

REG1571001

Registration number 177001

MACKAYS OF DINGWALL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2003

ANDREW DUNCAN & CO (SCOTLAND) LIMITED

Chartered Accountants

Inverness



MACKAYS OF DINGWALL LIMITED

COMPANY INFORMATION

Directors	M Mackay J Manson
Secretary	Joan McMillan
Company number	177001
Registered office	Strathpeffer Road Dingwall IV15 9QF
Auditors	Andrew Duncan & Co (Scotland) Limited Alton House 4 Ballifeary Road Inverness IV3 5PJ
Bankers	Bank of Scotland High Street Dingwall IV15 9HL
Solicitors	Maclay Murray & Spens 151 St Vincent Street Glasgow G2 5NJ

MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT **for the year ended 31 December 2003**

The directors present their report and the financial statements for the year ended 31 December 2003.

Principal activity and review of the business

The principal activities of the company during the year were that of a holding company and the operation of the Vauxhall franchise in Ross-shire, Sutherland and Caithness.

The company on 1 October 2003 acquired the Vauxhall franchise from its subsidiary undertaking, Mackays Garage & Agric. Co. Limited.

Results and dividends

The results for the year are set out on page 5.

The directors have paid an interim dividend amounting to £173,429 and they recommend payment of a final dividend amounting to £30,000.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/12/03	01/01/03
M Mackay	140,530	140,530
J Manson	140,530	140,530

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


MACKAYS OF DINGWALL LIMITED

DIRECTORS' REPORT for the year ended 31 December 2003

Auditors

On 1 April 2003 Andrew Duncan & Co, the company's auditors, transferred its business to Andrew Duncan & Co (Scotland) Limited. The directors consented to treating the appointment of Andrew Duncan & Co as extending to Andrew Duncan & Co (Scotland) Limited with effect from 1 April 2003. The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Andrew Duncan & Co (Scotland) Limited will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on *21 October 2004* and signed on its behalf by


Joan McMillan
Secretary

MACKAYS OF DINGWALL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MACKAYS OF DINGWALL LIMITED

We have audited the financial statements of Mackays of Dingwall Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

MACKAYS OF DINGWALL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
MACKAYS OF DINGWALL LIMITED (CONTINUED)**

Qualified opinion arising from omission of group accounts

As explained in note 25 the financial statements do not contain group accounts as required by the Companies Acts. In our opinion information about the group accounts is necessary for a proper understanding of the company's state of affairs.

With the exception of the above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Andrew Duncan & Co (Scotland) Limited

21 October 2004

**Andrew Duncan & Co (Scotland) Limited
Chartered Accountants and
Registered Auditors**

**Alton House
4 Ballifeary Road
Inverness
IV3 5PJ**

MACKAYS OF DINGWALL LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2003

		2003		2002	
	Notes	£	£	£	£
Turnover	2				
Continuing operations		-		-	
Acquisitions		<u>1,095,751</u>		<u>-</u>	
			1,095,751		-
Cost of sales			<u>(972,358)</u>		<u>-</u>
Gross profit			<u>123,393</u>		<u>-</u>
Administrative expenses			(234,063)		(83,530)
Other operating income			<u>127,563</u>		<u>136,700</u>
Operating profit	4				
Continuing operations		54,510		53,170	
Acquisitions		<u>(37,617)</u>		<u>-</u>	
			16,893		53,170
Investment income	5		1,515,214		160,020
Other interest receivable and similar income	6		3,363		1,540
Amount written off investments	7		(429,621)		(8,412)
Interest payable and similar charges	8		<u>(10,336)</u>		<u>(31,973)</u>
Profit on ordinary activities before taxation			1,095,513		174,345
Tax on profit on ordinary activities	11		<u>5,085</u>		<u>(31,840)</u>
Profit on ordinary activities after taxation			1,100,598		142,505
Dividends	12		<u>(203,429)</u>		<u>(80,000)</u>
Retained profit for the year			<u><u>897,169</u></u>		<u><u>62,505</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

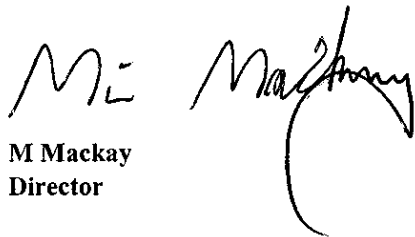
The notes on pages 8 to 18 form an integral part of these financial statements.

