	(2,153)
Balance at 31 December 2023	<u>240</u>	<u>21</u>	<u>124</u>	<u>82,268</u>	<u>82,653</u>

Williams Motor Co. (Holdings) Limited

Statement of Cash Flow

for the year ended 31 December 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Cash generated from operations	19	15,872	23,788
Interest paid		(2,730)	(1,436)
Taxation paid		(3,360)	(2,689)
Net cash from operating activities		<u>9,782</u>	<u>19,663</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,589)	(1,446)
Proceeds on disposal of tangible fixed assets		8	40
Net cash used in investing activities		<u>(2,581)</u>	<u>(1,406)</u>
Cash flows from financing activities			
Proceeds of borrowings		-	150
Repayment of borrowings		(6,790)	(7,311)
Increase / (Repayment) of vehicle finance loans		4,707	(9,158)
Dividends paid		(2,153)	(2,156)
Share buyback		-	(3)
Net cash used in financing activities		<u>(4,236)</u>	<u>(18,478)</u>
Net increase / (decrease) in cash and cash equivalents		2,965	(221)
Cash and cash equivalents at 1 January		<u>847</u>	<u>1,068</u>
Cash and cash equivalents at 31 December		<u>3,812</u>	<u>847</u>
Relating to: -			
Bank balances and short-term deposits included in cash at bank and in hand		3,812	847
Overdrafts included in creditors falling due within one year		-	-
		<u>3,812</u>	<u>847</u>

Williams Motor Co. (Holdings) Limited

Statement of Cash Flow

for the year ended 31 December 2023

	1 January	Cash flows	Non-cash movements	31 December
	2023	2023	2023	2023
	£000	£000	£000	£000
Cash at bank and bank overdrafts				
Cash at bank	847	2,965	-	3,812
Bank overdraft	-	-	-	-
Bank loan	(1,000)	1,000	(1,000)	(1,000)
Manufacturer loan	(1,740)	5,190	(4,590)	(1,140)
Vehicle funding loans	(10,375)	(4,707)	-	(15,082)
Interest rate swaps	407	-	(360)	47
Net debt due within one year	(11,861)	4,448	(5,950)	(13,363)
Bank loan	(1,750)	-	1,000	(750)
Manufacturer loan	(21,745)	-	5,190	(16,555)
Debt due after one year	(23,495)	-	6,190	(17,305)
Total net debt	(35,356)	4,448	240	(30,668)

Williams Motor Co. (Holdings) Limited

Accounting Policies

for the year ended 31 December 2023

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 for the 2024 financial, 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 the period to December 2025.

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 Barclays Bank three-year term loan of £3m effective 19 July 2022 (note 14) remains in place, alongside a £6m overdraft facility, which remained unused at the period end and was renewed at the same time as the term loan.

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 2023

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 with 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.

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.

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.

Williams Motor Co. (Holdings) Limited

Accounting Policies

for the year ended 31 December 2023

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 2023

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 2023

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 2023

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 2023

3 Profit before taxation

	2023	2022
	£000	£000
Profit before taxation is stated after charging/(crediting):		
Auditors' remuneration		
- audit of the parent company accounts	79	74
- taxation compliance	19	17
- other tax advisory services	43	54
Amortisation of goodwill	-	186
Impairment of goodwill	-	534
Depreciation	2,072	1,843
Operating lease rentals		
- plant and machinery	103	84
- land and buildings	881	886

4 Directors and employees

The average number of people, including directors, employed by the company during the year was:	2023	2022
	Number	Number
Sales	264	247
Aftersales	375	370
Administration	134	133
	<u>773</u>	<u>750</u>

Staff costs (including directors' remuneration) during the year were:	2023	2022
	£000	£000
Wages and salaries	29,525	27,619
Social security costs	3,060	2,980
Pension costs	974	917
	<u>33,559</u>	<u>31,516</u>

Directors' remuneration (including pension contributions) was as follows:	2023	2022
	£000	£000
Fees	111	111
Executive remuneration and benefits	958	944
Pension contributions	31	31
	<u>1,100</u>	<u>1,086</u>

