

COMPANY REGISTRATION NUMBER: 00184375

WILLIAMS & GRAY LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2019



RIDEHALGH LIMITED
Chartered Accountants & Statutory Auditor
Guardian House
42 Preston New Road
Blackburn
BB2 6AH

WILLIAMS & GRAY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

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WILLIAMS & GRAY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J.P. Gray
N. Gray
J.H.W. Gray

Registered office

Guardian House
42 Preston New Road
Blackburn
Lancashire
BB2 6AH

Auditor

Ridehalgh Limited
Guardian House
42 Preston New Road
Blackburn
BB2 6AH

Bankers

National Westminster Bank plc
35 Fishergate
Preston
Lancashire
PR1 3BH

Solicitors

JWK Solicitors
5 Thurnham Street
Aalborg Square
Lancaster
LA1 1XU

WILLIAMS & GRAY LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2019

The principal activity of the group during the year was that of a retail motor dealer.

The group operates two Honda main dealership franchises based in Clitheroe and Blackburn.

The directors are pleased with the results for the year considering the current economic climate and the difficulties in the motor dealership industry.

Turnover for the year has increased by 10% and the gross profit margin has reduced from 6.1% to 5.2%.

The directors have been pleased with the results in what continues to be a difficult market as consumer confidence continues to be affected by the uncertainty surrounding the United Kingdom's departure from the EU. The launch of the new Jazz and the Jazz Crosstar in April 2020 should generate new sales of what is always a popular model, given its new hybrid engine. The launch of the Honda e later in the year will broaden the range as the first all-electric vehicle in the range.

With regard to expenditure, the introduction of an electric vehicle to the range will necessitate the installation of charging points for use by the business and customers. The anticipated cost is in the region of £40,000.

The group balance sheet remains strong. Cash reserves are positive enabling the business to finance operations without the need for further borrowing. This is expected to continue for the foreseeable future, although see the following notes regarding the impact of the COVID-19 outbreak.

WILLIAMS & GRAY LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2019

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest rate risk arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

Interest rate risk

The group borrows from its bankers using overdrafts and term loans whose tenure depends on the nature of the asset and the directors' view of the future direction of interest rates.

As at 31 December 2019 the group has no bank borrowing.

Credit risk

The group monitors credit risk closely and considers that its current policy of credit checks meets its objectives of managing exposure to credit risk.

The group has no significant concentrations of credit risk.

Liquidity risk

The group monitors cash flow on a daily basis to ensure it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through future operating cash flows and the available credit facilities.

COVID-19 and other risks

The principal risk facing the group is the impact of the COVID-19 outbreak which forced the closure of both dealerships on 23 March 2020. A phased re-opening of the service departments commenced on 22 April 2020 and then the car showrooms from 1 June 2020, although cars were sold during May as distance sales with contactless delivery. The pace of the recovery is uncertain and the directors are managing critical cashflows over this period to preserve the financial health of the group.

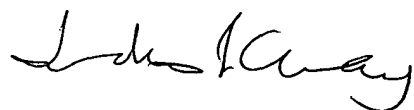
Other risks include the loss of key personnel, the uncertainty around the country's exit from the EU and also a less favourable foreign exchange rate which could increase vehicle purchase costs, thus affecting sales and/or margins.

WILLIAMS & GRAY LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2019

This report was approved by the board of directors on 27 July 2020 and signed on behalf of the board by:



J.P. Gray
Director

Registered office:
Guardian House
42 Preston New Road
Blackburn
Lancashire
BB2 6AH

WILLIAMS & GRAY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements of the group for the year ended 31 December 2019.

DIRECTORS

The directors who served the company during the year were as follows:

J.P. Gray
N. Gray
J.H.W. Gray

DIVIDENDS

Particulars of recommended dividends are detailed in note 12 to the financial statements.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

The group has chosen in accordance with section 414C of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the group's strategic report on page 2 a review of the group's business and a description of the principal risks and uncertainties facing the group.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WILLIAMS & GRAY LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2019

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 27 July 2020 and signed on behalf of the board by:



J.P. Gray
Director

Registered office:
Guardian House
42 Preston New Road
Blackburn
Lancashire
BB2 6AH

WILLIAMS & GRAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMS & GRAY LIMITED

YEAR ENDED 31 DECEMBER 2019

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

WILLIAMS & GRAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMS & GRAY LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2019

