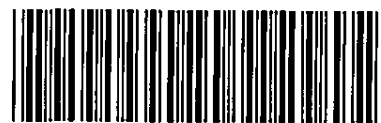


Company Registration No. SC177001 (Scotland)

MACKAYS OF DINGWALL LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

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COMPANIES HOUSE

MACKAYS OF DINGWALL LIMITED

DIRECTORS AND ADVISERS

Directors	Muir Mackay John Manson
Secretary	Joan McMillan
Company number	SC177001
Registered office	Mackays of Dingwall Strathpeffer Road Dingwall Ross-shire IV15 9QF
Registered auditors	Johnston Carmichael LLP Clava House Cradlehall Business Park Inverness IV2 5GH
Solicitors	Middleton, Ross & Arnot Mansefield House 7 High Street Dingwall Ross-shire IV15 9HJ

MACKAYS OF DINGWALL LIMITED

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MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010.

Principal activities and review of the business

The principal activities of the group during the year were the operation of the Vauxhall franchise dealerships for Inverness, Ross-shire, Sutherland and Caithness and also that of a holding company as the parent company of the group.

The financial results for the group reflect a fairly consistent gross margin percentage of 7%, with group post tax profits of £120,640 compared with £173,156 in the prior year. We are satisfied with these results, especially given the challenging economic circumstances that the country continued to see during this period and its impact on the motor industry.

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

Although the group continues to operate in challenging times, the financial results subsequent to the year end have been encouraging. We are confident that the diverse vehicle range and services provided by the group will mean that we are well placed to meet these challenges during the coming year and beyond.

The key business risks and uncertainties affecting our group are considered to relate to 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 group and take appropriate action as deemed necessary.

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 consolidated profit and loss account for the year is set out on pages 5 to 6.

An interim ordinary dividend was paid amounting to £65,000. The directors do not recommend payment of a final dividend.

Future developments

We, the directors, aim to maintain and increase the group'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 2010:

Muir Mackay
John Manson

MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

By order of the board



Joan McMillan

Secretary

19.09.2011

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 2010 set out on pages 5 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MACKAYS OF DINGWALL LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF MACKAYS OF DINGWALL LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Johnston Carmichael LLP.

22 September 2011.

Scott Jeffrey (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

.....

Chartered Accountants
Statutory Auditor

Clava House
Cradlehall Business Park
Inverness
IV2 5GH

MACKAYS OF DINGWALL LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	20,266,706	21,349,703
Cost of sales		(18,848,974)	(19,852,169)
Gross profit		1,417,732	1,497,534
Administrative expenses		(1,105,757)	(1,135,505)
Other operating income		13,010	6,902
Operating profit	3	324,985	368,931
Investment income	4	5	208
Other interest receivable and similar income		988	-
Interest payable and similar charges	5	(114,999)	(63,159)
Profit on ordinary activities before taxation		210,979	305,980
Tax on profit on ordinary activities	6	(48,744)	(74,238)
Profit on ordinary activities after taxation		162,235	231,742
Minority interests		(41,595)	(58,586)
Profit for the financial year	7	120,640	173,156

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Note of historical cost profits and losses

	2010	2009
	£	£
Reported profit on ordinary activities before taxation	210,979	305,980
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	546	447
Historical cost profit on ordinary activities before taxation	211,525	306,427
Historical cost profit/(loss) for the year retained after taxation, extraordinary items and dividends	56,186	(166,397)

