

Company Registration No. SC177001 (Scotland)

MACKAYS OF DINGWALL LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



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 2022

The directors present the strategic report for the year ended 31 December 2022.

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.

Following the closure of the Dingwall premises in the year, the ongoing trading operations are now located in Inverness through the subsidiary company Autovision (Scotland) Limited. Mackays of Dingwall Limited's principal activity became that of a holding company.

As a result of the changes in the Group's business model in the year, revenue for the Group has reduced from £17.8m to £15.4m, with a resultant reduction in operating results from an operating profit of £434k in 2021 to £91k in the current period. In addition, a gain on disposal of fixed assets is being reported in the period of £654k, resulting in an overall profit before tax of £705k (£392k, 2021), with an increase in the Group net assets being reported for the current financial period.

The primary aim for the Group in 2022 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.

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 decreased by 13.3% from £17,818,837 in 2021 to £15,444,835 in 2022 as a result of the restructure of the Group operations. Profit before tax has increased from £392,123 in 2021 to £705,220 in 2022 following the gains on disposal of fixed assets reported in the period, and the margin percentage earned before tax has improved from 2.2% in 2021 to 4.6% in 2022.

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 2022

Future developments

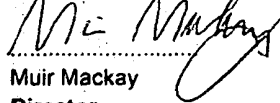
The Directors continue to assess the changing market, including the advancement of hybrid and electric vehicle technology, to ensure that it is well placed to cope with changing customer demand.

The Group is focusing all efforts through its site in Inverness and its recently opened used car site in Thurso operating under the Mackays brand which will service its loyal customer base in Caithness & Sutherland. Mackays of Dingwall Limited will continue as a holding company for the Group.

The Directors are confident that 2023 will continue to produce performance in line with budget and the first half of the year figures are in line with expectations. The second half of 2023 is expected to be more challenging as the increase in lending rates is reducing customer demand and impacting margins.

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

27/09/23

MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £187,000 (2021: £90,000). The directors do not recommend payment of a final dividend.

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.

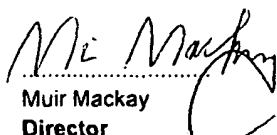
Statement of disclosure to auditor

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: 27/9/2023

MACKAYS OF DINGWALL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 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 2022 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 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 the 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 set out on page 4, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- Corporation Tax legislation;
- VAT legislation;
- Financial Conduct Authority scope of permissions;
- VOSA accreditations; and
- UK Generally Accepted Accounting Practice.

MACKAYS OF DINGWALL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MACKAYS OF DINGWALL LIMITED

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. 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. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, 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;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006;
- Agreement of the financial statement disclosures to supporting documentation.
- 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; and
- 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.

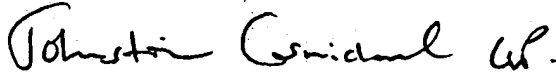
MACKAYS OF DINGWALL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MACKAYS OF DINGWALL LIMITED

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

Date: 28 September 2023

**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 2022

	Notes	2022 £	2021 £
Turnover	3	15,444,835	17,818,837
Cost of sales		(14,640,874)	(16,862,682)
Gross profit		803,961	956,155
Administrative expenses		(953,076)	(831,464)
Other operating income		239,804	309,781
Operating profit	4	90,689	434,472
Interest payable and similar expenses	8	(39,202)	(42,349)
Profit on disposal of fixed assets		653,733	-
Profit before taxation		705,220	392,123
Tax on profit	9	(25,429)	(80,189)
Profit for the financial year	22	679,791	311,934
Profit for the financial year is attributable to:			
- Owners of the parent company		593,161	243,557
- Non-controlling interests		86,630	68,377
		679,791	311,934
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		593,161	243,557
- Non-controlling interests		86,630	68,377
		679,791	311,934

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

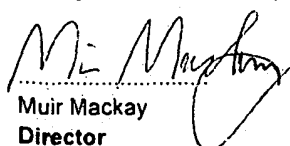
MACKAYS OF DINGWALL LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		436,128		804,499
Investments	12		1		4,607
			<u>436,129</u>		<u>809,106</u>
Current assets					
Stocks	14	1,714,122		2,464,478	
Debtors falling due after more than one year	15	737,167		797,167	
Debtors falling due within one year	15	908,870		845,239	
Cash at bank and in hand		1,520,749		530,875	
		<u>4,880,908</u>		<u>4,637,759</u>	
Creditors: amounts falling due within one year	16	<u>(2,302,403)</u>		<u>(2,844,100)</u>	
Net current assets			<u>2,578,505</u>		<u>1,793,659</u>
Total assets less current liabilities			<u>3,014,634</u>		<u>2,602,765</u>
Creditors: amounts falling due after more than one year	17		(24,209)		(33,847)
Provisions for liabilities					
Deferred tax liability	19	6,299		14,583	
		<u>(6,299)</u>		<u>(14,583)</u>	
Net assets			<u>2,984,126</u>		<u>2,554,335</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		2,040,429		1,633,935
Equity attributable to owners of the parent company			<u>2,339,705</u>		<u>1,933,211</u>
Non-controlling interests			<u>644,421</u>		<u>621,124</u>
			<u>2,984,126</u>		<u>2,554,335</u>

