

MACKAYS OF DINGWALL LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2002

Registered number: 177001

ANDREW DUNCAN & CO

Chartered Accountants

Inverness



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COMPANIES HOUSE 18/08/03

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MACKAYS OF DINGWALL LIMITED

FINANCIAL STATEMENTS

for the year ended 31 December 2002

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MACKAYS OF DINGWALL LIMITED**COMPANY INFORMATION****31 December 2002**

DIRECTORS	Muir Mackay John Manson
SECRETARY	Joan McMillan
REGISTERED OFFICE	Strathpeffer Road DINGWALL IV15 9QF
BANKERS	Bank of Scotland High Street DINGWALL IV15 9HL
SOLICITORS	Maclay Murray Spens 151 St Vincent Street GLASGOW G2 5NJ
AUDITORS	Andrew Duncan & Co Chartered Accountants Alton House 4 Ballifeary Road Inverness IV3 5PJ

MACKAYS OF DINGWALL LIMITED**DIRECTORS' REPORT****31 December 2002**

The directors present their report and the audited financial statements for the year ended 31 December 2002.

Principal activity

The principal activity of the company during the year was that of a holding company.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £348,704.

Results and dividends

The results for the period are shown in the profit and loss account on page 5. An ordinary dividend amounting to £80,000 has been paid.

Directors


The directors of the company during the period and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31 December 2002	1 January 2002
	Ordinary shares	Ordinary shares
Muir Mackay	140,530	140,530
John Manson	140,530	140,530

Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary, Andrew Duncan & Co will continue in office.

By order of the board



Joan McMillan
Secretary

Strathpeffer Road
DINGWALL
IV15 9QF

28 Sep 2003

MACKAYS OF DINGWALL LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period 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 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 to 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.

On behalf of the board

28 Aug 2007

M. Mackay
Muir Mackay
Director

MACKAYS OF DINGWALL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MACKAYS OF DINGWALL LIMITED**

We have audited the financial statements of Mackays of Dingwall Limited for the year ended 31 December 2002 on pages 5 to 14. These financial statements have been prepared under the historical cost convention, and the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

01 August 2003

Andrew Duncan

Inverness

Andrew Duncan & Co
Registered Auditor &
Chartered Accountants

MACKAYS OF DINGWALL LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2002

	Note	2002 (12 months) £	2001 (9 months) £
Administrative expenses		(83,530)	(60,261)
Other operating income		136,700	131,023
Operating profit	2	53,170	70,762
Write down of investments	4	(8,412)	(10,000)
Investment income	5	161,560	36,706
Interest payable	6	(31,973)	(24,538)
Profit on ordinary activities before taxation		174,345	72,930
Taxation	7	(31,840)	414
Profit on ordinary activities after taxation		142,505	73,344
Dividends		(80,000)	(50,500)
Retained profit for the year/period	12	62,505	22,844

Movements in reserves are shown in note 12.

None of the company's activities were acquired or discontinued during the above two financial periods.

MACKAYS OF DINGWALL LIMITED

BALANCE SHEET

at 31 December 2002

	Note	£	2002 £	£	2001 £
Fixed assets					
Investments	8		733,767		612,179
Current assets					
Debtors	9	61,066		95,349	
Cash at bank and in hand		109,344		152,684	
		<u>170,410</u>		<u>248,033</u>	
Creditors: amounts falling due within one year	10	<u>(555,473)</u>		<u>(574,013)</u>	
Net current liabilities			<u>(385,063)</u>		<u>(325,980)</u>
Total assets less current liabilities			<u>348,704</u>		<u>286,199</u>
Capital and reserves					
Called up share capital	11		281,060		281,060
Profit and loss account	12		67,644		5,139
Total shareholders' funds	13		<u>348,704</u>		<u>286,199</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 28 July 2003 and signed on its behalf by:

M. Mackay

Muir Mackay
Director

MACKAYS OF DINGWALL LIMITED

CASH FLOW STATEMENT

for the year ended 31 December 2002

	Note	2002 (12 months)	2001 (9 months)
		£	£
Net cash inflow from operating activities		62,373	30,406
Returns on investments and servicing of finance			
Interest received		1,540	3,352
Other dividends received		<u>153,247</u>	<u>20,521</u>
		154,787	23,873
Taxation			
Corporation tax paid		-	(2,433)
Capital expenditure and financial investment			
Purchase of fixed asset investments		(130,000)	-
Dividends			
Equity dividends paid		<u>(130,500)</u>	<u>-</u>
(Decrease)/increase in cash		<u><u>(43,340)</u></u>	<u><u>51,846</u></u>

