

MACKAYS OF DINGWALL LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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MACKAYS OF DINGWALL LIMITED

COMPANY INFORMATION

Directors	Muir Mackay John Manson
Secretary	Joan McMillan
Company number	SC177001
Registered office	40 Harbour Road Inverness IV1 1LY
Auditor	Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH

MACKAYS OF DINGWALL LIMITED

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MACKAYS OF DINGWALL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The principal activity of the group during the year was the continued operation of the Vauxhall franchise covering Inverness, Ross-shire, Sutherland and Caithness. Subsequent to the year end, as detailed in the events after reporting date note, the principal activity of the company became that of a holding company.

The group has achieved an improvement in the Gross Margin at 5.37% (3.20% ,2020) and the group is reporting a profit before tax for the year of £392,123 (£269,605, 2020) and has seen a growth to the net assets of the group from £2,362,401 to £2,554,335. The Directors are satisfied with these results for the year.

The primary aim for the group in 2021 was to continue to run the business on a profitable basis and maintain and improve margin whilst continuing to focus on developing and extending good relations with Vauxhall and their customers.

Further information on the wide range of vehicles and services provided can be obtained from our website, <https://www.scottishvauxhall.co.uk>.

Principal risks and uncertainties

The Group's principal financial instruments comprise cash and cash equivalents. The company does not undertake any form of hedging activity.

The principal financial risks to which the group is exposed is credit risk in relation to debtors. The company aims to mitigate liquidity risk by managing cash generated by its operations and actively managing stocks.

The group is not reliant on any external borrowing, with the main borrowing relating to stocking loans, mitigating any risk in relation to interest rate movements.

The Directors recognise the potential impact on consumer demand resulting from the general uncertainties in the economy, however the Directors are confident that the group is well placed to adapt to consumer requirements as and when required, as has been highlighted above.

The group company has responded well to the ongoing implications of Covid-19 mitigating risk where appropriate and ensuring the safety of all customers and employees and remains prepared to adapt to the changing economic environment as required.

Key performance indicators

We use a number of key performance indicators to aid the management of the day to day business, as a motor retailer we are provided with a summary of what similar sized dealerships are achieving in the Vauxhall network. We regularly review this in comparison to our own performance and review for any areas of underperformance.

The turnover has increased by 10.7% from £16,102,695 in 2020 to £17,818,837 in 2021 due to an increase in the car market, specifically, the used car market. As a result of the increase in turnover and cost efficiencies the gross profit margin has increased to 5.37% (3.20% ,2020). Profit before tax has increased from £269,605 in 2020 to £392,123 in 2021, and the margin percentage earned before tax has improved from 1.7% in 2020 to 2.2% in 2021.

The Group continually looks to provide its goods and services in the most efficient manner possible without losing focus on providing a quality experience for our customers.

MACKAYS OF DINGWALL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Future developments

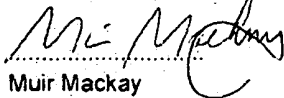
The Directors continue to assess the changing market, including the advancement of hybrid and electric vehicle technology, to ensure that it is well placed to cope with changing customer demand.

The Group has ceased trading from their site in Dingwall in 2022 and will focus all efforts through its site in Inverness. Mackays of Dingwall Limited will continue as a holding company for the Group.

The Directors are confident that 2022 will be a successful year and are anticipating increased sales levels and margins. New stock supply continues to prove challenging however the company is carrying a significant order book that the Directors are confident will be fulfilled in the coming year.

The Directors will continue to promote the Vauxhall brand and provide an excellent range of choice for customers.

On behalf of the board



Muir Mackay

Director

29/09/2022

MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £90,000. The directors recommend payment of a final dividend amounting to £50,000.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Muir Mackay
John Manson

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

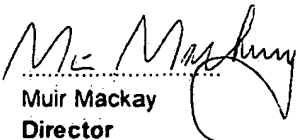
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually 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 auditor of the company is aware of that information.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments.