The financial statements were approved by the board of directors and authorised for issue on 21/09/23 and are signed on its behalf by:


Muir Mackay
Director

MACKAYS OF DINGWALL LIMITED

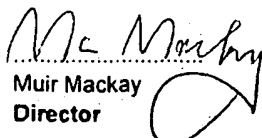
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11				351,506
Investments	12		369,254		373,860
			<u>369,254</u>		<u>725,366</u>
Current assets					
Stocks	14			488,306	
Debtors falling due after more than one year	15	110,000		110,000	
Debtors falling due within one year	15	110,197		165,996	
Cash at bank and in hand		860,319		64,258	
		<u>1,080,516</u>		<u>828,560</u>	
Creditors: amounts falling due within one year	16	<u>(90,635)</u>		<u>(517,245)</u>	
Net current assets			<u>989,881</u>		<u>311,315</u>
Total assets less current liabilities			<u>1,359,135</u>		<u>1,036,681</u>
Provisions for liabilities					
Deferred tax liability	19			6,929	
				<u>(6,929)</u>	
Net assets			<u>1,359,135</u>		<u>1,029,752</u>
Capital and reserves					
Called up share capital	21	281,060		281,060	
Profit and loss reserves	22	1,078,075		748,692	
Total equity		<u>1,359,135</u>		<u>1,029,752</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 £516,383 (2021 - £164,238 profit).

The financial statements were approved by the board of directors and authorised for issue on 27/09/23 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 2022

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2021		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	-	-	(70,000)	(70,000)	(50,000)	(120,000)
Balance at 31 December 2021		281,060	18,216	1,633,935	1,933,211	621,124	2,554,335
Year ended 31 December 2022:							
Profit and total comprehensive income for the year		-	-	593,161	593,161	86,630	679,791
Dividends	10	-	-	(186,667)	(186,667)	(63,333)	(250,000)
Balance at 31 December 2022		281,060	18,216	2,040,429	2,339,705	644,421	2,984,126

MACKAYS OF DINGWALL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2021		281,060	674,454	955,514
Year ended 31 December 2021:				
Profit and total comprehensive 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
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	516,383	516,383
Dividends	10	-	(187,000)	(187,000)
Balance at 31 December 2022		281,060	1,078,075	1,359,135

MACKAYS OF DINGWALL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	27	370,390		1,168,577	
Interest paid		(39,202)		(42,349)	
Income taxes paid		(78,007)		(52,597)	
Net cash inflow from operating activities		253,181		1,073,631	
Investing activities					
Purchase of tangible fixed assets		(6,962)		(31,548)	
Proceeds on disposal of tangible fixed assets		998,687		-	
Proceeds on disposal of investments		4,606		-	
Net cash generated from/(used in) investing activities		996,331		(31,548)	
Financing activities					
Repayment of bank loans		(9,638)		(5,505)	
Dividends paid to equity shareholders		(187,000)		(90,000)	
Dividends paid to non-controlling interests		(63,000)		(30,000)	
Net cash used in financing activities		(259,638)		(125,505)	
Net increase in cash and cash equivalents		989,874		916,578	
Cash and cash equivalents at beginning of year		530,875		(385,703)	
Cash and cash equivalents at end of year		1,520,749		530,875	

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022. 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.

The consolidated financial statements, including the profit and loss, have been prepared on the basis that all operations are continuing operations. Whereas, the company only accounts for Mackays of Dingwall Limited, including the profit and loss account, have been prepared on the basis of discontinued activities of the company. This is to present both the group and company only financial statements in a true and fair manner.

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 2022

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 economic uncertainties and have taken all necessary actions to ensure 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 2024, 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, 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 2022

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 2022

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 2022

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 2022

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 £1,659,186 (2021 - £2,388,652).