Three Directors (2022: 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.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2023

4 Directors and employees (continued)

Highest paid director

Directors' remuneration (including pension contributions) was as follows:	2023	2022
	£000	£000
Remuneration and benefits	789	786
Pension contributions	19	19
	<u>808</u>	<u>805</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 £814,000 (2022: £777,000) of which £32,000 (2022: £25,000) 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 2023 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: -

	2023	2022
	%	%
Discount rate at 31 December	4.35	4.75
Inflation (RPI)	3.50	3.30
Future pension increases (CPI)	2.70	2.50

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

	2023	2022
Pre-retirement mortality (non-pensioners)	No allowance	No allowance
Post retirement mortality (non-pensioners)	S3PA CMI_2022 [1.25%] (Sk=7.0; A=0%)	S3PA CMI_2021 [1.25%] (Sk=7.0; A=0%)
Post retirement mortality (pensioners)	S3PA CMI_2022 [1.25%] (Sk=7.0; A=0%)	S3PA CMI_2021 [1.25%] (Sk=7.0; A=0%)

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2023

5 Pension costs (continued)

	2023 £000	2022 £000
Amounts recognised in profit or loss in respect of the defined benefit scheme is as follows:		
Net interest on the defined benefit pension liability	20	33
Net interest	<u>20</u>	<u>33</u>
	2023 £000	2022 £000
Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,127	3,825
Interest cost	98	68
Actuarial losses /(gains)	130	(1,661)
Benefits paid	(108)	(105)
Closing defined benefit obligation	<u>2,247</u>	<u>2,127</u>
	2023 £000	2022 £000
Changes in the fair value of plan assets		
Opening plan assets	1,628	1,947
Interest income	78	35
Actuarial gains/(losses)	96	(383)
Contributions by employer	138	134
Benefits paid	(108)	(105)
Closing plan assets	<u>1,832</u>	<u>1,628</u>
	2023 £000	2022 £000
Pension scheme liability		
1 January	(374)	(1,408)
Movement in assets/liabilities	84	1,379
Deferred tax asset	(21)	(345)
31 December	<u>(311)</u>	<u>(374)</u>

The actual return on plan assets over the period ended 31 December 2023 was an increase of £174,000 or a 10.3% return (2022: decrease of £351,000 or -18.9%).

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2023

5 Pension costs (continued)

	2023	2022
	%	%
Major categories of plan assets as a percentage of the fair value of total plan assets		
Equities	27	27
Diversified growth assets	51	50
Gilts	15	16
Other	7	7
	<u>100</u>	<u>100</u>

The Company continues to contribute £123,000 (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

	2023	2022
	£000	£000
Bank interest receivable	3	2
Interest receivable	<u>3</u>	<u>2</u>
Interest payable:		
Bank loan and overdraft	(1,364)	(1,387)
Vehicle stocking finance	(985)	(450)
Net interest on the defined benefit pension liability	(20)	(33)
Interest rate swap movement	(360)	423
Other	-	-
Interest payable	<u>(2,729)</u>	<u>(1,447)</u>
Net interest	<u>(2,726)</u>	<u>(1,445)</u>

7 Taxation

	2023	2022
	£000	£000
(a) Current tax charge		
UK corporation tax at 23.5% (2022: 19.0%)	3,485	2,897
Adjustments in respect of prior period	118	(2)
Total Current Tax	<u>3,603</u>	<u>2,895</u>
Deferred Tax		
Origination and reversal of timing differences	(125)	322
Total deferred tax	<u>(125)</u>	<u>322</u>
Total tax charge in income statement	<u>3,478</u>	<u>3,217</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2023

(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 23.5% (2022: 19.0%) is as follows:

	2023	2022
	£000	£000
Profit on ordinary activities before tax	13,532	16,016
Profit on ordinary activities multiplied by rate of tax	3,183	3,043
Expenses not deductible for tax purposes	245	44
Other short term timing differences and unrealised tax losses	57	52
Amounts relating to change in tax rates	(7)	78
Total current tax (note 7(a))	<u>3,478</u>	<u>3,217</u>

(c) Factors that may affect future tax charges

The standard rate of tax applied to reported profit on ordinary activities is 23.5% (2022 - 19.0%). The Finance Act 2021, which was substantively enacted on 24 May 2021, created a 25% main rate, 19% small profits rate and a marginal rate which is effective from 1 April 2023. Deferred tax has been calculated at 25% (2022: 25%) which was the rate that the deferred tax assets and liabilities are expected to crystallise.

