

Company Registration No. 177001 (Scotland)

Mackays of Dingwall Limited
Annual Report
and Group Financial Statements
For The Year Ended 31 December 2009

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COMPANIES HOUSE

MACKAYS OF DINGWALL LIMITED

DIRECTORS AND ADVISERS

Directors	Muir Mackay John Manson
Secretary	Joan McMillan
Company number	177001
Registered office	Mackays of Dingwall Strathpeffer Road Dingwall Ross-shire IV15 9QF
Registered auditors	Johnston Carmichael Clava House Cradlehall Business Park Inverness IV2 5GH
Bankers	Royal Bank of Scotland High Street Dingwall IV15 9HF
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 2009

The directors present their report and financial statements for the year ended 31 December 2009.

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% in comparison to the previous year of 6.7%, with group post tax profits of £173,156 compared with £23,193 in the prior year. We are satisfied with these results, especially given the exceptional economic circumstances that the country saw 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 £340,000. 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 2009:

Muir Mackay
John Manson

MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

The directors confirm that;

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

(b) 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

9.08.2010

MACKAYS OF DINGWALL LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MACKAYS OF DINGWALL LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Mackays of Dingwall Limited for the year ended 31 December 2009 set out on pages 5 to 25. 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 included in the Directors' Report 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 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 2009 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.

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

Chartered Accountants
Statutory Auditor

30 August 2012.

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Clava House
Cradlehall Business Park
Inverness
IV2 5GH

MACKAYS OF DINGWALL LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover	2	21,349,703	18,352,488
Cost of sales		(19,852,169)	(17,119,594)
Gross profit		1,497,534	1,232,894
Administrative expenses		(1,135,505)	(1,087,789)
Other operating income		6,902	14,932
Operating profit	3	368,931	160,037
Investment income	4	208	134
Other interest receivable and similar income		-	19,950
Interest payable and similar charges	5	(63,159)	(122,143)
Profit on ordinary activities before taxation		305,980	57,978
Tax on profit on ordinary activities	6	(74,238)	(17,376)
Profit on ordinary activities after taxation		231,742	40,602
Minority interests		(58,586)	(17,409)
Profit for the financial year	7	173,156	23,193

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 2009

Note of historical cost profits and losses

	2009 £	2008 £
Reported profit on ordinary activities before taxation	305,980	57,978
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	447	447
Historical cost profit on ordinary activities before taxation	<u>306,427</u>	<u>58,425</u>
Historical cost loss for the year retained after taxation, extraordinary items and dividends	<u>166,397</u>	<u>116,360</u>

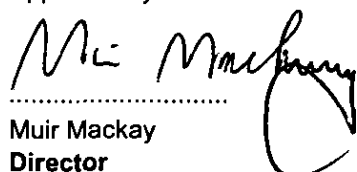
MACKAYS OF DINGWALL LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2009

	Notes	Group 2009 £	2008 £	Company 2009 £	2008 £
Fixed assets					
Tangible assets	9	1,063,641	1,054,896	479,448	460,139
Investments	10	4,460	4,460	362,360	362,360
		<u>1,068,101</u>	<u>1,059,356</u>	<u>841,808</u>	<u>822,499</u>
Current assets					
Stocks	11	2,089,743	1,778,388	962,905	677,107
Debtors	12	1,032,938	1,401,570	446,897	392,675
Cash at bank and in hand		461,594	64,745	1,064	1,900
		<u>3,584,275</u>	<u>3,244,703</u>	<u>1,410,866</u>	<u>1,071,682</u>
Creditors: amounts falling due within one year	13	(2,058,836)	(1,529,718)	(1,112,545)	(781,114)
Net current assets		<u>1,525,439</u>	<u>1,714,985</u>	<u>298,321</u>	<u>290,568</u>
Total assets less current liabilities		<u>2,593,540</u>	<u>2,774,341</u>	<u>1,140,129</u>	<u>1,113,067</u>
Creditors: amounts falling due after more than one year	14	(328,092)	(289,936)	(73,332)	-
Provisions for liabilities	15	(16,135)	(11,834)	(16,135)	(11,834)
		<u>2,249,313</u>	<u>2,472,571</u>	<u>1,050,662</u>	<u>1,101,233</u>
Capital and reserves					
Called up share capital	17	281,060	281,060	281,060	281,060
Revaluation reserve	18	22,066	22,513	-	-
Profit and loss account	18	1,424,146	1,590,543	769,602	820,173
Shareholders' funds	20	<u>1,727,272</u>	<u>1,894,116</u>	<u>1,050,662</u>	<u>1,101,233</u>
Minority interests	19	522,041	578,455	-	-
		<u>2,249,313</u>	<u>2,472,571</u>	<u>1,050,662</u>	<u>1,101,233</u>

Approved by the Board and authorised for issue on 09 Aug 2010.