See note 14 for the notes to this statement

MACKAYS OF DINGWALL LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 2002

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

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

Fixed asset investments

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

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Non consolidation

The company and its subsidiaries form a medium-sized group. The company has taken advantage of the exemption provided by S248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit

	2002 (12 months) £	2001 (9 months) £
Operating profit is stated after charging:		
Staff costs (note 3)	81,821	59,040
Auditors' remuneration	1,000	950
	<u>81,821</u>	<u>59,040</u>

3 Directors and employees

	2002 (12 months) £	2001 (9 months) £
Staff costs including directors' emoluments		
Wages and salaries	73,249	52,813
Social security costs	6,172	4,427
Pension costs	2,400	1,800
	<u>81,821</u>	<u>59,040</u>
	Number	Number
Average monthly number employed including executive directors:	<u>4</u>	<u>4</u>

MACKAYS OF DINGWALL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

3 Directors and employees

	2002 (12 months) £	2001 (9 months) £
Directors		
<i>Directors' emoluments (including pension and benefits in kind)</i>	<u>49,122</u>	<u>30,574</u>
 During the year the following number of directors accrued retirement benefits under:	Number	Number
Money purchase pension schemes	<u>2</u>	<u>2</u>

Pension costs

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,400 (2001 - £1,800) including contributions in respect of employees. No contributions were payable to the fund at 31 December 2002 and 31 December 2001.

4 Exceptional items

	2002 (12 months) £	2001 (9 months) £
Write down of other investments	<u>8,412</u>	<u>10,000</u>

5 Investment income

	2002 (12 months) £	2001 (9 months) £
Bank interest receivable	1,540	3,352
Dividend income – subsidiary undertakings	159,975	33,333
Dividend income – listed investments	45	21
	<u>161,560</u>	<u>36,706</u>

6 Interest payable

	2002 (12 months) £	2001 (9 months) £
Loan interest payable	<u>31,973</u>	<u>24,538</u>

MACKAYS OF DINGWALL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

7 Taxation

	2002 (12 months) £	2001 (9 months) £
<i>Current tax</i>		
Corporation tax on profit on ordinary activities	10,531	-
Group relief	-	(2,847)
Adjustments in respect of previous periods	21,309	2,433
	<u>31,840</u>	<u>(414)</u>

Factors affecting current period corporation tax

The current period corporation tax assessed for the period is lower than the standard rate of corporation tax of 19.25% (2001 - 20%) for the following reasons:

	2002 (12 months) £	2001 (9 months) £
Profit before tax for the period	<u>174,345</u>	<u>72,930</u>
Corporation tax at the standard rate	33,561	14,586
<i>Effects of:</i>		
Group relief	-	2,847
Other adjustments	1,620	2,040
Franked investment income	(30,804)	(6,671)
Loan interest disallowed	6,154	-
Prior year adjustment	-	(12,802)
Current tax charge for period	<u>10,531</u>	<u>-</u>

8 Fixed asset investments

Cost	Subsidiary undertakings £	Other investments £	Total £
1 January 2002	599,308	22,871	622,179
Additions	130,000	-	130,000
31 December 2002	<u>729,308</u>	<u>22,871</u>	<u>752,179</u>
<i>Amounts written off</i>			
1 January 2002	-	10,000	10,000
Provision in year	-	8,412	8,412
31 December 2002	<u>-</u>	<u>18,412</u>	<u>18,412</u>

MACKAYS OF DINGWALL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

8 Fixed asset investments (continued)

	Subsidiary undertakings £	Other investments £	Total £
Net book amount			
31 December 2002	729,308	4,459	733,767
1 January 2002	599,308	12,871	612,179

Subsidiary undertakings

The company holds 16,966 ordinary £1 shares, being 74% of the issued share capital of Mackays Garage & Agricultural Company Limited, a Scottish registered company, whose principal activity is the operation of a Vauxhall franchise dealership in the Dingwall area. Mackays Garage & Agricultural Company Limited recorded a profit of £11,041 for the year ended 31 December 2002 and had capital and reserves of £959,584 at that date.