8 Dividends

	2023	2022
	£000	£000
Final ordinary: £6.00 (2022: £6.00) paid on 3 July 2023	1,435	1,438
Interim ordinary: £3.00 (2023: £3.00) paid on 6 December 2023	718	718
Dividends to equity shareholders	<u>2,153</u>	<u>2,156</u>

The final dividend for 2022 was paid at £6.00 per share during July 2023 and an interim dividend for 2023 was paid at £3.00 per share during December 2023.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2023

9 Goodwill

	2023 £000	2022 £000
Cost		
At 1 January	3,876	3,876
At 31 December	<u>3,876</u>	<u>3,876</u>
Amortisation		
At 1 January	3,876	3,156
Charge for year	-	186
Impairment	-	534
At 31 December	<u>3,876</u>	<u>3,876</u>
Net book value		
At 31 December	<u>-</u>	<u>-</u>

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 the goodwill attributed to the Groups acquisition of the Stockport centre was fully written off in 2022.

10 Tangible fixed assets

	Land and buildings		Plant and equipment £000	Motor vehicles £000	Total £000
	Freehold £000	Leasehold £000			
Cost					
At 1 January 2023	31,472	42,580	14,722	328	89,102
Additions	1,793	-	768	28	2,589
Disposals	-	-	(43)	(23)	(66)
At 31 December 2023	<u>33,265</u>	<u>42,580</u>	<u>15,447</u>	<u>333</u>	<u>91,625</u>
Depreciation					
At 1 January 2023	5,559	1,611	9,052	291	16,513
Charge for year	353	376	1,326	17	2,072
Disposals	-	-	(39)	(18)	(57)
At 31 December 2023	<u>5,912</u>	<u>1,987</u>	<u>10,339</u>	<u>290</u>	<u>18,528</u>
Net book value					
At 31 December 2023	<u>27,353</u>	<u>40,593</u>	<u>5,108</u>	<u>43</u>	<u>73,097</u>
At 31 December 2022	<u>25,913</u>	<u>40,969</u>	<u>5,670</u>	<u>37</u>	<u>72,589</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2023

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

	2023 £000	2022 £000
Consignment	33,197	20,706
Vehicles	47,098	42,371
Parts and other stocks	2,451	3,181
	<u>82,746</u>	<u>66,258</u>

Stock is shown net of a provision of £2,202,000 (2022: £1,458,000).

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 £33,197,000 (2022: £20,706,000) 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 2023

13	Debtors: amounts falling due within one year	2023 £000	2022 £000
	Trade debtors	23,223	18,886
	Other debtors	3,793	2,457
	Prepayments and accrued income	4,790	3,974
		<u>31,806</u>	<u>25,317</u>

Trade debtors are shown net of a provision of £308,173 (2022: £254,478).

13 (a)	Debtors: amounts falling due after more than one year	2023 £000	2022 £000
	Deferred tax – defined benefit scheme	104	125
		<u>104</u>	<u>125</u>

14	Creditors: amounts falling due within one year	2023 £000	2022 £000
	Bank overdraft	-	-
	Bank loan	1,000	1,000
	Manufacturer loan (note 14a)	1,140	1,740
	Payments on account	2,656	3,646
	New car consignment loans	33,197	20,646
	New car fully paid finance loans	1,588	173
	Used/demonstrator vehicle finance loans	13,494	10,202
	Trade creditors	24,106	14,069
	Other creditors	3,099	2,433
	Corporation tax	2,154	1,902
	Other taxation and social security costs	916	1,691
	Accruals and deferred income	5,464	6,300
		<u>88,814</u>	<u>63,802</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 the Bank of England base rate plus a margin rate between 1.75% and 2.5%.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2023

