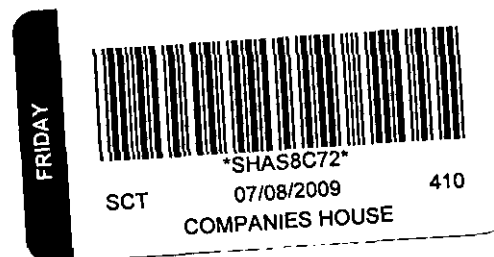


Company Registration No. 177001 (Scotland)

Mackays of Dingwall Limited

Abbreviated Accounts

For The Year Ended 31 December 2008



MACKAYS OF DINGWALL LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	8 - 17

MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

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 dealership in Ross-shire, Sutherland and Caithness.

The financial results reflect a consistent gross margin percentage in comparison to the previous year. We are satisfied with these results, especially given the exceptional economic circumstances affecting the country and its impact on the motor industry.

The declaration of bankruptcy by General Motors (GM), the company responsible for the production of vehicles including the Vauxhall brand, has resulted in uncertainties within the motor industry. However we remain confident that the actions taken by GM to sell the Vauxhall brand will ensure the continued and uninterrupted supply of new vehicles into the future.

Management of the company have been monitoring costs and taking appropriate action to improve efficiencies as appropriate. 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, the management have created appropriate strategies in order that the company can operate in an efficient manner, whilst continuing to offer a high quality service to its loyal customer base.

Financial results subsequent to the year end have been encouraging, and we are confident that the diverse vehicle range and services provided by the company, means that the company is well placed to meet the challenges of the coming year and beyond.

The key business risks and uncertainties affecting our company are considered to relate to fluctuating interest rates, the availability of vehicles from the manufacturer and more generally the competitive nature of the motor industry. We believe that we are well placed to monitor and control the impact that these may have on the company, and take appropriate action as deemed appropriate.

We use a number of key performance indicators to aid the management of the day to day business; however we do not feel that their inclusion would add value to this report.

Results and dividends

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

An interim ordinary dividend was paid amounting to £140,000. 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 our customers.

Directors

The following directors have held office since 1 January 2008:

Muir Mackay
John Manson

MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

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

29/07/2009

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 2008 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

30 July 2009

Johnston Carmichael

Chartered Accountants
Registered Auditor

.....
Clava House
Cradlehall Business Park
Inverness
IV2 5GH

MACKAYS OF DINGWALL LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

		2008	2007
	Notes	£	as restated £
Gross profit		505,946	561,822
Administrative expenses		(474,445)	(464,958)
Operating profit	2	31,501	96,864
Investment income	3	100,134	80,000
Other interest receivable and similar income		7,112	1,012
Interest payable and similar charges	4	(47,890)	(43,744)
Profit on ordinary activities before taxation		90,857	134,132
Tax on profit on ordinary activities	5	(1,457)	(8,694)
Profit for the year	16	89,400	125,438

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

There are no recognised gains and losses other than those passing through the profit and loss account.

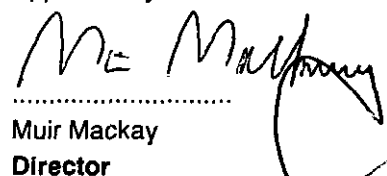
MACKAYS OF DINGWALL LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	7	460,139		468,830	
Investments	8	362,360		362,360	
		<u>822,499</u>		<u>831,190</u>	
Current assets					
Stocks	9	677,107		919,317	
Debtors	10	392,675		424,122	
Cash at bank and in hand		1,900		54,673	
		<u>1,071,682</u>		<u>1,398,112</u>	
Creditors: amounts falling due within one year	11	<u>(781,114)</u>		<u>(1,054,760)</u>	
Net current assets		<u>290,568</u>		<u>343,352</u>	
Total assets less current liabilities		<u>1,113,067</u>		<u>1,174,542</u>	
Creditors: amounts falling due after more than one year	12	-		(12,332)	
Provisions for liabilities	13	<u>(11,834)</u>		<u>(10,377)</u>	
		<u>1,101,233</u>		<u>1,151,833</u>	
Capital and reserves					
Called up share capital	15	281,060		281,060	
Profit and loss account	16	820,173		870,773	
Shareholders' funds	17	<u>1,101,233</u>		<u>1,151,833</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 29 July 2009


