

CO'S HOUSE

**MACKAYS OF DINGWALL LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2001**

**Registered number: 177001**

**ANDREW DUNCAN & CO**

**Chartered Accountants**

**Inverness**



**MACKAYS OF DINGWALL LIMITED**

**FINANCIAL STATEMENTS**

**for the period from 1 April 2001 to 31 December 2001**

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***The following pages do not form part of the statutory accounts***

Detailed trading and profit and loss account	Appendix 1
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**MACKAYS OF DINGWALL LIMITED****COMPANY INFORMATION****31 December 2001**

DIRECTORS	Muir Mackay John Manson
SECRETARY	Joan McMillan
REGISTERED OFFICE	Strathpeffer Road DINGWALL IV15 9QF
BANKERS	Bank of Scotland High Street DINGWALL IV15 9HL
SOLICITORS	Dundas & Wilson Saltire Court 20 Castle Terrace EDINBURGH EH1 2EN
AUDITORS	Andrew Duncan & Co Chartered Accountants Alton House 4 Ballifeary Road INVERNESS IV3 5PJ

**MACKAYS OF DINGWALL LIMITED****DIRECTORS' REPORT****31 December 2001**

The directors present their report and the audited financial statements for the period from 1 April 2001 to 31 December 2001.

**Principal activity**

The principal activity of the company during the period was that of a holding company.

**Business review**

The company's balance sheet as detailed on page 7 shows a satisfactory position, shareholders' funds amounting to £286,199.

**Results and dividends**

The results for the period are shown in the profit and loss account on page 5. An ordinary dividend amounting to £50,500 is proposed.

**Directors**


The directors of the company during the period and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	<b>31 December 2001</b>	<b>1 April 2001</b>
	<b>Ordinary</b>	<b>Ordinary</b>
	<b>shares</b>	<b>shares</b>
Muir Mackay	140,530	140,530
John Manson	140,530	140,530

**Auditors**

During the period Andrew Duncan & Co were appointed auditors of the Company. The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary, Andrew Duncan & Co will continue in office.

By order of the board

  
Joan McMillan  
Secretary

Strathpeffer Road  
DINGWALL  
IV15 9QF

21/10/02

**MACKAYS OF DINGWALL LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, 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.

On behalf of the board

  
Muir Mackay  
Director

21/10/02

**MACKAYS OF DINGWALL LIMITED****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF****MACKAYS OF DINGWALL LIMITED**

We have audited the financial statements of Mackays of Dingwall Limited for the period 1 April 2001 to 31 December 2001 on pages 5 to 15. These financial statements have been prepared under the historical cost convention, and the accounting policies set out on page 9.

**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 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

25 October 2002

Andrew Duncan AC

Inverness

Andrew Duncan & Co  
Registered Auditor &  
Chartered Accountants

## MACKAYS OF DINGWALL LIMITED

## PROFIT AND LOSS ACCOUNT

for the period from 1 April 2001 to 31 December 2001

		31 December 2001	31 March 2001
		(9 months)	as restated
	Note	£	(12 months)
			£
Administrative expenses		(60,261)	(82,514)
Other operating income		131,023	101,361
<b>Operating profit</b>	2	70,762	18,847
Write down of investments	4	(10,000)	-
Investment income	5	36,706	24,289
Interest payable	6	(24,538)	(35,434)
<b>Profit on ordinary activities before taxation</b>		72,930	7,702
Taxation	7	414	-
<b>Profit on ordinary activities after taxation</b>		73,344	7,702
Dividends - proposed		(50,500)	-
<b>Profit on ordinary activities after taxation retained for the period</b>	12	22,844	7,702

Movements in reserves are shown in note 12.

None of the company's activities were acquired or discontinued during the above two financial years.

**MACKAYS OF DINGWALL LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****for the period 1 April 2001 to 31 December 2001**

	<b>31 December 2001 (9 months) £</b>	<b>31 March 2001 (12 months) £</b>
<b>Profit for the financial period</b>	73,344	7,702
Prior year adjustments (note 16)	(41,079)	-
<b>Total gains recognised since last report</b>	<u>32,265</u>	<u>7,702</u>