The company holds 330,000 ordinary £1 shares, being 66% of the issued share capital of Autovision (Scotland) Limited, a Scottish registered company, whose principal activity is the operation of a Vauxhall franchise dealership in the Inverness area. Autovision (Scotland) Limited recorded a profit of £15,462 for the year ended 31 December 2002 and had capital and reserves of £689,452 at that date.

At 31 December 2002 the company also held 5,656 ordinary £1 shares being 61% of the issued share capital of Robertson and Porter Limited, a Scottish registered company, whose principal activity is the rental of property. The latest available financial statements are those for the period ended 31 December 2001 and these show a profit for the period of £34,867 and share capital and reserves of £469,226.

Other investments

The company holds shares in quoted investments with a total cost of £22,871. A provision of £10,000 was made in 2001 as in the opinion of the directors a diminution in value had taken place. A further provision of £8,412 has been made in the year ended 31 December 2002 as a further diminution in value has taken place.

9 Debtors

	2002 £	2001 £
Amounts due from subsidiary undertakings	60,606	88,406
Other debtors	460	6,943
	<u>61,066</u>	<u>95,349</u>

10 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	-	588
Amounts owed to group undertakings	512,388	505,684
Corporation tax	28,993	-
Other taxation and social security	13,092	12,741
Other creditors	-	54,000
Accruals and deferred income	1,000	1,000
	<u>555,473</u>	<u>574,013</u>

MACKAYS OF DINGWALL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

11 Called up share capital

	2002		2001	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	300,000	300,000	300,000	300,000
Allotted, called up and fully paid				
Ordinary shares of £1 each	281,060	281,060	281,060	281,060

12 Profit and loss account

	2002 £
1 January 2002	5,139
Retained profit for the year	62,505
31 December 2002	67,644

13 Reconciliation of movements in shareholders' funds

	2002 (12 months) £	2001 (9 months) £
Profit for the financial period	142,505	73,344
Dividends	(80,000)	(50,500)
Net addition to shareholders' funds	62,505	22,844
Opening shareholders' funds	286,199	263,355
Closing shareholders' funds	348,704	286,199

MACKAYS OF DINGWALL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

14 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	2002 (12 months) £	2001 (9 months) £
Operating profit	53,170	70,762
Decrease/(increase) in debtors	38,209	(52,502)
Increase in creditors	2,967	36,684
Interest accrued	(31,973)	(24,538)
Net cash inflow from operating activities	62,373	30,406

Analysis of changes in net funds

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	152,684	(43,340)	109,344

Reconciliation of net cash flow to movement in net funds

	2002 (12 months) £	2001 (9 months) £
(Decrease)/increase in cash in the year/period	(43,340)	51,846
Change in net funds resulting from cash flows	(43,340)	51,846
Net funds at 1 January 2002	152,684	100,838
Net funds at 31 December 2002	109,344	152,684

15 Related parties

During the year the company received management charges of £56,700 from its subsidiary undertaking Mackays Garage and Agricultural Company Limited. Included in creditors falling due within one year (note 10) is £126,288 in respect of a loan from Mackays Garage and Agricultural Company Limited, on which interest is charged at 2% over base. Interest of £12,773 was accrued during the year. Included in creditors falling due within one year (note 10) is £19,100 in respect of insurance money received by the company which is due for Mackays Garage and Agricultural Company Limited.

During the year the company received management charges of £80,000 from its subsidiary undertaking Autovision (Scotland) Limited. £40,000 of these management charges were receivable from Macleods of Perth Limited, a company in which Autovision (Scotland) Limited own the entire issued share capital. These charges were paid to the company via Autovision (Scotland) Limited.

Included in creditors falling due within one year (note 10) is £367,000 in respect of a loan from the subsidiary undertaking Robertson & Porter Limited, on which interest is charged at 2% over base. Interest of £19,200 was accrued during the year.

MACKAYS OF DINGWALL LIMITED**NOTES ON FINANCIAL STATEMENTS****31 December 2002****16 Post balance sheet event**

After 31 December 2002 the company has purchased 26% of the issued share capital in Mackays Garage & Agricultural Company Limited and 39% of the issued share capital in Robertson and Porter Limited. The company now owns the entire share capital of both Mackays Garage & Agricultural Company Limited and Robertson and Porter Limited.