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

WILLIAMS & GRAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMS & GRAY LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2019

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, 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 group's and the parent 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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WILLIAMS & GRAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMS & GRAY LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2019

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Gary Farnsworth FCCA (Senior Statutory Auditor)

For and on behalf of
Ridehalgh Limited
Statutory Auditor
Guardian House
42 Preston New Road
Blackburn
BB2 6AH

27 July 2020

WILLIAMS & GRAY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
TURNOVER	4	23,677,461	21,577,401
Cost of sales		22,448,973	20,254,482
GROSS PROFIT		1,228,488	1,322,919
Administrative expenses		1,152,743	1,121,066
Other operating income	5	80,902	96,968
OPERATING PROFIT	6	156,647	298,821
Other interest receivable and similar income	10	2	310
PROFIT BEFORE TAXATION		156,649	299,131
Tax on profit	11	36,303	63,191
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		120,346	235,940
Profit for the financial year attributable to:			
The owners of the parent company		65,077	128,758
Non-controlling interests		55,269	107,182
		120,346	235,940
Total comprehensive income for the year attributable to:			
The owners of the parent company		65,077	128,758
Non-controlling interests		55,269	107,182
		120,346	235,940

All the activities of the group are from continuing operations.

The notes on pages 18 to 29 form part of these financial statements.

WILLIAMS & GRAY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	13	2,088,185	2,113,763
CURRENT ASSETS			
Stocks	15	1,577,646	1,383,346
Debtors	16	359,400	340,122
Cash at bank and in hand		639,231	745,661
		<u>2,576,277</u>	<u>2,469,129</u>
CREDITORS: amounts falling due within one year	17	<u>1,700,211</u>	<u>1,416,484</u>
NET CURRENT ASSETS		<u>876,066</u>	<u>1,052,645</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,964,251	3,166,408
PROVISIONS			
Taxation including deferred tax	18	<u>17,627</u>	<u>17,233</u>
NET ASSETS		<u>2,946,624</u>	<u>3,149,175</u>
CAPITAL AND RESERVES			
Called up share capital	22	19,600	19,600
Revaluation reserve	23	117,422	119,500
Capital redemption reserve	23	54,279	54,279
Profit and loss account	23	<u>1,341,288</u>	<u>1,451,133</u>
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		1,532,589	1,644,512
NON-CONTROLLING INTERESTS		<u>1,414,035</u>	<u>1,504,663</u>
		<u>2,946,624</u>	<u>3,149,175</u>

These financial statements were approved by the board of directors and authorised for issue on 27 July 2020, and are signed on behalf of the board by:



J.P. Gray
Director

Company registration number: 00184375

The notes on pages 18 to 29 form part of these financial statements.

WILLIAMS & GRAY LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investments	14	38,282	38,282
CURRENT ASSETS			
Debtors	16	2,721	2,721
Cash at bank and in hand		3,869	4,542
		<u>6,590</u>	<u>7,263</u>
NET CURRENT ASSETS		<u>6,590</u>	<u>7,263</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,872</u>	<u>45,545</u>
CAPITAL AND RESERVES			
Called up share capital	22	19,600	19,600
Profit and loss account	23	25,272	25,945
SHAREHOLDERS FUNDS		<u>44,872</u>	<u>45,545</u>

The profit for the financial year of the parent company was £176,327 (2018: £107,391).

These financial statements were approved by the board of directors and authorised for issue on 27 July 2020, and are signed on behalf of the board by:



J.P. Gray
Director

Company registration number: 00184375

The notes on pages 18 to 29 form part of these financial statements.

WILLIAMS & GRAY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non- controlling interests £	Total £
AT 1 JANUARY 2018	19,600	121,578	54,279	1,430,632	1,626,089	1,487,264	3,113,353
Profit for the year				128,758	128,758	107,182	235,940
Other comprehensive income for the year:							
Reclassification from revaluation reserve to profit and loss account	—	(2,078)	—	2,078	—	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	(2,078)	—	130,836	128,758	107,182	235,940
Dividends paid and payable	12	—	—	(110,335)	(110,335)	(89,783)	(200,118)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	—	—	(110,335)	(110,335)	(89,783)	(200,118)
AT 31 DECEMBER 2018	19,600	119,500	54,279	1,451,133	1,644,512	1,504,663	3,149,175
Profit for the year				65,077	65,077	55,269	120,346
Other comprehensive income for the year:							
Reclassification from revaluation reserve to profit and loss account	—	(2,078)	—	2,078	—	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	(2,078)	—	67,155	65,077	55,269	120,346

The consolidated statement of changes in equity
continues on the following page.