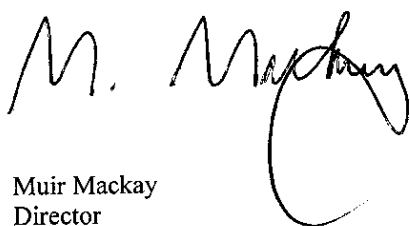
## MACKAYS OF DINGWALL LIMITED

## BALANCE SHEET

at 31 December 2001

		31 December 2001		31 March 2001 as restated	
	Note	£	£	£	£
<b>Fixed assets</b>					
Investments	8		612,179		622,179
<b>Current assets</b>					
Debtors	9	95,349		27,167	
Cash at bank and in hand		152,684		100,838	
		<u>248,033</u>		<u>128,005</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(574,013)</u>		<u>(486,829)</u>	
<b>Net current liabilities</b>			(325,980)		(358,824)
<b>Total assets less current liabilities</b>			<u>286,199</u>		<u>263,355</u>
<b>Capital and reserves</b>					
Called up share capital	11		281,060		281,060
Profit and loss account	12		5,139		(17,705)
<b>Total shareholders' funds</b>	13		<u>286,199</u>		<u>263,355</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 21/10/02 and signed on its behalf by:



Muir Mackay  
Director

**MACKAYS OF DINGWALL LIMITED**

**CASH FLOW STATEMENT**

for the period 1 April 2001 to 31 December 2001

	<b>31 December 2001</b>		<b>31 March 2001</b>	
	<b>(9 months)</b>		<b>as restated</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>		30,406		9,340
<b>Returns on investments and servicing of finance</b>				
Interest received	3,352		3,545	
Dividends received	20,521		244	
		<hr/> 23,873		<hr/> 3,789
<b>Taxation</b>				
Corporation tax paid		(2,433)		-
<b>Capital expenditure and financial investment</b>				
Purchase of fixed asset investments	-		(57,418)	
Sale of fixed asset investments	-		41,899	
		<hr/> -		<hr/> (15,519)
<b>Increase/(decrease) in cash</b>		<hr/> <hr/> 51,846		<hr/> <hr/> (2,390)

See note 14 for the notes to this statement

## MACKAYS OF DINGWALL LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 December 2001

**1 Accounting policies****Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

**Turnover**

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

**Fixed asset investments**

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

**Pensions****Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**Non consolidation**

The company and its subsidiaries form a medium group. The company has taken advantage of the exemption provided by S248 of the Companies Act 1985 not to prepare group accounts.

**2 Operating profit**

	<b>31 December 2001</b> <b>(9 months)</b> £	<b>31 March 2001</b> <b>(12 months)</b> £
Operating profit is stated after crediting:		
Profit on sale of assets	-	7,352
and after charging:		
Staff costs (note 3)	59,040	80,647
Auditors' remuneration	950	-

**3 Directors and employees**

	<b>31 December 2001</b> <b>(9 months)</b> £	<b>31 March 2001</b> <b>(12 months)</b> £
<b>Staff costs including directors' emoluments</b>		
Wages and salaries	52,813	78,820
Social security costs	4,427	-
Pension costs	1,800	1,827
	59,040	80,647
	<b>Number</b>	<b>Number</b>
Average monthly number employed including executive directors:	4	4

**MACKAYS OF DINGWALL LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**31 December 2001**

**3 Directors and employees (cont)**

	<b>31 December 2001 (9 months) £</b>	<b>31 March 2001 (12 months) £</b>
<b>Directors</b>		
Directors' emoluments (including pension and benefits in kind)	30,574	-
	<u>          </u>	<u>          </u>
During the year the following number of directors accrued retirement benefits under:	Number	Number
Money purchase pension schemes	2	2
	<u>          </u>	<u>          </u>

**Pension costs**

**Defined contribution pension scheme**

The company operates a defined contribution scheme. 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 £1,800 (31 March 2001 £1,827) including contributions in respect of employees. No contributions were payable to the fund at 31 December 2001 (31 March 2001 £nil).

**4 Exceptional items**

	<b>31 December 2001 (9 months) £</b>	<b>31 March 2001 (12 months) £</b>
Write down of other investments	10,000	-
	<u>          </u>	<u>          </u>

**5 Investment income**

	<b>31 December 2001 (9 months) £</b>	<b>31 March 2001 (12 months) £</b>
Bank interest receivable	3,352	3,545
Dividend income – subsidiary undertakings	33,333	20,500
Dividend income – listed investments	21	244
	<u>          </u>	<u>          </u>
	36,706	24,289
	<u>          </u>	<u>          </u>

**6 Interest payable**

	<b>31 December 2001 (9 months) £</b>	<b>31 March 2001 (12 months) £</b>
Loan interest	24,538	35,434
	<u>          </u>	<u>          </u>

**MACKAYS OF DINGWALL LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**31 December 2001**

**7 Taxation**

	<b>31 December 2001</b> <b>(9 months)</b> £	<b>31 March 2001</b> <b>(12 months)</b> £
<i>Current tax</i>		
Corporation tax on profit on ordinary activities	-	-
Group relief	(2,847)	-
Adjustments in respect of previous periods	2,433	-
	<u>(414)</u>	<u>-</u>

