

Company Registration No. 177001 (Scotland)

Mackays of Dingwall Limited

Abbreviated Accounts

For The Year Ended 31 December 2006

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MACKAYS OF DINGWALL LIMITED

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MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities and review of the business

The principal activities of the company during the year were that of a holding company and the operation of the Vauxhall franchise in Ross shire, Sutherland and Caithness

This year has seen an increase in turnover of £1,080,896 with a gross margin of 11.5% achieved. Car volume sales have increased by 21.1% with the new Corsa being particularly popular having won the car of the year award.

The company strives to maintain an optimum level of working capital, through efficient stock turnover, whilst monitoring the recovery of outstanding balances through effective management controls. Due to the competitive nature of the market sector, the management have created appropriate strategies in order that the company can operate in an efficient manner, offering a high quality service to its loyal customer base.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £132,400. The directors do not recommend payment of a final dividend.

Future developments

The directors aim to maintain and increase the company's market share by continuing to offer a high quality product and aftercare service to customers.

Directors

The following directors have held office since 1 January 2006:

Muir Mackay
John Manson

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Johnston Carmichael be reappointed as auditors of the company will be put to the Annual General Meeting.

MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 proper accounting records which 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 1985. 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.

Statement of disclosure to auditor

The directors confirm that,

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) 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 the company's auditors are aware of that information

By order of the board


Joan McMillan
Secretary
13 September 2007

MACKAYS OF DINGWALL LIMITED

INDEPENDENT AUDITORS' REPORT TO MACKAYS OF DINGWALL LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of Mackays of Dingwall Limited for the year ended 31 December 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Johnston Carmichael

Johnston Carmichael

Chartered Accountants
Registered Auditor

4 October 2007

Nevis House
Beechwood Park
Inverness
IV2 3BW

MACKAYS OF DINGWALL LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Gross profit		962,968	886,667
Administrative expenses		(785,381)	(743,689)
Operating profit	2	177,587	142,978
Investment income	3		30,122
Other interest receivable and similar income		979	3,134
Interest payable and similar charges	4	(16,242)	(19,206)
Profit on ordinary activities before taxation		162,324	157,028
Tax on profit on ordinary activities	5	(40,840)	(32,186)
Profit for the year	16	121,484	124,842

The profit and loss account has been prepared on the basis that all operations are continuing operations

MACKAYS OF DINGWALL LIMITED

ABBREVIATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Profit for the financial year		121,484	124,842
Prior year adjustment	17	<hr/>	<hr/> (1,333)
Total gains and losses recognised since last financial statements		<hr/> <hr/> 121,484	<hr/> <hr/> 123,509

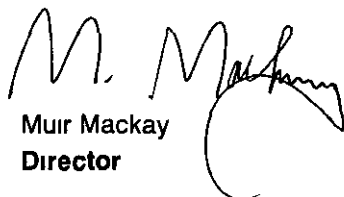
MACKAYS OF DINGWALL LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	7	474,183		465,769	
Investments	8	362,360		362,360	
		<u>836,543</u>		<u>828,129</u>	
Current assets					
Stocks	9	806,482		637,698	
Debtors	10	442,732		204,036	
Cash at bank and in hand		34,295		130,842	
		<u>1,283,509</u>		<u>972,576</u>	
Creditors: amounts falling due within one year	11	<u>(859,238)</u>		<u>(519,889)</u>	
Net current assets		<u>424,271</u>		<u>452,687</u>	
Total assets less current liabilities		<u>1,260,814</u>		<u>1,280,816</u>	
Creditors: amounts falling due after more than one year	12	(22,167)		(36,167)	
Provisions for liabilities	13	(13,852)		(4,938)	
		<u>1,224,795</u>		<u>1,239,711</u>	
Capital and reserves					
Called up share capital	15	281,060		281,060	
Profit and loss account	16	943,735		958,651	
Shareholders' funds	17	<u>1,224,795</u>		<u>1,239,711</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies

Approved by the Board and authorised for issue on 24th Sept 2007


Muir Mackay
Director

MACKAYS OF DINGWALL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	2006		2005	
	£	£	£	£
Net cash inflow from operating activities		119,155		87,927
Returns on investments and servicing of finance				
Interest received	979		3,134	
Interest paid	(16,242)		(19,206)	
Dividends received			30,122	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(15,263)		14,050
Taxation		(25,026)		(25,575)
Capital expenditure				
Payments to acquire tangible assets	(33,289)		(75,181)	
Receipts from sales of tangible assets	2,468			
Net cash outflow for capital expenditure		(30,821)		(75,181)
Equity dividends paid		(136,400)		(132,400)
Net cash outflow before management of liquid resources and financing		(88,355)		(131,179)
Financing				
Other new long term loans			56,000	
Repayment of other long term loans	(14,000)		(5,833)	
Net cash (outflow)/inflow from financing		(14,000)		50,167
Decrease in cash in the year		(102,355)		(81,012)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006	2005
		£	£
	Operating profit	177,587	142,978
	Depreciation of tangible assets	22,407	19,174
	(Increase)/decrease in stocks	(168,784)	173,824
	(Increase)/decrease in debtors	(238,696)	127,759
	Increase/(decrease) in creditors within one year	326,641	(375,808)
	Net cash inflow from operating activities	119,155	87,927

2	Analysis of net debt	1 January 2006	Cash flow	Other non cash changes	31 December 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	130,842	(96,547)		34,295
	Bank overdrafts	(133,458)	(5,808)		(139,266)
		(2,616)	(102,355)		(104,971)
	Debt				
	Debts falling due within one year	(14,000)			(14,000)
	Debts falling due after one year	(36,167)	14,000		(22,167)
		(50,167)	14,000		(36,167)
	Net debt	(52,783)	(88,355)		(141,138)

3	Reconciliation of net cash flow to movement in net debt	2006	2005
		£	£
	Decrease in cash in the year	(102,355)	(81,012)
	Cash outflow/(inflow) from decrease/(increase) in debt	14,000	(50,167)
	Movement in net debt in the year	(88,355)	(131,179)
	Opening net (debt)/funds	(52,783)	78,396
	Closing net debt	(141,138)	(52,783)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	Straight line over 50 years
Plant and machinery	20 % reducing balance method
Fixtures, fittings & equipment	15% to 30% reducing balance method

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.5 Stock and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal

Under supply agreements with General Motors, the company has access to 'consignment stock' during a consignment period. Where the nature of these supply agreements transfers risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with an equivalent liability

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet. Both the terms under which stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements

1.6 Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

1.7 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies (continued)

1.8 Group accounts

The company is exempt from preparing group financial statements

2 Operating profit	2006 £	2005 £
Operating profit is stated after charging		
Depreciation of tangible assets	22,407	19,174
Auditors' remuneration	6,250	6,000
	<u>28,667</u>	<u>25,174</u>

3 Investment income	2006 £	2005 £
Income from listed investments		122
Income from shares in group undertakings		30,000
	<u>30,122</u>	<u>30,122</u>

4 Interest payable	2006 £	2005 £
On bank loans and overdrafts	6,429	2,686
On other loans wholly repayable within five years	7,299	15,472
Other interest	2,514	1,048
	<u>16,242</u>	<u>19,206</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

5	Taxation	2006 £	2005 £
	Domestic current year tax		
	U K corporation tax	37,970	31,070
	Adjustment for prior years	(6,044)	(373)
	Current tax charge	31,926	30,697
	Deferred tax		
	Deferred tax charge current year	8,914	1,489
		40,840	32,186
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	162,324	157,028
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 30.00%)	48,697	47,108
	Effects of		
	Non deductible expenses	559	3,616
	Depreciation add back	1,769	1,763
	Capital allowances	(3,648)	(2,393)
	Adjustments to previous periods	(6,044)	(373)
	Dividends and distributions received		(9,037)
	Other tax adjustments	(9,407)	(9,987)
		(16,771)	(16,411)
	Current tax charge	31,926	30,697
6	Dividends	2006 £	2005 £
	Ordinary interim paid	136,400	132,400

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

7 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2006	413,606	326,307	55,886	795,799
Additions	1,023	27,046	5,220	33,289
Disposals		(2,468)		(2,468)
At 31 December 2006	414,629	350,885	61,106	826,620
Depreciation				
At 1 January 2006	25,045	261,296	43,689	330,030
Charge for the year	5,896	14,759	1,752	22,407
At 31 December 2006	30,941	276,055	45,441	352,437
Net book value				
At 31 December 2006	383,688	74,830	15,665	474,183
At 31 December 2005	388,561	65,011	12,197	465,769

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

8 Fixed asset investments

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 January 2006 & at 31 December 2006	22,871	5,000	796,821	824,692
Provisions for diminution in value				
At 1 January 2006 & at 31 December 2006	18,412	4,999	438,921	462,332
Net book value				
At 31 December 2006	4,459	1	357,900	362,360
At 31 December 2005	4,459	1	357,900	362,360
	Market value	Directors' valuation		Total
	£	£		£
At 31 December 2006	10,167	1		10,168
At 31 December 2005	4,508	1		4,509