Muir Mackay
Director

Company Registration No. 177001

MACKAYS OF DINGWALL LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	£	2009 £	£	2008 £
Net cash inflow/(outflow) from operating activities		1,296,337		(541,629)
Returns on investments and servicing of finance				
Interest received	-		288	
Interest paid	(63,159)		(122,143)	
Dividends received	208		134	
Dividends paid to minorities	(115,000)		(52,286)	
Net cash outflow for returns on investments and servicing of finance		(177,951)		(174,007)
Taxation		(17,437)		(27,157)
Capital expenditure				
Payments to acquire tangible assets	(69,812)		(25,711)	
Receipts from sales of tangible assets	2,700		250	
Net cash outflow for capital expenditure		(67,112)		(25,461)
Equity dividends paid		(340,000)		(140,000)
Net cash inflow/(outflow) before management of liquid resources and financing		693,837		(908,254)
Financing				
New long term bank loan	80,000		-	
Repayment of long term bank loan	(33,297)		(19,356)	
Repayment of other long term loans	(8,167)		(14,000)	
Capital element of hire purchase contracts	(4,166)		(16,667)	
Net cash inflow/(outflow) from financing		34,370		(50,023)
Increase/(decrease) in cash in the year		728,207		(958,277)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2009 £	2008 £
	Operating profit	368,931	160,037
	Depreciation of tangible assets	57,014	68,823
	Loss/(profit) on disposal of tangible assets	1,353	(250)
	(Increase)/decrease in stocks	(311,355)	713,634
	Decrease/(increase) in debtors	368,632	(224,094)
	Increase/(decrease) in creditors within one year	811,762	(1,259,779)
	Net cash inflow/(outflow) from operating activities	1,296,337	(541,629)

2	Analysis of net debt	1 January 2009 £	Cash flow £	Other non-cash changes £	31 December 2009 £
	Net cash:				
	Cash at bank and in hand	64,745	396,849	-	461,594
	Bank overdrafts	(715,694)	331,358	-	(384,336)
		(650,949)	728,207	-	77,258
	Finance leases	(4,166)	4,166	-	-
	Debts falling due within one year	(31,402)	(380)	-	(31,782)
	Debts falling due after one year	(289,936)	(38,156)	-	(328,092)
		(325,504)	(34,370)	-	(359,874)
	Net debt	(976,453)	693,837	-	(282,616)

3	Reconciliation of net cash flow to movement in net debt	2009 £	2008 £
	Increase/(decrease) in cash in the year	728,207	(958,277)
	Cash (inflow)/outflow from (increase)/decrease in debt	(34,370)	50,023
	Movement in net debt in the year	693,837	(908,254)
	Opening net debt	(976,453)	(68,199)
	Closing net debt	(282,616)	(976,453)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 2009. 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 the 60 year lease term
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

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.

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. Cost is computed on an average cost basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies (continued)

1.8 Pensions

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

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	2009 £	2008 £
Operating profit is stated after charging:		
Depreciation of tangible assets	57,014	68,823
Loss on disposal of tangible assets	1,353	-
Operating lease rentals	24,500	22,488
Fees payable to the group's auditor for the audit of the group's annual accounts (company £6,450; 2008: £6,800)	14,450	15,800
and after crediting:		
Profit on disposal of tangible assets	-	(250)

4 Investment income	2009 £	2008 £
Income from listed investments	208	134

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

5	Interest payable	2009	2008
		£	£
	On bank loans and overdrafts	15,779	46,079
	On other loans wholly repayable within five years	44,974	72,385
	Other interest	2,406	3,679
		<u>63,159</u>	<u>122,143</u>
6	Taxation	2009	2008
		£	£
	Domestic current year tax		
	U.K. corporation tax	69,937	17,435
	Current tax charge	<u>69,937</u>	<u>17,435</u>
	Deferred tax		
	Deferred tax credit	4,301	(59)
		<u>74,238</u>	<u>17,376</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>305,980</u>	<u>57,978</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2008 - 21.00%)	<u>79,555</u>	<u>12,175</u>
	Effects of:		
	Non deductible expenses	2,555	5,397
	Capital allowances	(1,946)	(99)
	Dividends and distributions received	-	(38)
	Other tax adjustments	(10,227)	-
		<u>(9,618)</u>	<u>5,260</u>
	Current tax charge	<u>69,937</u>	<u>17,435</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

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:

	2009 £	2008 £
Holding company's profit for the financial year	289,429	89,400

8 Dividends

	2009 £	2008 £
Ordinary interim paid	340,000	140,000

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

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 2009	414,629	629,658	534,969	278,468	8,697	1,866,421
Additions	15,940	-	46,865	7,007	-	69,812
Disposals	-	-	(12,902)	(106,196)	-	(119,098)
At 31 December 2009	430,569	629,658	568,932	179,279	8,697	1,817,135
Depreciation						
At 1 January 2009	42,732	88,130	435,715	236,251	8,697	811,525
On disposals	-	-	(9,128)	(105,917)	-	(115,045)
Charge for the year	5,896	10,494	23,711	16,913	-	57,014
At 31 December 2009	48,628	98,624	450,298	147,247	8,697	753,494
Net book value						
At 31 December 2009	381,941	531,034	118,634	32,032	-	1,063,641
At 31 December 2008	371,897	541,528	99,254	42,217	-	1,054,896

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

	£
Cost	
At 1 January 2009 & at 31 December 2009	588,982
Depreciation based on cost	
At 1 January 2009	81,670
Charge for the year	9,816
At 31 December 2009	91,486
Net book value	
At 31 December 2009	497,496
At 31 December 2008	507,312

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

Tangible fixed assets (continued)

Company

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2009	414,629	389,076	69,505	873,210
Additions	15,940	29,081	4,147	49,168
Disposals	-	(5,330)	(2,667)	(7,997)
At 31 December 2009	430,569	412,827	70,985	914,381
Depreciation				
At 1 January 2009	42,732	301,760	68,579	413,071
On disposals	-	(1,556)	(2,388)	(3,944)
Charge for the year	5,896	17,448	2,462	25,806
At 31 December 2009	48,628	317,652	68,653	434,933
Net book value				
At 31 December 2009	381,941	95,175	2,332	479,448
At 31 December 2008	371,897	87,316	926	460,139

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

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

10 Fixed asset investments Group

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2009 & at 31 December 2009	22,871	5,000	27,871
Provisions for diminution in value			
At 1 January 2009 & at 31 December 2009	18,412	4,999	23,411
Net book value			
At 31 December 2009	4,459	1	4,460
At 31 December 2008	4,459	1	4,460
	Market value	Directors' valuation	Total
	£	£	£
At 31 December 2009	4,787	1	4,788
At 31 December 2008	7,499	1	7,500

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

10 Fixed asset investments

(continued)

Company

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£	£	£	£
Cost				
At 1 January 2009 & at 31 December 2009	22,871	5,000	796,821	824,692
Provisions for diminution in value				
At 1 January 2009 & at 31 December 2009	18,412	4,999	438,921	462,332
Net book value				
At 31 December 2009	4,459	1	357,900	362,360
At 31 December 2008	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 2009	4,787	1	4,788
At 31 December 2008	7,499	1	7,500

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

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

11 Stocks

	Group 2009 £	2008 £	Company 2009 £	2008 £
Parts stock	138,051	107,006	68,068	53,390
Vehicle and general stock	1,951,692	1,671,382	894,837	623,717
	<u>2,089,743</u>	<u>1,778,388</u>	<u>962,905</u>	<u>677,107</u>

12 Debtors

	Group 2009 £	2008 £	Company 2009 £	2008 £
Trade debtors	711,567	434,896	367,443	170,824
Other debtors	248,990	914,132	52,469	199,950
Prepayments and accrued income	72,381	52,542	26,985	21,901
	<u>1,032,938</u>	<u>1,401,570</u>	<u>446,897</u>	<u>392,675</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

13 Creditors : amounts falling due within one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Bank loans and overdrafts	416,118	738,929	366,985	430,176
Net obligations under finance lease and hire purchase contracts	-	4,166	-	4,166
Trade creditors	1,136,387	263,808	578,138	119,523
Amounts owed to group undertakings	-	-	22,060	45,371
Corporation tax	69,935	17,435	5,115	-
Taxes and social security costs	58,981	161,967	-	22,532
Directors current accounts	192	192	192	192
Other creditors	275,131	298,883	103,426	139,817
Accruals and deferred income	102,092	44,338	36,629	19,337
	<u>2,058,836</u>	<u>1,529,718</u>	<u>1,112,545</u>	<u>781,114</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 £258,655 for group and £100,575 for company (2008 - group £286,525, company £128,807), included within other creditors, 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

14 Creditors : amounts falling due after more than one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Bank loans	328,092	289,936	73,332	-
Analysis of loans				
Not wholly repayable within five years by instalments:	279,874	313,171	-	-
Wholly repayable within five years	80,000	8,167	80,000	8,167
	359,874	321,338	80,000	8,167
Included in current liabilities	(31,782)	(31,402)	(6,668)	(8,167)
	328,092	289,936	73,332	-
Instalments not due within five years	139,319	183,127	-	-
Loan maturity analysis				
In more than one year but not more than two years	33,462	24,547	6,933	-
In more than two years but not more than five years	155,311	82,262	66,399	-
In more than five years	139,319	183,127	-	-

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 2009

15 Provisions for liabilities Group

Deferred
taxation
£

Balance at 1 January 2009	11,834
Profit and loss account	4,301
	<hr/>
Balance at 31 December 2009	16,135
	<hr/> <hr/>

Company

Balance at 1 January 2009	11,834
Profit and loss account	4,301
	<hr/>
Balance at 31 December 2009	16,135
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Accelerated capital allowances	16,135	11,834	16,135	11,834
	<hr/>	<hr/>	<hr/>	<hr/>

16 Pension and other post-retirement benefit commitments

Contributions outstanding to the funds at the year end were £498 (2008 - £494).