3 Turnover and other revenue

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

	2022 £	2021 £
Turnover analysed by class of business		
Sales of vehicles	13,705,372	15,981,445
Parts, service and masterfit	1,739,463	1,837,392
	<u>15,444,835</u>	<u>17,818,837</u>
	2022 £	2021 £
Other significant revenue		
Grants received	<u>113,000</u>	<u>141,012</u>

Government grants in the prior year include income from the Government's Job Retention Scheme. Grants received in the current year relate to Government grants for electric vehicles.

All turnover arose within the United Kingdom.

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(113,000)	(141,012)
Depreciation of owned tangible fixed assets	30,379	52,022
Operating lease charges	32,892	32,162

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	16,750	15,000
Audit of the financial statements of the company's subsidiaries	18,000	13,000
	34,750	28,000

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Sales and servicing staff	31	38	4	12
Administrative staff	8	9	3	5
Total	39	47	7	17

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,308,089	1,370,368	293,104	436,180
Social security costs	120,346	127,822	20,309	42,103
Pension costs	30,543	33,703	8,923	13,716
	1,458,978	1,531,893	322,336	491,999

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	86,613	41,111
Company pension contributions to defined contribution schemes	4,885	4,776
	<u>91,498</u>	<u>45,887</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2)

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	1,010	612
Other interest on financial liabilities	38,192	41,737
	<u>39,202</u>	<u>42,349</u>

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	71,616	77,646
Adjustments in respect of prior periods	(37,903)	361
	<u>33,713</u>	<u>78,007</u>
Deferred tax		
Origination and reversal of timing differences	(8,284)	2,182
	<u>25,429</u>	<u>80,189</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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:

	2022 £	2021 £
Profit before taxation	705,220	392,123
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	133,992	74,503
Tax effect of expenses that are not deductible in determining taxable profit	3,157	171
Tax effect of income not taxable in determining taxable profit	(567)	-
Adjustments in respect of prior years	(37,903)	-
Fixed asset differences	(117,207)	2,016
Adjust deferred tax for changes in tax rates	(16,172)	1,663
Adjust deferred tax to average rate	(326)	(9,564)
Other adjustments	60,455	11,400
Taxation charge	25,429	80,189

A change in the future UK Corporation tax rate to 25% with effect from 1 April 2023 was announced in the March 2021 budget and substantively enacted on 24 May 2021. This change will have a consequential effect on the company's future tax charge in the UK and as the 25% tax rate was substantively enacted prior to the reporting date, deferred tax expected to unwind after 1 April 2023 has been calculated at 25% as opposed to the current tax rate of 19%.

10 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Interim paid	187,000	90,000

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

Group	Freehold buildings	Leasehold buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2022	440,996	637,231	513,826	109,308	1,701,361
Additions	-	-	6,962	-	6,962
Disposals	(440,996)	-	(180,963)	(109,308)	(731,267)
At 31 December 2022	-	637,231	339,825	-	977,056
Depreciation and impairment					
At 1 January 2022	126,203	220,676	458,793	91,190	896,862
Depreciation charged in the year	1,641	10,621	14,943	3,174	30,379
Eliminated in respect of disposals	(127,844)	-	(164,105)	(94,364)	(386,313)
At 31 December 2022	-	231,297	309,631	-	540,928
Carrying amount					
At 31 December 2022	-	405,934	30,194	-	436,128
At 31 December 2021	314,793	416,555	55,032	18,119	804,499
Company		Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Total
		£	£	£	£
Cost or valuation					
At 1 January 2022		440,996	179,001	109,308	729,305
Disposals		(440,996)	(179,001)	(109,308)	(729,305)
At 31 December 2022		-	-	-	-
Depreciation and impairment					
At 1 January 2022		126,203	160,406	91,190	377,799
Depreciation charged in the year		1,641	1,737	3,174	6,552
Eliminated in respect of disposals		(127,844)	(162,143)	(94,364)	(384,351)
At 31 December 2022		-	-	-	-
Carrying amount					
At 31 December 2022		-	-	-	-
At 31 December 2021		314,793	18,595	18,118	351,506

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

(Continued)

The carrying value of land and buildings comprises:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Freehold land not depreciated	-	118,771	-	118,771

12 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	13	-	-	369,253	369,253
Listed investments		-	4,606	-	4,606
Unlisted investments		1	1	1	1
		1	4,607	369,254	373,860
Listed investments carrying amount		-	4,606	-	4,606

Movements in fixed asset investments

Group	Investments £
Cost or valuation	
At 1 January 2022	4,607
Disposals	(4,606)
At 31 December 2022	1
Carrying amount	
At 31 December 2022	1
At 31 December 2021	4,607