MACKAYS OF DINGWALL LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2010

		Group		Company	
	Notes	2010	2009	2010	2009
		£	£	£	£
Fixed assets					
Tangible assets	9	1,016,013	1,063,641	457,075	479,448
Investments	10	4,460	4,460	362,360	362,360
		<u>1,020,473</u>	<u>1,068,101</u>	<u>819,435</u>	<u>841,808</u>
Current assets					
Stocks	11	2,176,232	2,089,743	943,886	962,905
Debtors	12	1,664,929	1,032,938	486,735	446,897
Cash at bank and in hand		213,883	461,594	5,350	1,064
		<u>4,055,044</u>	<u>3,584,275</u>	<u>1,435,971</u>	<u>1,410,866</u>
Creditors: amounts falling due within one year	13	(2,478,781)	(2,058,836)	(1,077,380)	(1,112,545)
Net current assets		<u>1,576,263</u>	<u>1,525,439</u>	<u>358,591</u>	<u>298,321</u>
Total assets less current liabilities		<u>2,596,736</u>	<u>2,593,540</u>	<u>1,178,026</u>	<u>1,140,129</u>
Creditors: amounts falling due after more than one year	14	(275,741)	(328,092)	(65,787)	(73,332)
Provisions for liabilities	15	(13,349)	(16,135)	(13,349)	(16,135)
		<u>2,307,646</u>	<u>2,249,313</u>	<u>1,098,890</u>	<u>1,050,662</u>
Capital and reserves					
Called up share capital	17	281,060	281,060	281,060	281,060
Revaluation reserve	18	21,520	22,066	-	-
Profit and loss account	18	1,480,332	1,424,146	817,830	769,602
Shareholders' funds	20	<u>1,782,912</u>	<u>1,727,272</u>	<u>1,098,890</u>	<u>1,050,662</u>
Minority interests	19	524,734	522,041	-	-
		<u>2,307,646</u>	<u>2,249,313</u>	<u>1,098,890</u>	<u>1,050,662</u>

Approved by the Board and authorised for issue on 20/09/2011

Muir Mackay
Director

Company Registration No. SC177001

MACKAYS OF DINGWALL LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		459,298		1,296,337
Returns on investments and servicing of finance				
Interest received	988		-	
Interest paid	(114,999)		(63,159)	
Dividends received	5		208	
Dividends paid to minorities	(38,902)		(115,000)	
Net cash outflow for returns on investments and servicing of finance		(152,908)		(177,951)
Taxation		(62,288)		(17,437)
Capital expenditure				
Payments to acquire tangible assets	(8,648)		(69,812)	
Receipts from sales of tangible assets	-		2,700	
Net cash outflow for capital expenditure		(8,648)		(67,112)
Equity dividends paid		(65,000)		(340,000)
Net cash inflow before management of liquid resources and financing		170,454		693,837
Financing				
New long term bank loan	-		80,000	
Repayment of long term bank loan	(41,880)		(33,297)	
Repayment of other long term loans	-		(8,167)	
Capital element of hire purchase contracts	-		(4,166)	
Net cash (outflow)/inflow from financing		(41,880)		34,370
Increase in cash in the year		128,574		728,207

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

1	Reconciliation of operating profit to net cash inflow from operating activities	2010	2009
		£	£
	Operating profit	324,985	368,931
	Depreciation of tangible assets	56,276	57,014
	Loss on disposal of tangible assets	-	1,353
	Increase in stocks	(86,489)	(311,355)
	(Increase)/decrease in debtors	(631,991)	368,632
	Increase in creditors within one year	796,517	811,762
	Net cash inflow from operating activities	459,298	1,296,337

2	Analysis of net debt	1 January 2010	Cash flow	Other non-cash changes	31 December 2010
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	461,594	(247,711)	-	213,883
	Bank overdrafts	(384,336)	376,285	-	(8,051)
		<u>77,258</u>	<u>128,574</u>	<u>-</u>	<u>205,832</u>
	Debts falling due within one year	(31,782)	(10,471)	-	(42,253)
	Debts falling due after one year	(328,092)	52,351	-	(275,741)
		<u>(359,874)</u>	<u>41,880</u>	<u>-</u>	<u>(317,994)</u>
	Net debt	(282,616)	170,454	-	(112,162)

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	Increase in cash in the year	128,574	728,207
	Cash outflow/(inflow) from decrease/(increase) in debt	41,880	(34,370)
	Movement in net debt in the year	170,454	693,837
	Opening net debt	(282,616)	(976,453)
	Closing net debt	(112,162)	(282,616)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of leasehold and freehold land and buildings.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

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

Land and buildings freehold	- Straight line over 50 years
Land and buildings leasehold	- Over 60 years
Plant and machinery	- 15% straight line or 20% reducing balance
Fixtures, fittings & equipment	- 15 to 30% straight line or reducing balance
Motor vehicles	- 25% straight line

The leasehold property was revalued in previous years and the group subsequently applied the transitional rules applicable to fixed assets. Consequently no further revaluations have been conducted since this date.

