

**MacKays of Dingwall Limited****Directors' report and financial statements****for the year ended 31 December 2013**

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**MacKays of Dingwall Limited**

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**Company Information**

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<b>Directors</b>	Muir Mackay John Manson
<b>Company secretary</b>	Joan McMillan
<b>Registered number</b>	SC177001
<b>Registered office</b>	Strathpeffer Road Dingwall Ross-shire IV15 9QF
<b>Independent auditors</b>	Ernst & Young LLP Barony House Stoneyfield Business Park Inverness IV2 7PA
<b>Solicitors</b>	Middleton, Ross & Arnot Mansefield House 7 High Street Dingwall Ross-shire IV15 9HJ

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**MacKays of Dingwall Limited**

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**MacKays of Dingwall Limited**

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**Group strategic report  
for the year ended 31 December 2013**

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The directors present their strategic report for the year ended 31 December 2013.

***Business review***

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 of the group reflect a consistent gross margin of 5.5% in 2013 and in 2012, with profit after tax of £205,575 compared with £156,503 in the prior year. We are satisfied with these results given the challenging economic conditions which continued to impact the motor industry. in 2013.

Management have continued to monitor costs in the last year and continue to do this going forward. 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.

The group expects another challenging year in 2014 but are confident that the diverse vehicle range and services provided by the company will mean that they are well placed to meet these challenges during the coming year and beyond.

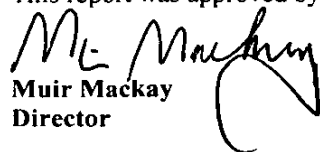
***Principal risks and uncertainties***

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.

***Financial key performance indicators***

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.

This report was approved by the board on 24 September 2014 and signed on its behalf.

  
Muir Mackay  
Director

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**Mackays of Dingwall Limited**

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**Directors' report  
for the year ended 31 December 2013**

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The directors present their report and the financial statements for the year ended 31 December 2013.

**Results and dividends**

The profit for the year, after taxation and minority interests, amounted to £205,575 (2012 - £156,503).

The consolidated profit and loss account for the year is set out on pages 6 to 7.

An interim ordinary dividend was paid amounting to £216,667. The directors do not recommend payment of a final dividend.

**Directors**

The directors who served during the year were:

Muir Mackay  
John Manson

**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.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

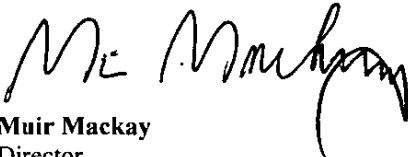
- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

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**Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *24 September 2014* and signed on its behalf.

  
**Muir Mackay**  
Director

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**MacKays of Dingwall Limited**

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**Directors' responsibilities statement  
for the year ended 31 December 2013**

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The directors are responsible for preparing the Group strategic report, 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 the group and 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

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**Independent auditors' report to the shareholders of MacKays of Dingwall Limited**

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We have audited the financial statements of MacKays of Dingwall Limited for the year ended 31 December 2013, which comprise the group Profit and loss account, the group and company Balance sheets, the group Cash flow statement and the related notes. 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 page 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 parent 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. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**MacKays of Dingwall Limited**

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**Independent auditors' report to the shareholders of MacKays of Dingwall Limited**

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**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.



Peter Mearns (Senior statutory auditor)

for and on behalf of

**Ernst & Young LLP**

Statutory Auditor

Inverness

Date: 25/9/2014



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**MacKays of Dingwall Limited**

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**Consolidated profit and loss account  
for the year ended 31 December 2013**

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	<i>Note</i>	<i>2013</i> £	<i>2012</i> £
<b>Turnover</b>	1,2	24,364,966	21,514,857
Cost of sales		<u>(23,036,190)</u>	<u>(20,319,821)</u>
<b>Gross profit</b>		1,328,776	1,195,036
Administrative expenses		(942,307)	(890,254)
Other operating income	3	<u>72,433</u>	<u>74,822</u>
<b>Operating profit</b>	4	458,902	379,604
Interest payable and similar charges	7	<u>(111,113)</u>	<u>(74,632)</u>
<b>Profit on ordinary activities before taxation</b>		347,789	304,972
Tax on profit on ordinary activities	8	<u>(78,835)</u>	<u>(71,276)</u>
<b>Profit on ordinary activities after taxation</b>		268,954	233,696
Minority interests		<u>(63,379)</u>	<u>(77,193)</u>
<b>Profit for the financial year</b>	19	<u><u>205,575</u></u>	<u><u>156,503</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 11 to 23 form part of these financial statements.