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Autovision (Scotland) Limited	Scotland	Ordinary	66 00
Mackays' Garage & Agric Co Limited	Scotland	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves 2006 £	Profit for the year 2006 £
Autovision (Scotland) Limited	1,703,560	973,580
Mackays' Garage & Agric Co Limited	22,900	

The company holds 5,000 £1 ordinary shares in an unlisted company. In the opinion of the directors a permanent diminution in value of the investment had taken place and the company has made a provision of £4,999 in previous accounting periods against the cost of the investment.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

9	Stocks and work in progress	2006	2005
		£	£
	Parts stock	104,689	63,980
	Work in progress	1,860	900
	Vehicle and general stock	699,933	572,818
		<u>806,482</u>	<u>637,698</u>
10	Debtors	2006	2005
		£	£
	Trade debtors	247,120	100,720
	Amounts owed by subsidiary undertakings	45,457	606
	Other debtors	129,969	76,365
	Prepayments and accrued income	20,186	26,345
		<u>442,732</u>	<u>204,036</u>
11	Creditors' amounts falling due within one year	2006	2005
		£	£
	Bank loans and overdrafts	139,266	133,458
	Trade creditors	279,576	168,686
	Amounts owed to subsidiary undertakings	22,060	42,060
	Corporation tax	37,970	31,070
	Other taxes and social security costs	57,391	8,811
	Directors' current accounts	192	192
	Other creditors	272,548	66,820
	Accruals and deferred income	50,235	68,792
		<u>859,238</u>	<u>519,889</u>

Bank loans and overdrafts are secured by a standard security over the garage showrooms at Dingwall owned by the company. Stocking loans are secured over vehicle stocks.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

12 Creditors: amounts falling due after more than one year	2006	2005
	£	£
Other loans	22,167	36,167
	<u>22,167</u>	<u>36,167</u>
Analysis of loans		
Wholly repayable within five years	36,167	50,167
	<u>36,167</u>	<u>50,167</u>
Included in current liabilities	(14,000)	(14,000)
	<u>22,167</u>	<u>36,167</u>
	<u>22,167</u>	<u>36,167</u>
Loan maturity analysis		
In more than two years but not more than five years	36,167	50,167
	<u>36,167</u>	<u>50,167</u>
13 Provisions for liabilities and charges		
	Deferred tax liability	
	£	
Balance at 1 January 2006		4,938
Profit and loss account		8,914
		<u>13,852</u>
Balance at 31 December 2006		<u>13,852</u>
The deferred tax liability is made up as follows:		
	2006	2005
	£	£
Accelerated capital allowances	13,852	4,938
	<u>13,852</u>	<u>4,938</u>
14 Pension costs		
Defined contribution		
	2006	2005
	£	£
Contributions payable by the company for the year	24,967	4,661
	<u>24,967</u>	<u>4,661</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

15 Share capital	2006	2005
	£	£
Authorised		
300,000 Ordinary shares of £1 each	300,000	300,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
281,060 Ordinary shares of £1 each	281,060	281,060
	<u> </u>	<u> </u>
16 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 January 2006		958,651
Profit for the year		121,484
Dividends paid		(136,400)
Balance at 31 December 2006		<u>943,735</u>
17 Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit for the financial year	121,484	124,842
Dividends	(136,400)	(132,400)
	<u> </u>	<u> </u>
Net depletion in shareholders' funds	(14,916)	(7,558)
Opening shareholders' funds	1,239,711	1,247,269
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>1,224,795</u>	<u>1,239,711</u>
18 Directors' emoluments	2006	2005
	£	£
Emoluments for qualifying services	9,015	8,232
Company pension contributions to money purchase schemes	20,000	328
	<u> </u>	<u> </u>
	<u>29,015</u>	<u>8,560</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2005 2)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

19 Transactions with directors

Included within creditors falling due within one year is a loan from the director, John Manson of £192 (2005 £192) The loan is unsecured, interest free and has no fixed repayment terms

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2006 Number	2005 Number
Sales and service	28	27
Administration	8	8
	<u>36</u>	<u>35</u>

Employment costs

	2006 £	2005 £
Wages and salaries	454,443	421,641
Social security costs	39,769	35,478
Other pension costs	24,967	4,661
	<u>519,179</u>	<u>461,780</u>