Muir Mackay
Director

MACKAYS OF DINGWALL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008		2007	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(61,073)		132,149
Returns on investments and servicing of finance				
Interest received	71		1,012	
Interest paid	(47,890)		(43,744)	
Dividends received	100,134		80,000	
Net cash inflow for returns on investments and servicing of finance		52,315		37,268
Taxation		(12,169)		(37,970)
Capital expenditure				
Payments to acquire tangible assets	(23,752)		(24,560)	
Receipts from sales of tangible assets	250		1,471	
Net cash outflow for capital expenditure		(23,502)		(23,089)
Equity dividends paid		(140,000)		(198,400)
Net cash outflow before management of liquid resources and financing		(184,429)		(90,042)
Financing				
Repayment of other long term loans	(14,000)		(14,000)	
Capital element of hire purchase contracts	(16,667)		(4,167)	
Net cash outflow from financing		(30,667)		(18,167)
Decrease in cash in the year		(215,096)		(108,209)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities		2008	2007
			£	£
	Operating profit		31,501	96,864
	Depreciation of tangible assets		32,443	28,442
	Profit on disposal of tangible assets		(250)	-
	Decrease/(increase) in stocks		242,210	(87,835)
	Decrease in debtors		38,488	18,610
	(Decrease)/Increase in creditors within one year		(405,465)	76,068
	Net cash (outflow)/inflow from operating activities		(61,073)	132,149

2	Analysis of net debt	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	54,673	(52,773)	-	1,900
	Bank overdrafts	(267,853)	(162,323)	-	(430,176)
		(213,180)	(215,096)	-	(428,276)
	Debt:				
	Finance leases	(20,833)	16,667	-	(4,166)
	Debts falling due within one year	(14,000)	5,833	-	(8,167)
	Debts falling due after one year	(8,167)	8,167	-	-
		(43,000)	30,667	-	(12,333)
	Net debt	(256,180)	(184,429)	-	(440,609)

3	Reconciliation of net cash flow to movement in net debt	2008	2007
		£	£
	Decrease in cash in the year	(215,096)	(108,209)
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	30,667	(6,833)
	Movement in net debt in the year	(184,429)	(115,042)
	Opening net debt	(256,180)	(141,138)
	Closing net debt	(440,609)	(256,180)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

There is uncertainty in the motor industry following the declaration of bankruptcy by General Motors on 1 June 2009, the company responsible for the production of vehicles for various brands including Vauxhall. The directors of Mackays of Dingwall Limited continue to monitor the situation as it develops, and are confident that the actions taken by General Motors to sell the Vauxhall brand will ensure the continued and uninterrupted supply of new vehicles into the future. Although the directors are of the opinion that the going concern basis is appropriate, the bankruptcy of General Motors, and the ongoing negotiations relating to the sale of the Vauxhall brand, makes it necessary to draw the matter to the attention of the readers of the financial statements.

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 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Investments

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

1.6 Stock and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on an average cost 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.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

(continued)

1.7 Pensions

During the year the company made pension contributions for certain of its employees to their personal pension plans. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 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.

1.9 Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2 Operating profit

	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation of tangible assets	32,443	28,442
Auditors' remuneration	6,800	6,500
and after crediting:		
Profit on disposal of tangible assets	(250)	-

3 Investment income

	2008 £	2007 £
Income from listed investments	134	-
Income from shares in group undertakings	100,000	80,000
	<u>100,134</u>	<u>80,000</u>

4 Interest payable

	2008 £	2007 £
On bank loans and overdrafts	19,945	15,600
On other loans wholly repayable within five years	24,266	25,417
Other interest	3,679	2,727
	<u>47,890</u>	<u>43,744</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

5	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	-	12,169
	Current tax charge	-	12,169
	Deferred tax		
	Deferred tax charge current year	1,457	681
	Effects of changes in tax rates	-	(4,156)
		1,457	(3,475)
		1,457	8,694
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	90,857	134,132
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.75% (2007 - 19.75%)	18,853	26,491
	Effects of:		
	Non deductible expenses	-	952
	Depreciation add back	6,732	5,618
	Capital allowances	(6,949)	(5,092)
	Tax losses utilised	2,142	-
	Dividends and distributions received	(20,778)	(15,800)
		(18,853)	(14,322)
	Current tax charge	-	12,169
6	Dividends	2008 £	2007 £
	Ordinary interim paid	140,000	198,400

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

7 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2008	414,629	368,497	66,583	849,709
Additions	-	20,829	2,922	23,751
Disposals	-	(250)	-	(250)
At 31 December 2008	414,629	389,076	69,505	873,210
Depreciation				
At 1 January 2008	36,836	287,429	56,613	380,878
On disposals	-	(250)	-	(250)
Charge for the year	5,896	14,581	11,966	32,443
At 31 December 2008	42,732	301,760	68,579	413,071
Net book value				
At 31 December 2008	371,897	87,316	926	460,139
At 31 December 2007	377,792	81,068	9,970	468,830

Land and buildings includes £119,820 for land which is not depreciated.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

8 Fixed asset investments

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 January 2008 & at 31 December 2008	22,871	5,000	796,821	824,692
Provisions for diminution in value				
At 1 January 2008 & at 31 December 2008	18,412	4,999	438,921	462,332
Net book value				
At 31 December 2008	4,459	1	357,900	362,360
At 31 December 2007	4,459	1	357,900	362,360
	Market value	Directors'		Total
	£	valuation		£
At 31 December 2008	7,499	1		7,500
At 31 December 2007	8,673	1		8,674

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	66.67
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	Profit for the year
	2008	2008
	£	£
Autovision (Scotland) Limited	1,701,338	51,202
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 2008