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

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

1.7 Stock

Stocks are valued at the lower of cost and net realisable value. Parts cost is computed on an average cost basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

1.8 Pensions

The group makes contributions into the personal pension funds of certain of its employees and directors. Contributions payable are charged to the profit and loss account in the year they are payable.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

(continued)

1.9 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.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2010	2009
	£	£

Operating profit is stated after charging:

Depreciation of tangible assets	56,276	57,014
Loss on disposal of tangible assets	-	1,353
Operating lease rentals	24,500	24,500
Fees payable to the group's auditor for the audit of the group's annual accounts (company £6,775; 2009: £6,450)	15,025	14,450

4 Investment income	2010	2009
	£	£

Income from fixed asset investments	5	208
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5 Interest payable	2010	2009
	£	£

On bank loans and overdrafts	12,789	15,779
On other loans wholly repayable within five years	98,924	44,974
Other interest	3,286	2,406

114,999	63,159
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MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U.K. corporation tax	59,177	69,937
	Adjustment for prior years	(7,647)	-
	Total current tax	<u>51,530</u>	<u>69,937</u>
	Deferred tax		
	Deferred tax (credit) / charge	(2,786)	4,301
		<u>48,744</u>	<u>74,238</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>210,979</u>	<u>305,980</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2009 - 26.00%)	<u>54,855</u>	<u>79,555</u>
	Effects of:		
	Non deductible expenses	2,934	2,555
	Depreciation add back	6,071	(1,946)
	Adjustments to previous periods	(7,647)	-
	Other tax adjustments	(4,683)	(10,227)
		<u>(3,325)</u>	<u>(9,618)</u>
	Current tax charge for the year	<u>51,530</u>	<u>69,937</u>

7 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2010 £	2009 £
Holding company's profit for the financial year	<u>113,228</u>	<u>289,429</u>

8	Dividends	2010 £	2009 £
	Ordinary interim paid	<u>65,000</u>	<u>340,000</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

9 Tangible fixed assets

Group	Land and buildings freehold £	Land and buildings leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2010	430,569	629,658	568,932	179,279	8,697	1,817,135
Additions	-	-	3,531	5,117	-	8,648
At 31 December 2010	430,569	629,658	572,463	184,396	8,697	1,825,783
Depreciation						
At 1 January 2010	48,628	98,624	450,298	147,247	8,697	753,494
Charge for the year	6,215	10,644	19,800	19,617	-	56,276
At 31 December 2010	54,843	109,268	470,098	166,864	8,697	809,770
Net book value						
At 31 December 2010	375,726	520,390	102,365	17,532	-	1,016,013
At 31 December 2009	381,941	531,034	118,634	32,032	-	1,063,641

Comparable historical cost for the leasehold land and buildings included at valuation:

	£
Cost	
At 1 January 2010 & at 31 December 2010	588,982
Depreciation based on cost	
At 1 January 2010	91,486
Charge for the year	9,816
At 31 December 2010	101,302
Net book value	
At 31 December 2010	487,680
At 31 December 2009	497,496

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

Tangible fixed assets

Company

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2010	430,569	412,827	70,985	914,381
Additions	-	1,942	5,117	7,059
At 31 December 2010	430,569	414,769	76,102	921,440
Depreciation				
At 1 January 2010	48,628	317,652	68,653	434,933
Charge for the year	6,215	19,200	4,017	29,432
At 31 December 2010	54,843	336,852	72,670	464,365
Net book value				
At 31 December 2010	375,726	77,917	3,432	457,075
At 31 December 2009	381,941	95,175	2,332	479,448

Land and buildings include £119,820 (2009 - £119,820) for land which is not depreciated.