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**MacKays of Dingwall Limited**

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**Note of consolidated historical cost profits and losses  
for the year ended 31 December 2013**

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	2013 £	2012 £
<b><i>Reported profit on ordinary activities before taxation</i></b>	347,789	304,972
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	1,457	-
<b><i>Historical cost profit on ordinary activities before taxation</i></b>	<u>349,246</u>	<u>304,972</u>
<b><i>Historical profit for the year after taxation</i></b>	<u>207,032</u>	<u>156,503</u>

The notes on pages 11 to 23 form part of these financial statements.

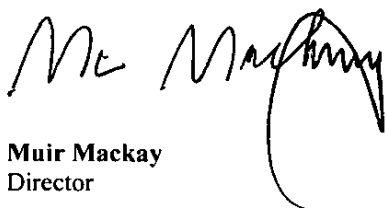
**MacKeys of Dingwall Limited**  
**Registered number: SC177001**

**Consolidated balance sheet**  
**as at 31 December 2013**

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	9		1,005,998		976,817
Investments	10		4,460		4,460
			<u>1,010,458</u>		<u>981,277</u>
<b>Current assets</b>					
Stocks	11	3,731,230		3,104,341	
Debtors	12	1,842,138		1,706,666	
Cash at bank and in hand		1,137		192,853	
		<u>5,574,505</u>		<u>5,003,860</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,919,457)</u>		<u>(3,354,747)</u>	
<b>Net current assets</b>			<u>1,655,048</u>		<u>1,649,113</u>
<b>Total assets less current liabilities</b>			<u>2,665,506</u>		<u>2,630,390</u>
<b>Creditors: amounts falling due after more than one year</b>	14		(189,993)		(137,860)
<b>Provisions for liabilities</b>					
Deferred tax	15		<u>(30,548)</u>		<u>(18,359)</u>
<b>Net assets</b>			<u><u>2,444,965</u></u>		<u><u>2,474,171</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		281,060		281,060
Revaluation reserve	19		19,595		21,052
Profit and loss account	19		<u>1,567,786</u>		<u>1,577,421</u>
<b>Shareholders' funds</b>	22		<u>1,868,441</u>		<u>1,879,533</u>
<b>Minority interests</b>	21		<u>576,524</u>		<u>594,638</u>
			<u><u>2,444,965</u></u>		<u><u>2,474,171</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24 September 2014.



**Muir Mackay**  
**Director**

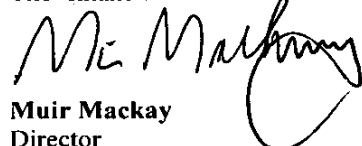
The notes on pages 11 to 23 form part of these financial statements.

**MacKays of Dingwall Limited**  
**Registered number: SC177001**

**Company balance sheet**  
**as at 31 December 2013**

	<i>Note</i>	<i>£</i>	<i>2013</i> <i>£</i>	<i>£</i>	<i>2012</i> <i>£</i>
<b>Fixed assets</b>					
Tangible assets	9		396,933		412,501
Investments	10		362,360		362,360
			<u>759,293</u>		<u>774,861</u>
<b>Current assets</b>					
Stocks	11	1,121,033		892,907	
Debtors	12	558,906		451,180	
Cash at bank and in hand		631		447	
		<u>1,680,570</u>		<u>1,344,534</u>	
<b>Creditors: amounts falling due within one year</b>	13	(1,255,137)		(999,633)	
<b>Net current assets</b>			<u>425,433</u>		<u>344,901</u>
<b>Total assets less current liabilities</b>			<u>1,184,726</u>		<u>1,119,762</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(43,503)			-
<b>Provisions for liabilities</b>					
Deferred tax	15	(8,086)			(9,169)
<b>Net assets</b>			<u>1,133,137</u>		<u>1,110,593</u>
<b>Capital and Reserves</b>					
Called up share capital	18		281,060		281,060
Profit and loss account	19		852,077		829,533
<b>Shareholders' funds</b>	22		<u>1,133,137</u>		<u>1,110,593</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

  
**Muir Mackay**  
 Director

24 September 2014

The notes on pages 11 to 23 form part of these financial statements.