MACKAYS OF DINGWALL LIMITED

BALANCE SHEET
as at 31 December 2003

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		428,373		-
Investments	14		371,660		733,767
			<u>800,033</u>		<u>733,767</u>
Current assets					
Stocks	15	832,410		-	
Debtors	16	498,447		61,066	
Cash at bank and in hand		56,143		109,344	
		<u>1,387,000</u>		<u>170,410</u>	
Creditors: amounts falling due within one year	17	(938,057)		(555,473)	
Net current assets/(liabilities)			<u>448,943</u>		<u>(385,063)</u>
Total assets less current liabilities			1,248,976		348,704
Provisions for liabilities and charges	18		(3,103)		-
			<u>1,245,873</u>		<u>348,704</u>
Capital and reserves					
Called up share capital	20		281,060		281,060
Profit and loss account			964,813		67,644
Equity shareholders' funds	21		<u>1,245,873</u>		<u>348,704</u>

The financial statements were approved by the Board on 24 October 2004 and signed on its behalf by


M Mackay
Director

The notes on pages 8 to 18 form an integral part of these financial statements.

MACKAYS OF DINGWALL LIMITED

CASH FLOW STATEMENT for the year ended 31 December 2003

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		16,893	53,170
Depreciation		1,719	-
(Increase) in stocks		(832,410)	-
(Increase) in debtors		(437,381)	34,283
(Decrease) in creditors		(100,506)	2,967
Net cash outflow from operating activities		<u>(1,351,685)</u>	<u>90,420</u>
Cash flow statement			
Net cash outflow from operating activities		(1,351,685)	90,420
Returns on investments and servicing of finance	23	1,508,241	129,587
Taxation	23	(5,141)	(2,847)
Capital expenditure and financial investment	23	(429,827)	-
Acquisitions and disposals	23	(67,513)	(130,000)
		(345,925)	87,160
Equity dividends paid		(173,429)	(130,500)
		(519,354)	(43,340)
Financing	23	481,333	-
Decrease in cash in the year		<u>(38,021)</u>	<u>(43,340)</u>
Reconciliation of net cash flow to movement in net debt (Note 24)			
Decrease in cash in the year		(38,021)	(43,340)
Cash inflow from decrease in debts and lease financing		(481,333)	-
Change in net debt resulting from cash flows		(519,354)	(43,340)
New finance leases and hire purchase contracts		(266)	-
Movement in net debt in the year		(519,620)	(43,340)
Net funds at 1 January 2003		109,344	152,684
Net debt at 31 December 2003		<u>(410,276)</u>	<u>109,344</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

1.2. Turnover

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

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over 50 years
Plant and machinery	-	20% reducing balance method
Fixtures, fittings and equipment	-	15% - 30% reducing balance method
Motor vehicles	-	25% reducing balance method

1.4. Investments

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

1.5. Stock and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

1.7. Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.8. Group accounts

The company is not preparing group accounts (see note 25).

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	2003 £	2002 £
Class of business		
Vehicles	825,917	-
Parts	163,896	-
Workshop and other	105,938	-
	<u>1,095,751</u>	<u>-</u>

3. Note to the profit and loss account

	2003			2002		
	Continuing	Acquisition	Total	Continuing	Acquisition	Total
Administrative expenses	60,514	173,879	234,393	83,530	-	83,530
Other operating income	(115,024)	(12,539)	(127,563)	(136,700)	-	(136,700)
	<u>(54,510)</u>	<u>161,340</u>	<u>106,830</u>	<u>(53,170)</u>	<u>-</u>	<u>(53,170)</u>

4. Operating profit

	2003 £	2002 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	6,569	-
Auditors' remuneration	2,000	1,000
	<u>8,569</u>	<u>1,000</u>
and after crediting:		
Profit on disposal of tangible fixed assets	4,850	-
	<u>4,850</u>	<u>-</u>

5. Income from investments

	2003 £	2002 £
Income from listed investments	52	45
Income from subsidiary undertakings	1,515,162	159,975
	<u>1,515,214</u>	<u>160,020</u>

6. Interest receivable and similar income

	2003 £	2002 £
Bank interest	3,363	1,540
	<u>3,363</u>	<u>1,540</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003

7. Amounts written off investments	2003	2002
	£	£
Amounts written off fixed asset investments:		
- permanent diminution in value	<u>429,621</u>	<u>8,412</u>
8. Interest payable and similar charges	2003	2002
	£	£
Interest payable on bank overdrafts and short term loans	<u>10,336</u>	<u>31,973</u>
9. Employees		
Number of employees	2003	2002
The average monthly numbers of employees	Number	Number
(including the directors) during the year were:		
Sales and service	24	-
Administration	8	4
	<u>32</u>	<u>4</u>
Employment costs	2003	2002
	£	£
Wages and salaries	138,377	73,249
Social security costs	11,534	6,172
Other pension costs	4,079	2,400
	<u>153,990</u>	<u>81,821</u>
9.1. Directors' emoluments	2003	2002
	£	£
Remuneration and other emoluments	31,637	46,722
Pension contributions	2,200	2,400
	<u>33,837</u>	<u>49,122</u>
	Number	Number
Number of directors to whom retirement benefits		
are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

10. Pension costs

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,079 (31 December 2002 - £2,400). No contributions were payable to the funds at 31 December 2003 (2002 - nil).

11. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax for the period	484	10,531
Adjustments in respect of previous periods	(8,672)	21,309
	<u>(8,188)</u>	<u>31,840</u>
Total current tax charge	<u>(8,188)</u>	<u>31,840</u>
Deferred tax		
Timing differences, origination and reversal	3,103	-
Total deferred tax	<u>3,103</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(5,085)</u>	<u>31,840</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>1,095,513</u>	<u>174,345</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2002 : 19%)	208,147	33,561
Effects of:		
Expenses not deductible for tax purposes	1,318	6,154
Capital allowances for period in excess of depreciation	(3,103)	-
Adjustments to tax charge in respect of previous periods	(8,672)	21,309
Franked investment income	(287,881)	(30,804)
Investments written off	81,628	-
Marginal relief	(378)	-
Other adjustments	753	1,620
Current tax charge for period	<u>(8,188)</u>	<u>31,840</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003

12.	Dividends	2003	2002
		£	£
	Dividends on equity shares:		
	Ordinary shares - interim paid	173,429	80,000
	Ordinary shares - final proposed	30,000	-
		<u>203,429</u>	<u>80,000</u>

13.	Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
	Cost					
	At 1 January 2003	-	-	-	-	-
	Additions	-	26,654	-	-	26,654
	Transfer from group company	359,460	281,718	48,816	7,649	697,643
	Disposals	-	-	-	(7,649)	(7,649)
	At 31 December 2003	<u>359,460</u>	<u>308,372</u>	<u>48,816</u>	<u>-</u>	<u>716,648</u>
	Depreciation					
	At 1 January 2003	-	-	-	-	-
	Transfer from group company	13,178	229,787	39,272	5,067	287,304
	On disposals	-	-	-	(5,598)	(5,598)
	Charge for the year	1,198	4,782	58	531	6,569
	At 31 December 2003	<u>14,376</u>	<u>234,569</u>	<u>39,330</u>	<u>-</u>	<u>288,275</u>
	Net book values					
	At 31 December 2003	<u>345,084</u>	<u>73,803</u>	<u>9,486</u>	<u>-</u>	<u>428,373</u>
	At 31 December 2002	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 1 October 2003 the company acquired fixed assets from its subsidiary company, Mackays Garage & Agric. Co. Limited at a cost of £697,643 and accumulated depreciation brought forward of £287,304.

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2003		2002	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Equipment	<u>2,897</u>	<u>239</u>	<u>-</u>	<u>-</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

14. Fixed asset investments	Subsidiary undertakings shares £	Listed investments £	Other unlisted investments £	Total £
Cost				
At 1 January 2003	729,308	22,871	-	752,179
Additions	67,513	-	-	67,513
Transfer from group company	-	-	5,000	5,000
At 31 December 2003	796,821	22,871	5,000	824,692
Provisions for diminution in value:				
At 1 January 2003	-	18,412	-	18,412
Movement	429,621	-	-	429,621
Transfer from group company	-	-	4,999	4,999
At 31 December 2003	429,621	18,412	4,999	453,032
Net book values				
At 31 December 2003	367,200	4,459	1	371,660
At 31 December 2002	729,308	4,459	-	733,767

On 1 October 2003 the company acquired investments from its subsidiary company, Mackays Garage & Agric. Co. Limited at a cost of £5,000 and provision for diminution brought forward of £4,999.

14.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Autovision (Scotland) Limited	Scotland	Motor dealer	Ordinary	66%
Mackays' Garage & Agric. Co. Limited	Scotland	Motor dealer	Ordinary	100%
Robertson & Porter Limited	Scotland	Property letting	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Autovision (Scotland) Limited	691,684	2,232
Mackays' Garage & Agric. Co. Limited	27,900	(931,684)
Robertson & Porter Limited	9,300	(489,246)