10 Fixed asset investments Group

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2010 & at 31 December 2010	22,871	5,000	27,871
Provisions for diminution in value			
At 1 January 2010 & at 31 December 2010	18,412	4,999	23,411
Net book value			
At 31 December 2010	4,459	1	4,460
At 31 December 2009	4,459	1	4,460
	Market value £	Directors' valuation £	Total £
At 31 December 2010	5,330	1	5,331
At 31 December 2009	4,787	1	4,788

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

10 Fixed asset investments

(continued)

Company	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 January 2010 & at 31 December 2010	22,871	5,000	796,821	824,692
Provisions for diminution in value				
At 1 January 2010 & at 31 December 2010	18,412	4,999	438,921	462,332
Net book value				
At 31 December 2010	4,459	1	357,900	362,360
At 31 December 2009	4,459	1	357,900	362,360

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

	Market value	Directors' valuation	Total
	£	£	£
At 31 December 2010	5,330	1	5,331
At 31 December 2009	4,787	1	4,788

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
Mackays Garage & Agric. Co. Limited	Scotland	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Autovision (Scotland) Limited	Operation of the Vauxhall franchise dealership for Inverness and the surrounding area
Mackays Garage & Agric. Co. Limited	Dormant

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

11 Stocks

	Group 2010 £	2009 £	Company 2010 £	2009 £
Parts stock	176,278	138,051	91,451	68,068
Vehicle and general stock	1,999,954	1,951,692	852,435	894,837
	<u>2,176,232</u>	<u>2,089,743</u>	<u>943,886</u>	<u>962,905</u>

12 Debtors

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade debtors	478,271	711,567	237,314	367,443
Other debtors	1,123,935	248,990	228,625	52,469
Prepayments and accrued income	62,723	72,381	20,796	26,985
	<u>1,664,929</u>	<u>1,032,938</u>	<u>486,735</u>	<u>446,897</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

13 Creditors : amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	50,304	416,118	6,956	366,985
Trade creditors	1,760,063	1,136,387	719,188	578,138
Amounts owed to group undertakings	-	-	22,060	22,060
Corporation tax	59,177	69,935	14,254	5,115
Taxes and social security costs	307,374	58,981	132,505	-
Directors current accounts	192	192	192	192
Other creditors	213,207	275,131	145,022	103,426
Accruals and deferred income	88,464	102,092	37,203	36,629
	<u>2,478,781</u>	<u>2,058,836</u>	<u>1,077,380</u>	<u>1,112,545</u>

Bank loans and overdrafts are secured by a standard security over the garage showrooms at Dingwall owned by the company, by a bond and floating charge over the assets of the group and a standard security over the garage and showroom at 40 Harbour Road, Inverness leased by the group. One bank loan is repayable by monthly instalments of £806, with a final balloon repayment in December 2012, interest is charged on the loan at base +3.4%. The second bank loan is repayable by monthly instalments of £3,323, being fully repaid by November 2018, interest is charged on the loan at base +1.5%.

Stocking loans amounting to £195,150 for group and £133,625 for company (2009 - group £258,655, company £100,575), included within other creditors, are secured over vehicle stocks.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

14 Creditors : amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans	275,741	328,092	65,787	73,332
Analysis of loans				
Not wholly repayable within five years by instalments:	245,251	279,874	-	-
Wholly repayable within five years	72,743	80,000	72,743	80,000
	317,994	359,874	72,743	80,000
Included in current liabilities	(42,253)	(31,782)	(6,956)	(6,668)
	275,741	328,092	65,787	73,332
Instalments not due within five years	61,495	139,319	-	-
Loan maturity analysis				
In more than one year but not more than two years	43,243	33,462	7,233	6,933
In more than two years but not more than five years	171,003	155,311	58,554	66,399
In more than five years	61,495	139,319	-	-

Bank loans and overdrafts are secured by a standard security over the garage showrooms at Dingwall owned by the company, by a bond and floating charge over the assets of the group and a standard security over the garage and showroom at 40 Harbour Road, Inverness leased by the group. One bank loan is repayable by monthly instalments of £806, with a final balloon repayment in December 2012, interest is charged on the loan at base +3.4%. The second bank loan is repayable by monthly instalments of £3,323, being fully repaid by November 2018, interest is charged on the loan at base +1.5%.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

15 Provisions for liabilities

Group

Deferred
taxation
£

Balance at 1 January 2010

16,135

Profit and loss account

(2,786)

Balance at 31 December 2010

13,349

Company

Balance at 1 January 2010

16,135

Profit and loss account

(2,786)

Balance at 31 December 2010

13,349

The deferred tax liability is made up as follows:

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	13,349	16,135	13,349	16,135

16 Pension and other post-retirement benefit commitments

Defined contribution

Contributions outstanding to the funds at the year end were £499 (2009 - £498).