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investments

(Continued)

Movements in fixed asset investments

Company	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2022	369,253	4,607	373,860
Disposals	-	(4,606)	(4,606)
At 31 December 2022	369,253	1	369,254
Carrying amount			
At 31 December 2022	369,253	1	369,254
At 31 December 2021	369,253	4,607	373,860

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
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 2022 £	2021 £	Company 2022 £	2021 £
Parts stock	54,936	75,826	-	30,102
Vehicle stock	1,659,186	2,388,652	-	458,204
	1,714,122	2,464,478	-	488,306

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	476,393	262,300	1,987	80,172
Corporation tax recoverable	54,778	-	54,778	-
Amounts owed by group undertakings	-	-	-	2,446
Other debtors	377,699	573,311	53,432	73,750
Prepayments and accrued income	-	9,628	-	9,628
	<u>908,870</u>	<u>845,239</u>	<u>110,197</u>	<u>165,996</u>
Amounts falling due after more than one year:				
Other debtors	<u>737,167</u>	<u>797,167</u>	<u>110,000</u>	<u>110,000</u>
Total debtors	<u>1,646,037</u>	<u>1,642,406</u>	<u>220,197</u>	<u>275,996</u>

16 Creditors: amounts falling due within one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans	18	10,648	10,648	-	-
Trade creditors		1,727,560	2,290,567	2,342	297,617
Amounts owed to group undertakings		-	-	23,918	38,607
Corporation tax payable		88,491	78,007	16,875	28,951
Other taxation and social security		169,834	94,411	-	54,813
Other creditors		284,493	306,204	20,283	27,346
Accruals and deferred income		21,377	64,263	27,217	69,911
		<u>2,302,403</u>	<u>2,844,100</u>	<u>90,635</u>	<u>517,245</u>

Stocking loans amounting to £1,563,668 (2021 - £1,974,977) are secured over vehicle stock.

17 Creditors: amounts falling due after more than one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans and overdrafts	18	<u>24,209</u>	<u>33,847</u>	<u>-</u>	<u>-</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	34,857	44,495	-	-
Payable within one year	10,648	10,648	-	-
Payable after one year	24,209	33,847	-	-

A bond and floating charge were secured over the assets of the group at the balance sheet date 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 2022 £	Liabilities 2021 £
Accelerated capital allowances	6,708	15,109
Short term timing differences	(409)	(526)
	6,299	14,583
Company	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	-	6,929
Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 January 2022	14,583	6,929
Credit to profit or loss	(8,284)	(6,929)
Liability at 31 December 2022	6,299	-

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	30,543	33,703

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	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	281,060	281,060	281,060	281,060

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.

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		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	32,000	32,000	-	-
Between two and five years	128,000	128,000	-	-
In over five years	1,421,333	1,453,333	-	-
	<u>1,581,333</u>	<u>1,613,333</u>	<u>-</u>	<u>-</u>

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

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Events after the reporting date

Subsequent to the year end, ordinary dividends of £120,000 have been declared, to the company shareholders and non controlling interest.

25 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	
	2022	2021	2022	2021
	£	£	£	£
Company				
Entities over which the company has control, joint control or significant influence	319,522	155,989	210,455	610,272

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2022	2021
	£	£
Group		
Other related parties	1,030	20,011
Company		
Entities over which the company has control, joint control or significant influence	1,666	17,297
Other related parties	22,252	-

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2022	2021
	Balance	Balance
	£	£
Group		
Other related parties	802,966	923,776
Company		
Entities over which the company has control, joint control or significant influence	-	2,446
Other related parties	161,080	110,410

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Related party transactions

(Continued)

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.

26 Directors' transactions

Dividends totalling £187,000 (2021 - £90,000) were paid in the year in respect of shares held by the company's directors.

27 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	679,791	311,936
Adjustments for:		
Taxation charged	25,429	80,189
Finance costs	39,202	42,349
Gain on disposal of fixed assets	(653,733)	-
Depreciation and impairment of tangible fixed assets	30,379	52,022
Movements in working capital:		
Decrease in stocks	750,356	1,465,996
Decrease in debtors	51,147	779,510
(Decrease) in creditors	(552,181)	(1,563,425)
Cash generated from operations	370,390	1,168,577

28 Analysis of changes in net funds - group

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	530,875	989,874	1,520,749
Borrowings excluding overdrafts	(44,495)	9,638	(34,857)
	486,380	999,512	1,485,892