The notes on pages 18 to 29 form part of these financial statements.

WILLIAMS & GRAY LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** *(continued)***YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non- controlling interests £	Total £
Dividends paid and payable	12	—	—	(177,000)	(177,000)	(145,897)	(322,897)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	—	—	(177,000)	(177,000)	(145,897)	(322,897)
AT 31 DECEMBER 2019	<u>19,600</u>	<u>117,422</u>	<u>54,279</u>	<u>1,341,288</u>	<u>1,532,589</u>	<u>1,414,035</u>	<u>2,946,624</u>

The notes on pages 18 to 29 form part of these financial statements.

WILLIAMS & GRAY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2019

		Called up share capital £	Profit and loss account £	Total £
AT 1 JANUARY 2018		19,600	28,888	48,488
Profit for the year			<u>107,391</u>	<u>107,391</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	107,391	107,391
Dividends paid and payable	12	<u>-</u>	<u>(110,334)</u>	<u>(110,334)</u>
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		-	(110,334)	(110,334)
AT 31 DECEMBER 2018		19,600	25,945	45,545
Profit for the year			<u>176,327</u>	<u>176,327</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	176,327	176,327
Dividends paid and payable	12	<u>-</u>	<u>(177,000)</u>	<u>(177,000)</u>
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		-	(177,000)	(177,000)
AT 31 DECEMBER 2019		<u>19,600</u>	<u>25,272</u>	<u>44,872</u>

The notes on pages 18 to 29 form part of these financial statements.

WILLIAMS & GRAY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	120,346	235,940
<i>Adjustments for:</i>		
Depreciation of tangible assets	40,760	40,617
Other interest receivable and similar income	(2)	(310)
Loss on disposal of tangible assets	231	-
Tax on profit	36,303	63,191
Accrued expenses/(income)	12,562	(12,584)
<i>Changes in:</i>		
Stocks	(194,300)	(108,361)
Trade and other debtors	(19,278)	130,768
Trade and other creditors	297,791	(22,107)
Cash generated from operations	294,413	327,154
Interest received	2	310
Tax paid	(62,535)	(80,310)
Net cash from operating activities	<u>231,880</u>	<u>247,154</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(15,413)	(19,787)
Net cash used in investing activities	<u>(15,413)</u>	<u>(19,787)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(322,897)	(200,118)
Net cash used in financing activities	<u>(322,897)</u>	<u>(200,118)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(106,430)	27,249
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>745,661</u>	<u>718,412</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>639,231</u>	<u>745,661</u>

The notes on pages 18 to 29 form part of these financial statements.

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Guardian House, 42 Preston New Road, Blackburn, Lancashire, BB2 6AH.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain fixed assets as specified in the accounting policies below.

The financial statements are prepared in sterling which is the functional currency of the entity.

(b) Vehicles on consignment

Vehicles held on consignment from manufacturers are not included in the balance sheet. The related stock finance charge is included in cost of sales.

(c) Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

(d) Consolidation

The financial statements consolidate the financial statements of Williams & Gray Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES *(continued)*

(e) Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

(f) Judgements and estimation uncertainty

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The main area of judgement that has the most significant effect on the amounts recognised in the financial statements is in regard to stock provisions.

(g) Revenue recognition

The turnover shown in the profit and loss account represents the invoice value of goods supplied and services provided during the period, exclusive of Value Added Tax. Revenue is recognised on vehicles and parts sales upon handover to the customer and on service sales when work is completed.

(h) Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES *(continued)*

(i) Tangible assets

Tangible assets are recorded at cost, (or deemed cost) less accumulated depreciation and impairment losses.

Land and buildings is comprised of freehold property. The group previously accounted for land and buildings using the historic cost model. The group has used the transition exemption in paragraph 35.10(c) of FRS102 and has elected to use fair value at the date of transition as deemed cost.

The difference between depreciation based on the deemed cost charged in the profit and loss account and the assets original cost is transferred each year from revaluation reserve to retained earnings.