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003

15. Stocks	2003	2002
	£	£
Parts stock	75,308	-
Work in progress	2,652	-
Vehicle stock	754,450	-
	<u>832,410</u>	<u>-</u>
16. Debtors	2003	2002
	£	£
Trade debtors	363,439	-
Amounts owed by group undertakings	40,606	60,606
Other debtors	48,664	460
Prepayments and accrued income	45,738	-
	<u>498,447</u>	<u>61,066</u>
17. Creditors: amounts falling due within one year	2003	2002
	£	£
Stocking loans	481,333	-
Net obligations under finance leases and hire purchase contracts	266	-
Trade creditors	207,087	-
Amounts owed to group undertaking	49,203	512,388
Corporation tax	484	28,993
Other taxes and social security costs	85,979	13,092
Directors' accounts	192	-
Other creditors	24,346	-
Accruals and deferred income	59,167	1,000
Proposed dividend	30,000	-
	<u>938,057</u>	<u>555,473</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003

18. Provisions for liabilities and charges

	Deferred taxation (Note 19) £
Movements in the year	3,103
At 31 December 2003	<u>3,103</u>

19. Provision for deferred taxation

	2003 £	2002 £
Accelerated capital allowances	<u>3,103</u>	<u>-</u>
Provision at 1 January 2003	-	-
Deferred tax charge in profit and loss account	<u>3,103</u>	<u>-</u>
Provision at 31 December 2003	<u>3,103</u>	<u>-</u>

Deferred taxation is based on a corporation tax rate of 19%.

20. Share capital

	2003 £	2002 £
Authorised		
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>
Allotted, called up and fully paid		
281,060 Ordinary shares of £1 each	<u>281,060</u>	<u>281,060</u>

21. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the year	1,100,598	142,505
Dividends	(203,429)	(80,000)
	<u>897,169</u>	<u>62,505</u>
Opening shareholders' funds	<u>348,704</u>	<u>286,199</u>
Closing shareholders' funds	<u>1,245,873</u>	<u>348,704</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

22. Related party transactions

During the year the company received head office charges of £35,024 from its subsidiary undertaking Mackays' Garage and Agricultural Company Limited. Included in creditors falling due within one year (note 17) is £40,587 in respect of a loan from Mackays' Garage and Agricultural Company Limited (2002 - £126,288).

During the year the company received head office charges of £80,000 from its subsidiary undertaking Autovision (Scotland) Limited. £40,000 of these head office charges were receivable from Macleods of Perth Limited, a company in which Autovision (Scotland) Limited own the entire issued share capital. These charges were paid to the company via Autovision (Scotland) Limited.

On 1 October 2003 the company acquired the trade of its subsidiary undertaking Mackays' Garage and Agric. Co. Limited. During the year Mackays of Dingwall Limited and Mackays' Garage and Agric. Co. Limited traded on a normal commercial basis with its fellow subsidiaries, Autovision (Scotland) Limited and Macleods of Perth Limited.

Purchases of goods and services during the year from Autovision (Scotland) Limited totalled £226,301. Sales of goods and services during the year to Autovision (Scotland) Limited totalled £452,651. At 31 December 2003 amounts owing of £10,174 were included in trade creditors and amounts receivable of £7,263 were included in trade debtors.

Purchases of goods and services from Macleods of Perth Limited during the year totalled £134,341. Sales of goods and services to Macleods of Perth Limited during the year totalled £62,594. At 31 December 2003, amounts owing of £16,251 were included in trade creditors falling due within one year and amounts receivable of £46,959 were included in trade debtors.

Included in creditors falling due within one year (note 17) is £8,616 in respect of a loan from the subsidiary undertaking Robertson and Porter Limited (2002 - £367,000).

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003

23. Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	3,363	1,540
Interest paid	(10,336)	(31,973)
Dividends received	1,515,214	160,020
	<u>1,508,241</u>	<u>129,587</u>
Taxation		
Corporation tax paid	(6,464)	(2,847)
Corporation tax repaid	1,323	-
	<u>(5,141)</u>	<u>(2,847)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(436,727)	-
Payments to acquire investments	(1)	-
Receipts from sales of tangible assets	6,901	-
	<u>(429,827)</u>	<u>-</u>
Acquisitions and disposals		
Payments on acquisition of group interests	<u>(67,513)</u>	<u>(130,000)</u>
Financing		
Other new short term loans	<u>481,333</u>	<u>-</u>

24. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	109,344	(53,201)		56,143
Debt due within one year	-	(481,333)	-	(481,333)
Finance leases and hire purchase contracts	-	-	(266)	(266)
	-	(481,333)	(266)	(481,599)
Net funds	<u>109,344</u>	<u>(534,534)</u>	<u>(266)</u>	<u>(425,456)</u>

MACKAYS OF DINGWALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003

25. Group accounts

This is the first year for which the company is required to produce group accounts by the Companies Acts. The directors are of the opinion that the cost of producing the group accounts would far outweigh the benefits for what is a close company. The directors have decided not to produce group accounts as, due to recent legislative changes, the company will not be required to produce them in future years.