**MacKays of Dingwall Limited**

**Consolidated cash flow statement  
for the year ended 31 December 2013**

	<i>Note</i>	<i>2013</i> £	<i>2012</i> £
Net cash flow from operating activities	23	144,985	544,201
Returns on investments and servicing of finance	24	(192,606)	(99,632)
Taxation		(68,234)	(58,861)
Capital expenditure and financial investment	24	(84,224)	(44,906)
Equity dividends paid		(216,667)	(110,000)
<b>Cash (outflow)/inflow before financing</b>		<b>(416,746)</b>	<b>230,802</b>
Financing	24	(225,179)	(67,431)
<b>(Decrease)/Increase in cash in the year</b>		<b>(641,925)</b>	<b>163,371</b>

**Reconciliation of net cash flow to movement in net debt  
for the year ended 31 December 2013**

	<i>2013</i> £	<i>2012</i> £
(Decrease)/Increase in cash in the year	(641,925)	163,371
Cash outflow from decrease in debt and lease financing	225,179	67,431
<b>Movement in net debt in the year</b>	<b>(416,746)</b>	<b>230,802</b>
Net debt at 1 January 2013	(222,715)	(453,517)
<b>Net debt at 31 December 2013</b>	<b>(639,461)</b>	<b>(222,715)</b>

The notes on pages 11 to 23 form part of these financial statements.

**Notes to the financial statements  
for the year ended 31 December 2013**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of leasehold and freehold land and buildings and in accordance with applicable accounting standards.

**1.2 Basis of consolidation**

The financial statements consolidate the accounts of MacKays of Dingwall Limited and all of its subsidiary undertakings ('subsidiaries').

**1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight line over 50 years
L/Term Leasehold Property	-	Over 60 years
Plant & machinery	-	15% straight line or 20% reducing balance
Motor vehicles	-	25% straight line
Fixtures & fittings	-	15% to 30% straight line or reducing balance

**1.5 Revaluation of tangible fixed assets**

As permitted by the transitional provisions of FRS 15, the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 31 December 1997 and will not update that valuation.

**1.6 Investments**

- (i) **Subsidiary undertakings**  
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**  
Investments held as fixed assets are shown at cost less provision for impairment.

**1.7 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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**Notes to the financial statements  
for the year ended 31 December 2013**

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**1. Accounting policies (continued)**

**1.9 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.10 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**2. Turnover**

All turnover arose within the United Kingdom.

**3. Other operating income**

	2013 £	2012 £
Other operating income	72,433	74,822

**4. Operating profit**

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the group	55,043	58,176
Auditors' remuneration	13,100	12,975
Operating lease rentals:		
- other operating leases	28,485	24,521

Auditors fees for the company were £6,500 (2012 - £6,375)

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**MacKays of Dingwall Limited**

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**Notes to the financial statements  
for the year ended 31 December 2013**

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**5. Staff costs**

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	1,376,182	1,289,971
Social security costs	90,127	117,060
Other pension costs	10,888	11,181
	<u>1,477,197</u>	<u>1,418,212</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Sales and service	52	54
Administration	11	11
	<u>63</u>	<u>65</u>

**6. Directors' remuneration**

	2013 £	2012 £
Remuneration	<u>48,883</u>	<u>45,318</u>
Company pension contributions to defined contribution pension schemes	<u>2,400</u>	<u>2,400</u>

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes.

**7. Interest payable**

	2013 £	2012 £
On bank loans and overdrafts	7,407	6,933
On other loans	101,667	65,257
Other interest payable	2,039	2,442
	<u>111,113</u>	<u>74,632</u>



## MacKays of Dingwall Limited

### Notes to the financial statements for the year ended 31 December 2013

#### 8. Taxation

	2013 £	2012 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit for the year	63,794	68,228
Adjustments in respect of prior periods	2,852	-
<b>Total current tax</b>	<b>66,646</b>	<b>68,228</b>
<b>Deferred tax (see note 15)</b>		
Origination and reversal of timing differences	12,189	3,048
<b>Tax on profit on ordinary activities</b>	<b>78,835</b>	<b>71,276</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	347,789	304,972
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	80,861	74,718
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,031	3,891
Capital allowances for year in excess of depreciation	(15,528)	(3,261)
Adjustments to tax charge in respect of prior periods	2,852	-
Other differences leading to an increase (decrease) in the tax charge	(3,965)	(3,960)
Marginal relief	(1,605)	(3,160)
<b>Current tax charge for the year (see note above)</b>	<b>66,646</b>	<b>68,228</b>