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

Bank and manufacturer loans	2023 £000	2022 £000
Bank loan	750	1,750
Manufacturer loan	16,555	21,745
	<u>17,305</u>	<u>23,495</u>
	2023 £000	2022 £000
The maturity of these amounts is as follows:		
In one year or less	2,140	2,740
Between one and two years	1,890	2,740
Between two and five years	3,420	5,970
Greater than five years	11,995	14,785
	<u>19,445</u>	<u>26,235</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 Derivatives

	2023 £000	2022 £000
Derivatives that are designated and effective as interest rate hedging instruments, whose carrying amounts are measured at fair value through the profit and loss at 31 December		
Financial assets		
Interest rate swap/cap	47	407
	<u>47</u>	<u>407</u>

The interest rate swap/cap valuation statement is generated by and based on Barclays' proprietary internal curves and pricing methodologies as of the valuation date.

Interest rate swap and cap

The interest rate swap expired in the period (September 2023) and has not been renewed. The Company retained an interest rate cap of £5m, at a cap rate of 1.50% which expired in March 2024.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2023

16 Deferred taxation

	£000
At 31 December 2022	2,533
Charged in the year	(155)
At 31 December 2023	<u>2,378</u>

Provision for deferred tax has been made up as follows:

	2023 £000	2022 £000
Excess of capital allowances over depreciation	2,501	2,489
Short term timing differences	(123)	44
	<u>2,378</u>	<u>2,533</u>

17 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2023 Number	2022 Number	2023 Number	2022 Number
'B' Ordinary shares of £1 each	5,000	5,000	4,665	4,665
'C' Ordinary shares of £1 each	295,000	295,000	234,597	234,597
	<u>300,000</u>	<u>300,000</u>	<u>239,262</u>	<u>239,262</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 2023

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

	2023 £000	2022 £000
Profit after tax	10,054	12,799
Adjustments for:		
Depreciation of tangible fixed assets	2,072	1,843
Amortisation of intangible assets	-	720
(Profit)/Loss on disposal of fixed assets	3	(1)
Interest receivable	(3)	(2)
Interest payable	2,349	1,835
Taxation	3,478	3,217
Defined benefit pension scheme	(118)	(101)
Fair value gains on financial instruments	360	(423)
	<hr/>	<hr/>
Operating cash flow before movements in working capital	18,195	19,887
Decrease/(Increase) in stock	(16,488)	(4,380)
Decrease/(Increase) in trade and other debtors	(6,489)	(2,451)
(Decrease)/Increase in trade and other creditors	20,654	10,732
	<hr/>	<hr/>
Cash generated from operations	15,872	23,788
	<hr/> <hr/>	<hr/> <hr/>

20 Operating lease commitments

At 31 December 2023 the Company had total commitments under non-cancellable operating leases as set out below:

	31 December 2023		31 December 2022	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases expiring:				
- within one year	881	103	886	84
- between one and five years	2,082	1	2,884	-
- after more than five years	320	-	360	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,283	104	4,130	84
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2023

21 Capital commitments

Amounts contracted for but not provided in the Company accounts amount to £nil (2022: £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 an employee car ownership 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

The immediate and ultimate parent company is Utopia, Beratungs- und Beteiligungs GmbH, a company registered and incorporated in Germany, due to its controlling interest in Williams Motor Co. (Holdings) Limited.

24 Post balance sheet events

Upper Brook Street properties

The planned sale of the two vacated properties on Upper Brook Street, Manchester continues with our current developer partners, with whom the Company exchanged conditional contracts on 21 June 2022. These sites will form part of a complex landmark development for the city, being one of Manchester's largest prospective developments for which planning approval has been provisionally granted, subject to the agreement of the section 106 obligations, which are progressing.

The Board anticipates completion to occur during the third quarter of 2024 and expects this to result in a material gain to arise on sale of the property.