(j) Depreciation

Land is not depreciated. Depreciation on other assets is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% per annum straight line
Plant and Machinery	-	15% per annum reducing balance
Fixtures and Fittings	-	15% per annum reducing balance
Motor Vehicles	-	25% per annum reducing balance

Included within plant and machinery are computer costs which are depreciated at 25% per annum straight line.

The assets residual values and useful lives are revalued, and adjusted if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(k) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

(l) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. Provisions are made for obsolete and slow moving items.

(m) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

(n) Financial instruments

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

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and are included in the balance sheet at cost. Bank overdrafts that are repayable on demand are included within cash and cash equivalents for the purpose of the statement of cash flows.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at cost, plus interest incurred, less any amounts repaid.

Trade and other payables

Trade and other payables are recognised and carried forward at invoiced amounts.

(o) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

The assets of the scheme are held separately from those of the group.

4. TURNOVER

Turnover arises from:

	2019	2018
	£	£
Sale of goods	23,677,461	21,577,401

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

4. TURNOVER *(continued)*

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. OTHER OPERATING INCOME

	2019	2018
	£	£
Commission receivable	80,902	96,968

6. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	40,760	40,617
Loss on disposal of tangible assets	231	-

7. AUDITOR'S REMUNERATION

	2019	2018
	£	£
Fees payable for the audit of the financial statements	10,100	8,350
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	2,640	2,580

8. STAFF COSTS

The average number of persons employed by the group during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Administrative staff	20	21
Number of sales staff	11	11
Number of servicing and parts staff	23	25
	<u>54</u>	<u>57</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	1,423,428	1,365,455
Social security costs	46,866	47,015
Other pension costs	56,389	50,759
	<u>1,526,683</u>	<u>1,463,229</u>

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

9. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	435,246	428,810
Company contributions to defined contribution pension plans	<u>32,640</u>	<u>33,360</u>
	<u>467,886</u>	<u>462,170</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2019	2018
	No.	No.
Defined contribution plans	<u>5</u>	<u>5</u>

Remuneration of the highest paid director in respect of qualifying services:

	2019	2018
	£	£
Aggregate remuneration	170,538	156,125
Company contributions to defined contribution pension plans	<u>24,000</u>	<u>24,000</u>
	<u>194,538</u>	<u>180,125</u>

10. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Interest on cash and cash equivalents	<u>2</u>	<u>310</u>

11. TAX ON PROFIT

Major components of tax income

	2019	2018
	£	£
Current tax:		
UK current tax income	35,909	62,535
Deferred tax:		
Origination and reversal of timing differences	<u>394</u>	<u>656</u>
Tax on profit	<u>36,303</u>	<u>63,191</u>

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

11. TAX ON PROFIT *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018
	£	£
Profit on ordinary activities before taxation	156,649	299,131
Profit on ordinary activities by rate of tax	29,763	56,835
Effect of expenses not deductible for tax purposes	6,539	6,356
Tax on profit	<u>36,302</u>	<u>63,191</u>

12. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019	2018
	£	£
Dividends on ordinary shares	<u>322,897</u>	<u>200,118</u>

13. TANGIBLE ASSETS

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2019	2,122,000	207,852	124,649	12,411	2,466,912
Additions	–	14,417	996	–	15,413
Disposals	–	(3,900)	–	–	(3,900)
At 31 December 2019	<u>2,122,000</u>	<u>218,369</u>	<u>125,645</u>	<u>12,411</u>	<u>2,478,425</u>
Depreciation					
At 1 January 2019	114,760	145,152	81,642	11,595	353,149
Charge for the year	22,952	11,075	6,529	204	40,760
Disposals	–	(3,669)	–	–	(3,669)
At 31 December 2019	<u>137,712</u>	<u>152,558</u>	<u>88,171</u>	<u>11,799</u>	<u>390,240</u>
Carrying amount					
At 31 December 2019	<u>1,984,288</u>	<u>65,811</u>	<u>37,474</u>	<u>612</u>	<u>2,088,185</u>
At 31 December 2018	<u>2,007,240</u>	<u>62,700</u>	<u>43,007</u>	<u>816</u>	<u>2,113,763</u>

The company has no tangible fixed assets.

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

13. TANGIBLE ASSETS *(continued)*

Land and buildings relates entirely to freehold property.

The group applied the transitional arrangements in paragraph 35.10(c) of FRS 102 and elected to use fair value as deemed cost for certain freehold properties. The properties are being depreciated from the valuation date. As the assets are depreciated or sold an appropriate transfer is made from revaluation reserve to retained earnings.