**MacKays of Dingwall Limited**

**Notes to the financial statements  
for the year ended 31 December 2013**

**9. Tangible fixed assets**

<b>Group</b>	<i>Freehold property</i> £	<i>L/Term Leasehold Property</i> £	<i>Plant &amp; machinery</i> £	<i>Fixtures &amp; fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
<b>Cost or valuation</b>						
At 1 January 2013	430,569	627,420	192,521	176,478	8,697	1,435,685
Additions	-	3,072	103,428	2,019	-	108,519
Disposals	-	-	(27,767)	-	-	(27,767)
At 31 December 2013	430,569	630,492	268,182	178,497	8,697	1,516,437
<b>Depreciation</b>						
At 1 January 2013	67,465	125,275	120,269	137,162	8,697	458,868
Charge for the year	6,359	10,462	34,948	3,274	-	55,043
On disposals	-	-	(3,472)	-	-	(3,472)
At 31 December 2013	73,824	135,737	151,745	140,436	8,697	510,439
<b>Net book value</b>						
At 31 December 2013	356,745	494,755	116,437	38,061	-	1,005,998
At 31 December 2012	363,104	502,145	72,252	39,316	-	976,817

The property was revalued by Graham & Sibbald as at 31 December 1997 on the basis of open market value.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

<b>Group</b>	2013 £	2012 £
Cost	586,744	586,744
Accumulated depreciation	(127,711)	(115,976)
Net book value	459,033	470,768

## MacKays of Dingwall Limited

### Notes to the financial statements for the year ended 31 December 2013

#### 9 Tangible fixed assets (continued)

<i>Company</i>	<i>Freehold property £</i>	<i>Plant &amp; machinery £</i>	<i>Fixtures &amp; fittings £</i>	<i>Total £</i>
<b>Cost or valuation</b>				
At 1 January 2013	430,569	113,549	28,481	572,599
Additions	-	6,850	2,019	8,869
At 31 December 2013	430,569	120,399	30,500	581,468
<b>Depreciation</b>				
At 1 January 2013	67,465	70,713	21,920	160,098
Charge for the year	6,359	14,804	3,274	24,437
At 31 December 2013	73,824	85,517	25,194	184,535
<b>Net book value</b>				
At 31 December 2013	356,745	34,882	5,306	396,933
At 31 December 2012	363,104	42,836	6,561	412,501

Freehold property include £119,820 (2012 - £119,820) for land which is not depreciated.

#### 10. Fixed asset investments

<i>Group</i>	<i>Listed investments £</i>	<i>Unlisted investments £</i>	<i>Total £</i>
<b>Cost or valuation</b>			
At 1 January 2013 and 31 December 2013	12,721	5,000	17,721
<b>Impairment</b>			
At 1 January 2013 and 31 December 2013	8,262	4,999	13,261
<b>Net book value</b>			
At 31 December 2013	4,459	1	4,460
At 31 December 2012	4,459	1	4,460

#### Listed investments

The market value of the listed investments at 31 December 2013 was £4,459 (2012 - £4,459).

## MacKays of Dingwall Limited

### Notes to the financial statements for the year ended 31 December 2013

#### 10. Fixed asset investments (continued)

<b>Company</b>	<i>Investments in subsidiary companies</i> £	<i>Listed investments</i> £	<i>Unlisted investments</i> £	<i>Total</i> £
<b>Cost or valuation</b>				
At 1 January 2013 and 31 December 2013	796,821	12,721	5,000	814,542
<b>Impairment</b>				
At 1 January 2013 and 31 December 2013	438,921	8,262	4,999	452,182
<b>Net book value</b>				
At 31 December 2013	357,900	4,459	1	362,360
At 31 December 2012	357,900	4,459	1	362,360

#### **Listed investments**

The market value of the listed investments at 31 December 2013 was £4,459 (2012 - £4,459).

Details of the principal subsidiaries can be found under note number 28.