On behalf of the board


Muir Mackay
Director

Date:

29/9/22

MACKAYS OF DINGWALL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the strategic report, 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 group and company, 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MACKAYS OF DINGWALL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MACKAYS OF DINGWALL LIMITED

Opinion

We have audited the financial statements of Mackays of Dingwall Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MACKAYS OF DINGWALL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MACKAYS OF DINGWALL LIMITED

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit is considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include: UK GAAP, Companies Act 2006, Corporation Tax legislation, VAT legislation, Financial Conduct Authority scope of permissions and VOSA accreditations.

We gained an understanding of how the group is complying with these laws and regulations by making enquiries of management. We corroborated these enquiries through our review of submitted returns, external inspections and relevant correspondence with regulatory bodies.

We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by discussing with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

MACKAYS OF DINGWALL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MACKAYS OF DINGWALL LIMITED

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing the level of and reasoning behind the group's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Review of key documentation confirming ongoing compliance with motor repairs standards in particular the VOSA status of the company;
- Review of key correspondence with the FCA and inspection of the FCA's website to confirm that the Group continued to be appropriately authorised and continued to operate within those permissions;
- Discussing with management ongoing compliance with and continuity of key manufacturer franchise.
- Procedures to confirm the existence and completeness of revenue ensuring recognised in line with the accounting policies.
- Testing items of stock on a sample basis to confirm its condition and comparing its carrying value to post year end sales data and relevant benchmark data to ensure management had correctly reported stock at the lower of cost and net realisable value.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the group'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 group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

30 September 2022
Date:

Chartered Accountants
Statutory Auditor

Clava House
Cradlehall Business Park
INVERNESS
IV2 5GH

MACKAYS OF DINGWALL LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	17,818,837	16,102,695
Cost of sales		(16,862,682)	(15,586,646)
Gross profit		956,155	516,049
Administrative expenses		(831,464)	(702,238)
Other operating income		309,781	521,207
Operating profit	4	434,472	335,018
Interest payable and similar expenses	8	(42,349)	(65,413)
Profit before taxation		392,123	269,605
Tax on profit	9	(80,189)	(53,444)
Profit for the financial year	22	311,934	216,161
Profit for the financial year is attributable to:			
- Owners of the parent company		243,557	156,498
- Non-controlling interests		68,377	59,663
		311,934	216,161
Total comprehensive income/(expenditure) for the year is attributable to:			
- Owners of the parent company		243,557	156,498
- Non-controlling interests		68,377	59,663
		311,934	216,161

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

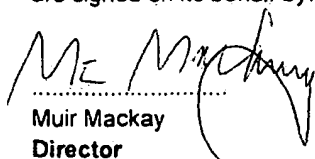
MACKAYS OF DINGWALL LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11		804,499		824,975
Investments	12		4,607		4,607
			<u>809,106</u>		<u>829,582</u>
Current assets					
Stocks	14	2,464,478		3,930,474	
Debtors falling due after more than one year	15	797,167		907,167	
Debtors falling due within one year	15	845,239		1,514,749	
Cash at bank and in hand		530,875		994	
		<u>4,637,759</u>		<u>6,353,384</u>	
Creditors: amounts falling due within one year	16	<u>(2,844,100)</u>		<u>(4,759,051)</u>	
Net current assets			<u>1,793,659</u>		<u>1,594,333</u>
Total assets less current liabilities			<u>2,602,765</u>		<u>2,423,915</u>
Creditors: amounts falling due after more than one year	17		<u>(33,847)</u>		<u>(49,113)</u>
Provisions for liabilities	19		<u>(14,583)</u>		<u>(12,401)</u>
Net assets			<u><u>2,554,335</u></u>		<u><u>2,362,401</u></u>
Capital and reserves					
Called up share capital	21		281,060		281,060
Revaluation reserve	22		18,216		18,216
Profit and loss reserves	22		1,633,935		1,460,378
Equity attributable to owners of the parent company			<u>1,933,211</u>		<u>1,759,654</u>
Non-controlling interests			<u>621,124</u>		<u>602,747</u>
			<u><u>2,554,335</u></u>		<u><u>2,362,401</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29/09/2022 and are signed on its behalf by:


Muir Mackay
Director

MACKAYS OF DINGWALL LIMITED

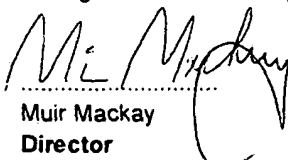
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	351,506		371,374	
Investments	12	373,860		373,860	
		<u>725,366</u>		<u>745,234</u>	
Current assets					
Stocks	14	488,306		726,993	
Debtors falling due after more than one year	15	110,000		110,000	
Debtors falling due within one year	15	165,996		259,457	
Cash at bank and in hand		64,258		280	
		<u>828,560</u>		<u>1,096,730</u>	
Creditors: amounts falling due within one year	16	<u>(517,245)</u>		<u>(878,295)</u>	
Net current assets			<u>311,315</u>		<u>218,435</u>
Total assets less current liabilities			<u>1,036,681</u>		<u>963,669</u>
Provisions for liabilities					
Deferred tax liability	19	<u>(6,929)</u>	<u>(6,929)</u>	<u>(8,155)</u>	<u>(8,155)</u>
Net assets			<u>1,029,752</u>		<u>955,514</u>
Capital and reserves					
Called up share capital	21	281,060		281,060	
Profit and loss reserves	22	748,692		674,454	
Total equity			<u>1,029,752</u>		<u>955,514</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £164,238 (2020 - £77,172 profit).

The financial statements were approved by the board of directors and authorised for issue on 29/01/2022 and are signed on its behalf by:


Muir Mackay
Director

Company Registration No. SC177001

MACKAYS OF DINGWALL LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 January 2020		281,060	18,216	1,398,880	1,698,156	543,084	2,241,240
Year ended 31 December 2020:							
Profit and total comprehensive income for the year		-	-	156,498	156,498	59,663	216,161
Dividends	10	-	-	(95,000)	(95,000)	-	(95,000)
Balance at 31 December 2020		281,060	18,216	1,460,378	1,759,654	602,747	2,362,401
Year ended 31 December 2021:							
Profit and total comprehensive income for the year		-	-	243,557	243,557	68,377	311,934
Dividends	10	-	-	(90,000)	(90,000)	(30,000)	(120,000)
Transfers		-	-	20,000	20,000	(20,000)	-
Balance at 31 December 2021		281,060	18,216	1,633,935	1,933,211	621,124	2,554,335

MACKAYS OF DINGWALL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2020		281,060	672,282	953,342
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	77,172	77,172
Dividends	10	-	(75,000)	(75,000)
Balance at 31 December 2020		281,060	674,454	955,514
Year ended 31 December 2021:				
Profit and total comprehensive (expenditure)/income for the year		-	164,238	164,238
Dividends	10	-	(90,000)	(90,000)
Balance at 31 December 2021		281,060	748,692	1,029,752

MACKAYS OF DINGWALL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26		1,168,577		(49,946)
Interest paid			(42,349)		(65,413)
Income taxes paid			(52,597)		(15,000)
Net cash inflow/(outflow) from operating activities			1,073,631		(130,359)
Investing activities					
Purchase of tangible fixed assets		(31,548)		(19,523)	
Net cash used in investing activities			(31,548)		(19,523)
Financing activities					
Repayment of bank loans		(5,505)		50,000	
Dividends paid to equity shareholders		(90,000)		(95,000)	
Dividends paid to non-controlling interests		(30,000)		-	
Net cash used in financing activities			(125,505)		(45,000)
Net increase/(decrease) in cash and cash equivalents			916,578		(194,882)
Cash and cash equivalents at beginning of year			(385,703)		(190,821)
Cash and cash equivalents at end of year			530,875		(385,703)
Relating to:					
Cash at bank and in hand			530,875		994
Bank overdrafts included in creditors payable within one year			-		(386,697)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Mackays of Dingwall Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is c/o Mackays of Dingwall, Strathpeffer Road, DINGWALL, IV15 9QF.

The group consists of Mackays of Dingwall Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of listed investments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The consolidated financial statements incorporate those of Mackays of Dingwall Limited and all of its subsidiary undertakings.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.2 Going concern

The directors have prepared the financial statements on the going concern basis. The group is reporting a profit for the year and an increased net asset position at the balance sheet date. The Directors have considered carefully the risks and uncertainties as a result of the global pandemic Covid-19 and have taken all necessary actions to ensure the safety of all customers and employees, and for the long-term financial stability of the company and group.