The properties were revalued on transition by an independent valuer using market based evidence of similar properties in the local area.

Tangible assets held at valuation

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group	Freehold Property £
At 31 December 2019	
Aggregate cost	1,965,670
Aggregate depreciation	(515,680)
Carrying value	<u>1,449,990</u>
At 31 December 2018	
Aggregate cost	1,965,670
Aggregate depreciation	(495,229)
Carrying value	<u>1,470,441</u>

14. INVESTMENTS

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 January 2019 and 31 December 2019	<u>38,283</u>
Impairment	
At 1 January 2019 and 31 December 2019	<u>1</u>

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

14. INVESTMENTS *(continued)*

Company	Shares in group undertakings £
Carrying amount	
At 1 January 2019 and 31 December 2019	<u>38,282</u>
At 31 December 2018	<u>38,282</u>

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
The Clitheroe Carriage Company Limited	Ordinary	55.11

The Clitheroe Carriage Company Limited is a private company limited by shares, registered in England and Wales. The address of the registered office is Greenacre Garage, Greenacre Street, Clitheroe, BB7 1ED

15. STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Vehicles and parts stock	<u>1,577,646</u>	<u>1,383,346</u>	<u>-</u>	<u>-</u>

16. DEBTORS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	209,899	199,543	-	-
Prepayments and accrued income	146,780	137,858	-	-
Other debtors	<u>2,721</u>	<u>2,721</u>	<u>2,721</u>	<u>2,721</u>
	<u>359,400</u>	<u>340,122</u>	<u>2,721</u>	<u>2,721</u>

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

17. CREDITORS: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	1,466,247	1,128,361	-	-
Accruals and deferred income	76,490	63,928	-	-
Corporation tax	35,909	62,535	-	-
Social security and other taxes	121,565	161,660	-	-
	<u>1,700,211</u>	<u>1,416,484</u>	<u>-</u>	<u>-</u>

18. PROVISIONS

Group	Deferred tax (note 19) £
At 1 January 2019	17,233
Additions	394
At 31 December 2019	<u>17,627</u>

The company does not have any provisions.

19. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Included in provisions (note 18)	<u>17,627</u>	<u>17,233</u>	<u>-</u>	<u>-</u>

The deferred tax provisions relate entirely to accelerated capital allowances.

20. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £23,749 (2018: £17,399).

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

21. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group	
	2019	2018
	£	£
Trade debtors	<u>209,899</u>	<u>199,543</u>

Financial liabilities measured at amortised cost

	Group	
	2019	2018
	£	£
Trade creditors	<u>1,466,249</u>	<u>1,128,361</u>

22. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>19,600</u>	<u>19,600</u>	<u>19,600</u>	<u>19,600</u>

23. RESERVES

Called up share capital - represents the nominal value of shares that have been issued.

Revaluation reserve - a non-distributable reserve that arose on the revaluation of certain fixed assets on transition to FRS 102 and includes the associated deferred tax provision. Amounts representing the equivalent depreciation and deferred tax are transferred to retained earnings each year.

Capital redemption reserve - a non-distributable reserve representing the nominal value of shares repurchased by the group.

Profit and loss account - includes all current and prior period retained profits and losses.

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2019	Cash flows	At 31 Dec 2019
	£	£	£
Cash at bank and in hand	<u>745,661</u>	<u>(106,430)</u>	<u>639,231</u>

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

There are no transactions with directors that require disclosure under FRS 102.

WILLIAMS & GRAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2019

26. RELATED PARTY TRANSACTIONS

Company

The group was under the control of the directors throughout the current and previous year.

During the year the group paid dividends to the director, Mr. N. Gray, amounting to £28,751. The group also paid dividends amounting to £86,234 to Valley Capital Limited, a company in which Mr J.H.W. Gray and Mrs J.P. Gray are directors.

27. CONSIGNMENT STOCK

The group has in existence arrangements with Honda manufacturers to hold new vehicles on consignment. Under the terms of this agreement legal title does not pass from the manufacturers to the group until the group has had the goods for a specific period, adopts them by using them as demonstration models or sells them to a third party. Until such an event takes place, the group is entitled to return the goods to the manufacturer or the manufacturer is able to require their return. The value of stocks held under these consignment agreements at the year end amounted to £614,053 (2018 : £505,266).