#### 11. Stocks

	<b>Group</b>		<b>Company</b>	
	<i>2013</i> £	<i>2012</i> £	<i>2013</i> £	<i>2012</i> £
Parts stock	231,879	137,986	58,785	68,002
Vehicle and general stock	3,499,351	2,966,355	1,062,248	824,905
	<u>3,731,230</u>	<u>3,104,341</u>	<u>1,121,033</u>	<u>892,907</u>

#### 12. Debtors

	<b>Group</b>		<b>Company</b>	
	<i>2013</i> £	<i>2012</i> £	<i>2013</i> £	<i>2012</i> £
Trade debtors	736,902	634,441	279,357	225,332
Amounts owed by group undertakings	-	-	61,386	41,267
Other debtors	1,085,455	1,044,878	198,382	157,234
Prepayments and accrued income	19,781	27,347	19,781	27,347
	<u>1,842,138</u>	<u>1,706,666</u>	<u>558,906</u>	<u>451,180</u>

## MacKays of Dingwall Limited

### Notes to the financial statements for the year ended 31 December 2013

#### 13. Creditors: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	459,945	277,708	301,119	95,226
Trade creditors	1,769,200	2,316,772	675,640	446,851
Amounts owed to group undertakings	-	-	24,753	22,060
Corporation tax	63,794	65,382	24,121	14,755
Other taxation and social security	35,286	283,524	-	123,323
Directors current accounts	192	22,252	22,252	22,252
Other creditors	1,556,526	356,093	166,898	236,310
Accruals and deferred income	34,514	33,016	40,354	38,856
	<u>3,919,457</u>	<u>3,354,747</u>	<u>1,255,137</u>	<u>999,633</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. The 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 £649,310 for group and £22,503 for company (2012 - group £183,332, company £16,102), included within other creditors, are secured over vehicle stocks.

#### 14. Creditors: Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	180,653	137,860	43,503	-
Other creditors	9,340	-	-	-
	<u>189,993</u>	<u>137,860</u>	<u>43,503</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
<b>Between one and two years</b>				
Bank loans	<u>180,653</u>	<u>137,860</u>	<u>43,503</u>	<u>-</u>

## MacKays of Dingwall Limited

### Notes to the financial statements for the year ended 31 December 2013

#### 15. Deferred taxation

	<b>Group</b>		<b>Company</b>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	£	£	£	£
At beginning of year	18,359	15,311	9,169	11,246
Charge for/(released during) the year (P&L)	12,189	3,048	(1,083)	(2,077)
At end of year	<u>30,548</u>	<u>18,359</u>	<u>8,086</u>	<u>9,169</u>

The provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Company</b>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	£	£	£	£
Accelerated capital allowances	<u>30,548</u>	<u>18,359</u>	<u>8,086</u>	<u>9,169</u>

#### 16. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £10,888 (2012 - £11,394). Contributions totalling £508 (2012 - £503) were payable to the fund at the balance sheet date and are included in creditors.

#### 17. Operating lease commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	<i>Land and buildings</i>	
	<i>2013</i>	<i>2012</i>
	£	£
<b>Group</b>		
<b>Expiry date:</b>		
After more than 5 years	<u>26,833</u>	<u>26,833</u>

#### 18. Share capital

	<i>2013</i>	<i>2012</i>
	£	£
<b>Allotted, called up and fully paid</b>		
281,060 Ordinary Shares shares of £1 each	<u>281,060</u>	<u>281,060</u>

## MacKeys of Dingwall Limited

### Notes to the financial statements for the year ended 31 December 2013

#### 19. Reserves

	<i>Revaluation reserve</i>	<i>Profit and loss account</i>
	£	£
<b>Group</b>		
At 1 January 2013	21,052	1,577,421
Profit for the year	-	205,575
Dividends: Equity capital	-	(216,667)
Transfer between Revaluation reserve and P/L account	(1,457)	1,457
	<u>19,595</u>	<u>1,567,786</u>
At 31 December 2013		
		<i>Profit and loss account</i>
		£
<b>Company</b>		
At 1 January 2013		829,533
Profit for the year		239,211
Dividends: Equity capital		(216,667)
		<u>852,077</u>
At 31 December 2013		

#### 20. Dividends

	<i>2013</i>	<i>2012</i>
	£	£
Dividends paid on equity capital	<u>216,667</u>	<u>110,000</u>

#### 21. Minority interests

At the year end minority interests' share of net assets and liabilities in subsidiary undertakings was £576,524 (2012 - £594,638).