The Group, of which the Company is a member, is funded through a combination of shareholders' funds, secured bank facilities and cash generated through operating profits. Subsequent to the year-end, the provider of the bank facilities continues to be fully supportive of the Company and Group.

The directors and management have prepared cashflow forecasts through to December 2023, taking into consideration what they consider to be downside scenarios, whilst also considering the overall funding requirements beyond that period. By their nature financial projections are uncertain. Careful cash management and stock control has ensured that working capital has remained a priority. Together with cost control measures and government support, the company has strengthened its working capital position, ensuring all liabilities are met as they fall due. Furthermore, the directors are encouraged by the financial results to date including online sales and appreciate the continued support from their customers.

Therefore, the directors consider, after making appropriate enquiries and taking into consideration the economic outlook resulting from Covid-19, that the company and group is well placed to adapt to any future challenges, and will have adequate resources to continue in operation as a going concern for at least 12 months from the approval date of the financial statements, meeting all financial obligations as they fall due. Consequently, the directors consider the going concern basis to remain appropriate.

1.3 Turnover

Turnover is recognised at the fair value of the consideration receivable and represents amounts received for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

The sale of motor vehicles are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Sales of parts and accessories are recognised on delivery to the customer. Servicing sales are recognised on completion of the agreed work.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost or valuation and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	Straight line over 50 years
Leasehold buildings	Straight line over 60 years
Plant and machinery	15-30% straight line or 20% reducing balance
Fixtures, fittings & equipment	15-30% straight line or reducing balance

Land is not depreciated.

Freehold land and buildings are included at deemed cost based on the carrying value at the date of transition to FRS 102 being 1 January 2014.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises all costs incurred in bringing each product to their present location and condition.

Vehicle stock and parts are recognised at purchase cost, on a first in, first out basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants are recognised in accordance with the performance model. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability. Government grants relating to the Coronavirus job retention scheme are recognised as income over the periods when the related costs are incurred.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Vehicle stock

Vehicle stock is valued at the lower of cost and net realisable value. This includes any provision for slow moving or obsolete stock. Calculation of such provisions requires judgements to be made on various aspects of stock, based on a combination of sector material, used car pricing and general experience and understanding of the motor trade.

The value of year end vehicle stock is £2,339,570 (2020 - £3,862,429).

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Sales of vehicles	15,981,445	14,334,585
Parts, service and masterfit	1,837,392	1,768,110
	<u>17,818,837</u>	<u>16,102,695</u>
	2021 £	2020 £
Other significant revenue		
Grants received	<u>141,012</u>	<u>448,453</u>

Government grants include income from the governments job retention scheme.

All turnover arose within the United Kingdom.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(141,012)	(448,453)
Depreciation of owned tangible fixed assets	52,022	57,562
Operating lease charges	32,162	32,280
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15,000	10,712
Audit of the financial statements of the company's subsidiaries	13,000	10,800
	<u> </u>	<u> </u>
	28,000	21,512
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Sales and servicing staff	38	47	12	17
Administrative staff	9	11	5	7
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	47	58	17	24
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,370,368	1,485,344	436,180	481,430
Social security costs	127,822	132,122	42,103	41,056
Pension costs	33,703	40,059	13,716	15,728
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,531,893	1,657,525	491,999	538,214
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	41,111	51,324
Company pension contributions to defined contribution schemes	4,776	4,833
	<u>45,887</u>	<u>56,157</u>

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	612	2,098
Other interest on financial liabilities	41,737	63,315
	<u>42,349</u>	<u>65,413</u>

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	77,646	55,170
Adjustments in respect of prior periods	361	(2,483)
	<u>78,007</u>	<u>52,687</u>
Deferred tax		
Origination and reversal of timing differences	2,182	757
	<u>80,189</u>	<u>53,444</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	392,123	269,605
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	74,503	51,225
Tax effect of expenses that are not deductible in determining taxable profit	171	-
Adjustments in respect of prior years	-	(2,483)
Fixed asset differences	2,016	3,323
Losses carried back	-	762
Adjust deferred tax to average rate	3,500	(6,992)
Other adjustments	(1)	7,609
Taxation charge	80,189	53,444