	2010	2009
	£	£
Contributions payable by the group for the year	11,831	11,350

17 Share capital

Allotted, called up and fully paid

281,060 Ordinary shares of £1 each

2010	2009
£	£
281,060	281,060

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

18 Statement of movements on reserves

Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2010	22,066	1,424,146
Profit for the year	-	120,640
Transfer from revaluation reserve to profit and loss account	(546)	546
Dividends paid	-	(65,000)
Balance at 31 December 2010	<u>21,520</u>	<u>1,480,332</u>

Company

	Profit and loss account £
Balance at 1 January 2010	769,602
Profit for the year	113,228
Dividends paid	(65,000)
Balance at 31 December 2010	<u>817,830</u>

19 Minority interests

	2010 £	2009 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>524,734</u>	<u>522,041</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

20	Reconciliation of movements in shareholders' funds	2010	2009
		£	£
	Group		
	Profit for the financial year	120,640	173,156
	Dividends	(65,000)	(340,000)
		<u>55,640</u>	<u>(166,844)</u>
	Net addition to/(depletion in) shareholders' funds	55,640	(166,844)
	Opening shareholders' funds	1,727,272	1,894,116
		<u>1,782,912</u>	<u>1,727,272</u>
	Closing shareholders' funds		
		<u>1,782,912</u>	<u>1,727,272</u>
	Company		
	Profit for the financial year	113,228	289,429
	Dividends	(65,000)	(340,000)
		<u>48,228</u>	<u>(50,571)</u>
	Net addition to/(depletion in) shareholders' funds	48,228	(50,571)
	Opening shareholders' funds	1,050,662	1,101,233
		<u>1,098,890</u>	<u>1,050,662</u>
	Closing shareholders' funds		
		<u>1,098,890</u>	<u>1,050,662</u>

21 Financial commitments

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2010	2009
	£	£
Expiry date:		
In over five years	24,500	24,500
	<u>24,500</u>	<u>24,500</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

22 Directors' remuneration	2010 £	2009 £
Remuneration for qualifying services	29,126	20,975
Company pension contributions to defined contribution schemes	2,400	2,400
	<u>31,526</u>	<u>23,375</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2009 - 2).

23 Employees

Number of employees

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

	2010 Number	2009 Number
Sales and service	55	52
Administration	11	11
	<u>66</u>	<u>63</u>

Employment costs

	2010 £	2009 £
Wages and salaries	1,253,438	1,192,523
Social security costs	113,602	99,042
Other pension costs	11,831	11,350
	<u>1,378,871</u>	<u>1,302,915</u>

24 Control

The company is jointly controlled by the directors Muir Mackay and John Manson.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

25 Related party relationships and transactions

Company

During the year the company traded on a normal commercial basis with Maison des Voiture, buying and selling vehicles, spares and workshop service. Maison des Voiture is an unincorporated business with which the director Muir Mackay has shared control. Purchase of goods and services during the year totalled £47,213 (2009 - £7,500). Sales of goods and services during the year totalled £2,691 (2009 - £62,793). At 31 December 2010 the net amount due from Maison des Voiture was £60,400 (2009 - £91,348)

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 (2009 - £22,060).

During the year the company traded on a normal commercial basis with Autovision (Scotland) Limited, a subsidiary undertaking. Purchases of goods and services amounted to £510,103 (2009 - £505,886) and sales of goods and services amounted to £625,826 (2009 - £60,133). During the year the company received head office charges of £53,333 (2009 - £53,333) from Autovision (Scotland) Limited. As at 31 December 2010 the net amount due from Autovision (Scotland) Limited was £37,466 (2009 - £6,526).

During the year a loan of £110,000 was advanced to Glen Homes (Scotland) Limited which remained outstanding at the year end. The loan has no fixed terms of repayment and is interest free. The director Muir Mackay is a shareholder in Glen Homes (Scotland) Limited.

During the year the company sold land to the director John Manson at a market price of £15,210.

During the year the company paid dividends totalling £65,000 to the directors, as shareholders of the company.