Defined contribution

	2009	2008
	£	£
Contributions payable by the group for the year	11,350	12,120
	<hr/>	<hr/>

17 Share capital

	2009	2008
	£	£
Allotted, called up and fully paid		
281,060 Ordinary shares of £1 each	281,060	281,060
	<hr/>	<hr/>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

18 Statement of movements on reserves Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2009	22,513	1,590,543
Profit for the year	-	173,156
Transfer from revaluation reserve to profit and loss account	(447)	447
Dividends paid	-	(340,000)
Balance at 31 December 2009	<u>22,066</u>	<u>1,424,146</u>

Company

	Profit and loss account £
Balance at 1 January 2009	820,173
Profit for the year	289,429
Dividends paid	(340,000)
Balance at 31 December 2009	<u>769,602</u>

19 Minority interests

	2009 £	2008 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>522,041</u>	<u>578,455</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

20 Reconciliation of movements in shareholders' funds	2009	2008
Group	£	£
Profit for the financial year	173,156	23,193
Dividends	(340,000)	(140,000)
Net depletion in shareholders' funds	(166,844)	(116,807)
Opening shareholders' funds	1,894,116	2,010,923
Closing shareholders' funds	<u>1,727,272</u>	<u>1,894,116</u>

Company	2009	2008
	£	£
Profit for the financial year	289,429	89,400
Dividends	(340,000)	(140,000)
Net depletion in shareholders' funds	(50,571)	(50,600)
Opening shareholders' funds	1,101,233	1,151,833
Closing shareholders' funds	<u>1,050,662</u>	<u>1,101,233</u>

21 Financial commitments

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2009	2008
	£	£
Expiry date:		
In over five years	<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 2009

22 Directors' emoluments	2009	2008
	£	£
Emoluments for qualifying services	20,975	6,112
Company pension contributions to money purchase schemes	2,400	2,400
	<u>23,375</u>	<u>8,512</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2008- 2).

23 Employees

Number of employees

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

	2009	2008
	Number	Number
Sales and service	52	60
Administration	11	11
	<u>63</u>	<u>71</u>

Employment costs

	2009	2008
	£	£
Wages and salaries	1,041,699	1,042,087
Social security costs	99,042	95,426
Other pension costs	11,350	12,120
	<u>1,152,091</u>	<u>1,149,633</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 2009

25 Related party transactions

Group

During the year the group traded on a normal commercial basis with Maison des Voitures, buying and selling vehicles, spares and workshop service. Maison des Voitures is an unincorporated business with which the director M Mackay and C S Milne, director of Autovision (Scotland) Limited, have shared control. Purchases of goods and services during the year totalled £15,000 (2008 - nil). Sales of goods and services during the year totalled £64,628 (2008 - nil). At 31 December 2009 the net amount due from Maison des Voitures was £108,058 (2008 - £47,000).

During the year the group traded on a normal commercial basis with Regency Car Sales Limited. C S Milne, director of Autovision (Scotland) Limited is a director and controlling party of Regency Car Sales Limited. Purchases of goods and services in the year amounted to £1,356,822 (2008 - £708,874) and sales of goods and services amounted to £2,544,115 (2008 - £2,070,310). The group also paid management fees to Regency Car Sales Limited of £26,667 (2008 - £26,667). At 31 December 2009 the net amount due from Regency Car Sales Limited was £14,240 (2008 - £8,582).

During the year a loan of £746,207 and interest of £19,662 was repaid by Glen Homes (Scotland) Limited. The director M Mackay and C S Milne, director of Autovision (Scotland) Limited, have shared control of Glen Homes (Scotland) Limited.

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 £7,500 (2008 - nil). Sales of goods and services during the year totalled £62,793 (2008 - nil). At 31 December 2009 the net amount due from Maison des Voiture was £91,348 (2008 - £23,500)

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 (2008 - £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 £505,886 (2008 - £247,190) and sales of goods and services amounted to £60,133 (2008 - £275,181). During the year the company received head office charges of £53,333 (2008 - £53,333) from Autovision (Scotland) Limited. As at 31 December 2009 the net amount due from Autovision (Scotland) Limited was £6,526 (2008 - creditor £16,572).

During the year a loan of £147,707 and interest of £7,041 was repaid by Glen Homes (Scotland) Limited. The director M Mackay has shared control of Glen Homes (Scotland) Limited.