10 Dividends

	2021 £	2020 £
Final paid	90,000	75,000

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

Group	Freehold buildings	Leasehold buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2021	440,996	637,231	514,255	115,652	1,708,134
Additions	-	-	23,645	7,903	31,548
Disposals	-	-	(30,791)	(14,246)	(45,037)
At 31 December 2021	440,996	637,231	507,109	109,309	1,694,645
Depreciation and impairment					
At 1 January 2021	119,638	210,055	460,884	92,584	883,161
Depreciation charged in the year	6,565	10,621	21,984	12,852	52,022
Eliminated in respect of disposals	-	-	(30,791)	(14,246)	(45,037)
At 31 December 2021	126,203	220,676	452,077	91,190	890,146
Carrying amount					
At 31 December 2021	314,793	416,555	55,032	18,119	804,499
At 31 December 2020	321,358	427,176	53,373	23,068	824,975

Company	Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2021	440,996	178,151	115,651	734,798
Additions	-	850	7,903	8,753
Disposals	-	-	(14,246)	(14,246)
At 31 December 2021	440,996	179,001	109,308	729,305
Depreciation and impairment				
At 1 January 2021	119,638	151,204	92,584	363,426
Depreciation charged in the year	6,565	9,202	12,852	28,619
Eliminated in respect of disposals	-	-	(14,246)	(14,246)
At 31 December 2021	126,203	160,406	91,190	377,799
Carrying amount				
At 31 December 2021	314,793	18,595	18,118	351,506
At 31 December 2020	321,358	26,948	23,068	371,374

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

(Continued)

The carrying value of land and buildings comprises:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Freehold land not depreciated	118,771	118,771	118,771	118,771

12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	-	-	369,253	369,253
Listed investments		4,606	4,606	4,606	4,606
Unlisted investments		1	1	1	1
		4,607	4,607	373,860	373,860
Listed investments carrying amount		4,606	4,606	4,606	4,606

Movements in fixed asset investments

Group	Investments other than loans £
Cost or valuation	
At 1 January 2021 and 31 December 2021	9,606
Impairment	
At 1 January 2021 and 31 December 2021	4,999
Carrying amount	
At 31 December 2021	4,607
At 31 December 2020	4,607

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

	Shares in group undertakings £	Investments other than loans £	Total £
Cost or valuation			
At 1 January 2021 and 31 December 2021	808,174	9,606	817,780
Impairment			
At 1 January 2021 and 31 December 2021	438,921	4,999	443,920
Carrying amount			
At 31 December 2021	369,253	4,607	373,860
At 31 December 2020	369,253	4,607	373,860

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Autovision (Scotland) Limited	Scotland	Operation of the Vauxhall franchise dealership for Inverness and the surrounding area	Ordinary	67-
Mackay's Garage and Agric. Scotland Co Limited		Dormant	Ordinary	100-

The registered office of both Autovision (Scotland) Limited and Mackay's Garage and Agri. Co. Limited is 40 Harbour Road, Inverness, IV1 1LY.

14 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Parts stock	75,826	68,045	30,102	30,965
Vehicle stock	2,388,652	3,862,429	458,204	696,028
	2,464,478	3,930,474	488,306	726,993

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	262,300	463,133	80,172	86,782
Amounts owed by group undertakings	-	-	2,446	3,241
Other debtors	573,311	1,041,201	73,750	159,019
Prepayments and accrued income	9,628	10,415	9,628	10,415
	<u>845,239</u>	<u>1,514,749</u>	<u>165,996</u>	<u>259,457</u>
Amounts falling due after more than one year:				
Other debtors	<u>797,167</u>	<u>907,167</u>	<u>110,000</u>	<u>110,000</u>
Total debtors	<u>1,642,406</u>	<u>2,421,916</u>	<u>275,996</u>	<u>369,457</u>

16 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	18	10,648	387,584	-	66,625
Trade creditors		2,290,567	3,954,856	297,617	652,388
Amounts owed to group undertakings		-	-	38,607	22,100
Corporation tax payable		78,007	52,597	28,951	6,469
Other taxation and social security		94,411	77,328	54,813	43,459
Other creditors		306,204	251,954	27,346	46,682
Accruals and deferred income		64,263	34,732	69,911	40,572
		<u>2,844,100</u>	<u>4,759,051</u>	<u>517,245</u>	<u>878,295</u>

Stocking loans amounting to £1,974,977 (2020 - £3,524,724) are secured over vehicle stock.