9	Stocks and work in progress	2008	2007
		£	£
	Parts stock	53,390	95,251
	Work in progress	-	139
	Vehicle and general stock	623,717	823,927
		<u>677,107</u>	<u>919,317</u>
10	Debtors	2008	2007
		£	£
	Trade debtors	170,824	226,483
	Other debtors	199,950	176,939
	Prepayments and accrued income	21,901	20,700
		<u>392,675</u>	<u>424,122</u>
11	Creditors: amounts falling due within one year	2008	2007
		£	£
	Bank loans and overdrafts	430,176	267,853
	Net obligations under finance leases	4,166	16,668
	Trade creditors	119,523	198,609
	Amounts owed to subsidiary undertakings	45,371	112,867
	Corporation tax	-	12,169
	Other taxes and social security costs	22,532	32,616
	Directors' current accounts	192	192
	Other creditors	139,817	351,307
	Accruals and deferred income	19,337	62,479
		<u>781,114</u>	<u>1,054,760</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.

The obligations under hire purchase contracts are secured over the assets which the agreements relate to.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

12 Creditors: amounts falling due after more than one year	2008 £	2007 £
Other loans	-	8,167
Net obligations under finance leases	-	4,165
	-	12,332
Analysis of loans		
Wholly repayable within five years	8,167	22,167
	8,167	22,167
Included in current liabilities	(8,167)	(14,000)
	-	8,167
Loan maturity analysis		
In more than one year but not more than two years	-	8,167
Net obligations under finance leases		
Repayable within one year	4,166	16,668
Repayable between one and five years	-	4,165
	4,166	20,833
Included in liabilities falling due within one year	(4,166)	(16,668)
	-	4,165

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2008	10,377
Profit and loss account	1,457
	<u>11,834</u>
Balance at 31 December 2008	<u>11,834</u>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	<u>11,834</u>	<u>10,377</u>

14 Pension costs

No contributions were outstanding to the funds at the year end (2007 - £nil).

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	<u>4,753</u>	<u>4,532</u>

15 Share capital

	2008 £	2007 £
Authorised		
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>
Allotted, called up and fully paid		
281,060 Ordinary shares of £1 each	<u>281,060</u>	<u>281,060</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2008	870,773
Profit for the year	89,400
Dividends paid	(140,000)
Balance at 31 December 2008	<u>820,173</u>

17 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	89,400	125,438
Dividends	(140,000)	(198,400)
Net depletion in shareholders' funds	(50,600)	(72,962)
Opening shareholders' funds	1,151,833	1,224,795
Closing shareholders' funds	<u>1,101,233</u>	<u>1,151,833</u>

18 Directors' emoluments

	2008 £	2007 £
Emoluments for qualifying services	8,512	8,438

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2007 - 2).

19 Transactions with directors

Included within creditors falling due within one year is a loan from the director, John Manson of £192 (2007 - £192). The loan is unsecured, interest free and has no fixed repayment terms.

At 31 December 2008 the company was owed £147,707 from Glen Homes (Scotland) Limited and this is included within other debtors (2007 - £100,020). The director Muir Mackay is associated with Glen Homes (Scotland) Limited. Interest is being charged on the loan at 2% over the base rate. Interest totalling £7,041 was receivable on the loan in the year ended 31 December 2008 and is included within other debtors. Subsequent to the year end, the loan was fully repaid.

At 31 December 2008 the company was owed £23,500 from Maison des Voitures and this is included within other debtors (2007 - £23,500). Maison des Voitures is an unincorporated business in which the director Muir Mackay has joint control. The loan is interest free and has no fixed repayment terms.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

20 Employees

Number of employees

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

	2008 Number	2007 Number
Sales and service	29	30
Administration	5	5
	<u>34</u>	<u>35</u>

Employment costs

	2008 £	2007 £
Wages and salaries	476,739	459,677
Social security costs	40,255	38,702
Other pension costs	4,753	4,532
	<u>521,747</u>	<u>502,911</u>

21 Related party transactions

During the year the company traded on a normal commercial basis with its subsidiary undertaking, Autovision (Scotland) Limited, buying and selling vehicles, spares and workshop services. Purchases of goods and services during the year totalled £247,190. Sales of goods and services during the year totalled £275,181. During the year the company received head office charges of £53,333 from Autovision (Scotland) Limited.

Included in creditors falling due within one year is £22,060 in respect of a loan from the subsidiary undertaking Mackays' Garage & Agric. Co. Limited (2007 - £22,060).

At 31 December 2008 the company owed £23,311 to its subsidiary undertaking, Autovision (Scotland) Limited and this is included within creditors falling due within one year (2007 - £90,807). This amount is interest free and has no fixed repayment terms.

22 Comparative figures

The comparative figures have been restated, discounts allowed on motability vehicle sales of £165,193 which had previously been disclosed within turnover have now been reallocated to cost of sales. The directors consider this a more appropriate allocation of income and costs. This adjustment has not affected the profit for the year or the balance sheet.