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**MacKays of Dingwall Limited**

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**Notes to the financial statements  
for the year ended 31 December 2013**

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**22. Reconciliation of movement in shareholders' funds**

<i>Group</i>	<i>2013</i> £	<i>2012</i> £
Opening shareholders' funds	1,879,533	1,833,030
Profit for the financial year	205,575	156,503
Dividends (Note 20)	(216,667)	(110,000)
Closing shareholders' funds	<u>1,868,441</u>	<u>1,879,533</u>
<i>Company</i>	<i>2013</i> £	<i>2012</i> £
Opening shareholders' funds	1,110,593	1,113,920
Profit for the financial year	239,211	106,673
Dividends (Note 20)	(216,667)	(110,000)
Closing shareholders' funds	<u>1,133,137</u>	<u>1,110,593</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £239,211 (2012 - £106,673).

**23. Net cash flow from operating activities**

	<i>2013</i> £	<i>2012</i> £
Operating profit	458,902	379,604
Depreciation of tangible fixed assets	55,043	58,176
Increase in stocks	(626,889)	(503,709)
(Increase)/decrease in debtors	(135,472)	417,842
Increase in creditors	393,401	192,288
<i>Net cash inflow from operating activities</i>	<u>144,985</u>	<u>544,201</u>

**24. Analysis of cash flows for headings netted in cash flow statement**

	<i>2013</i> £	<i>2012</i> £
<i>Returns on investments and servicing of finance</i>		
Interest paid	(111,113)	(74,632)
Dividends paid to minority interests	(81,493)	(25,000)
<i>Net cash outflow from returns on investments and servicing of finance</i>	<u>(192,606)</u>	<u>(99,632)</u>



**MacKays of Dingwall Limited**

**Notes to the financial statements  
for the year ended 31 December 2013**

**24. Analysis of cash flows for headings netted in cash flow statement (continued)**

	2013 £	2012 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(108,519)	(44,906)
Sale of tangible fixed assets	24,295	-
<b>Net cash outflow from capital expenditure</b>	<u>(84,224)</u>	<u>(44,906)</u>
	2013 £	2012 £
<b>Financing</b>		
Repayment of loans	<u>(225,179)</u>	<u>(67,431)</u>

**25. Analysis of changes in net debt**

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	192,853	(191,716)	-	1,137
Bank overdraft	-	(450,209)	-	(450,209)
	<u>192,853</u>	<u>(641,925)</u>	<u>-</u>	<u>(449,072)</u>
<b>Debt:</b>				
Debts due within one year	(277,708)	225,179	42,793	(9,736)
Debts falling due after more than one year	<u>(137,860)</u>	<u>-</u>	<u>(42,793)</u>	<u>(180,653)</u>
<b>Net debt</b>	<u>(222,715)</u>	<u>(416,746)</u>	<u>-</u>	<u>(639,461)</u>

**26. Controlling party**

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

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## MacKays of Dingwall Limited

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### Notes to the financial statements for the year ended 31 December 2013

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#### 27. Related party transactions

During the year the company traded on a normal commercial basis with Maison des Voiture, buying and selling vehicles, spares and workshop services. 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 £11,250 (2012 - £11,250). Sales of goods and services during the year totalled £6,349 (2012 - £3,792). At 31 December 2013 the net amount due from Maison des Voiture was £3,037 (2012 - £291).

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 (2012 - £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 £648,111 (2012 - £601,302) and sales of goods and services amounted to £763,226 (2012 - £434,442). During the year the company received head office charges of £53,333 (2012 - £53,333) from Autovision (Scotland) Limited. As at 31 December 2013 the net amount due from Autovision (Scotland) Limited was £43,138 (2012 - £45,546). As at 31 December 2013 the company was due £19,480 (2012 - £4,279) to Autovision (Scotland) Limited.

A loan of £110,000 was advanced to Glen Homes (Scotland) Limited in the prior year 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 paid dividends totalling £216,667 (2012 - £110,000) to the directors, as shareholders of the company.

#### 28. Principal subsidiaries

<i>Company name</i>	<i>Country</i>	<i>Percentage Shareholding</i>	<i>Description</i>
Autovision (Scotland) Limited	Scotland	66	Operation of the Vauxhall franchise dealership for Inverness and the surrounding area
MacKays' Garage and Agric. Co. Limited	Scotland	100	Dormant