17 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	18	<u>33,847</u>	<u>49,113</u>	<u>-</u>	<u>-</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	44,495	50,000	-	-
Bank overdrafts	-	386,697	-	66,625
	<u>44,495</u>	<u>436,697</u>	<u>-</u>	<u>66,625</u>
Payable within one year	10,648	387,584	-	66,625
Payable after one year	<u>33,847</u>	<u>49,113</u>	<u>-</u>	<u>-</u>

Bank loans and overdrafts were secured by a standard security over the garage showrooms at Dingwall owned by the company at the balance sheet date, and 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 Royal Bank of Scotland loan is repayable in 60 monthly instalments starting 6 months from the drawdown date. The bank granted a repayment holiday for a period of 12 months, starting from the date on which the loan is drawn. The last instalment is due in December 2026. Interest is charged at 2.5% per annum. Under the Bounce Back Loan Scheme, interest due from the first 12 months will be payable by the UK Government under the terms of the Scheme.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	15,109	12,401
Short term timing differences	(526)	-
	<u>14,583</u>	<u>12,401</u>
Company	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	<u>6,929</u>	<u>8,155</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Deferred taxation

(Continued)

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 January 2021	12,401	8,155
Charge/(credit) to profit or loss	2,182	(1,226)
Liability at 31 December 2021	<u>14,583</u>	<u>6,929</u>

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>33,703</u>	<u>40,059</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

Group and company	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>281,060</u>	<u>281,060</u>	<u>281,060</u>	<u>281,060</u>

Ordinary shares carry full voting rights but no right to income or repayment of capital. Distributions are at the discretion of the company.

22 Reserves

Revaluation reserve

Revaluation reserve represents increases in the historical valuation of tangible fixed assets as at 31 December 1997.

Profit and loss reserves

Retained earnings represent accumulated profits less distributions and transfers from other reserves.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	32,000	32,000	-	-
Between two and five years	128,000	128,000	-	-
In over five years	1,453,333	1,485,333	-	-
	<u>1,613,333</u>	<u>1,645,333</u>	<u>-</u>	<u>-</u>

Amounts noted above includes amounts due on a lease due to expire in 2072.

24 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2021 £	2020 £	2021 £	2020 £
Company				
Entities over which the company has control, joint control or significant influence	<u>155,989</u>	<u>178,039</u>	<u>610,272</u>	<u>542,945</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2021 £	2020 £
Group		
Other related parties	<u>20,011</u>	<u>13,461</u>
Company		
Entities over which the company has control, joint control or significant influence	<u>17,297</u>	<u>25,805</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

24 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2021 Balance £	2020 Balance £
Group		
Key management personnel	-	3,382
Other related parties	923,776	946,091
	<u> </u>	<u> </u>
Company		
Entities over which the company has control, joint control or significant influence	2,446	3,241
Other related parties	110,410	110,000
	<u> </u>	<u> </u>

Other related parties represent other entities owned by certain directors. Sales to other related parties represent those undertaken in the ordinary course of business and amounts owed from other related parties are included within debtors at the year end.

These balances are interest free and have no fixed terms of repayment. No security has been provided on any balances.

25 Directors' transactions

Dividends totalling £90,000 (2020 - £75,000) were paid in the year in respect of shares held by the company's directors.

26 Cash generated from/(absorbed by) group operations

	2021 £	2020 £
Profit for the year after tax	311,936	216,161
Adjustments for:		
Taxation charged	80,189	53,444
Finance costs	42,349	65,413
Depreciation and impairment of tangible fixed assets	52,022	57,562
Movements in working capital:		
Decrease in stocks	1,465,996	293,952
Decrease in debtors	779,510	114,651
Decrease in creditors	(1,563,425)	(851,129)
Cash generated from/(absorbed by) operations	<u>1,168,577</u>	<u>(49,946)</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Analysis of changes in net funds/(debt) - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	994	529,881	530,875
Bank overdrafts	(386,697)	386,697	-
	(385,703)	916,578	530,875
Borrowings excluding overdrafts	(50,000)	5,505	(44,495)
	(435,703)	922,083	486,380