*Factors affecting current period corporation tax*

The current period corporation tax assessed for the period is lower than the standard rate of corporation tax of 20% (March 2001 - 20%) for the following reasons:

	<b>31 December 2001</b> <b>(9 months)</b> £	<b>31 March 2001</b> <b>(12 months)</b> £
Profit before tax for the period	<u>72,930</u>	<u>7,702</u>
Corporation tax at the standard rate	14,586	1,540
<i>Effects of:</i>		
Group relief	2,847	-
Other adjustments	2,040	(705)
Franked investment income	(6,671)	(4,149)
Prior year adjustment	(12,802)	3,314
	<u>-</u>	<u>-</u>
Current tax charge for period	<u>-</u>	<u>-</u>

**8 Fixed asset investments**

	<b>Subsidiary</b> <b>undertakings</b> £	<b>Other</b> <b>investments</b> £	<b>Total</b> £
<b>Cost</b>			
1 April 2001 and 31 December 2001	<u>599,308</u>	<u>22,871</u>	<u>622,179</u>
<b>Amounts written off</b>			
1 April 2001	-	-	-
Provision in period	<u>-</u>	<u>10,000</u>	<u>10,000</u>
31 December 2001	<u>-</u>	<u>10,000</u>	<u>10,000</u>
<b>Net book amount</b>			
31 December 2001	<u>599,308</u>	<u>12,871</u>	<u>612,179</u>
1 April 2001	<u>599,308</u>	<u>22,871</u>	<u>622,179</u>

## MACKAYS OF DINGWALL LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 December 2001

## 8 Fixed asset investments (continued)

## Subsidiary undertakings

The company holds 16,966 ordinary £1 shares, being 74% of the issued share capital of Mackays Garage & Agricultural Company Limited, a Scottish registered company, whose principle activity is the operation of a Vauxhall franchise dealership in the Dingwall area. Mackays Garage & Agricultural Company Limited recorded a profit of £32,874 for the 9 month period to 31 December 2001 and had capital and reserves of £948,543 at that date.

The company holds 200,000 ordinary £1 shares, being 67% of the issued share capital of Autovision (Scotland) Limited, a Scottish registered company, whose principal activity is the operation of a Vauxhall franchise dealership in the Inverness area. Autovision (Scotland) Limited recorded a profit of £24,663 for the 9 month period to 31 December 2001 and had capital and reserves of £473,990 at that date.

At 31 December 2001 the company also held 5,656 ordinary £1 shares being 61% of the issued share capital of Robertson and Porter Limited, a Scottish registered company, whose principal activity is the rental of property. Robertson and Porter Limited recorded a profit of £34,867 for the 9 month period to 31 December 2001 and had capital and reserves of £469,226 at that date.

## Other investments

The company holds shares in quoted investments with a total cost of £22,871. The market value of these investments at 31 December 2001 was £6,007. In the opinion of the directors a diminution in value has taken place and a provision of £10,000 has been made against the cost of the investments.

## 9 Debtors

	31 December 2001	31 March 2001 as restated
	£	£
Amounts due from subsidiary undertakings	88,406	20,500
Other debtors	6,943	6,667
	<u>95,349</u>	<u>27,167</u>

## 10 Creditors: amounts falling due within one year

	31 December 2001	31 March 2001 as restated
	£	£
Trade creditors	588	-
Amounts owed to group undertakings	505,684	481,146
Other taxation and social security	12,741	5,333
Other creditors	54,000	-
Accruals and deferred income	1,000	350
	<u>574,013</u>	<u>486,829</u>

## MACKAYS OF DINGWALL LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 December 2001

## 11 Called up share capital

	31 December 2001		31 March 2001	
	Number of shares	£	Number of shares	£
<b>Authorised</b>				
Ordinary shares of £1 each	300,000	300,000	300,000	300,000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	281,060	281,060	281,060	281,060

## 12 Profit and loss account

	2001 £
1 April 2001 - as previously stated	23,374
Prior year adjustment	(41,079)
1 April 2001 as restated	(17,705)
Retained profit for the period	22,844
31 December 2001	5,139

## 13 Reconciliation of movements in shareholders' funds

	31 December 2001 (9 months) £	31 March 2001 as restated (12 months) £
<b>Profit for the financial period</b>	73,344	7,702
Dividends - proposed	(50,500)	-
<b>Net (subtraction from)/addition to shareholders' funds</b>	22,844	7,702
Opening shareholders' funds (originally £304,434 before adjusting for prior year adjustment of £41,079)	263,355	255,653
<b>Closing shareholders' funds</b>	286,199	263,355

## MACKAYS OF DINGWALL LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 December 2001

## 14 Notes to the cash flow statement

Reconciliation of operating profit  
to operating cash flows

	31 December 2001	31 March 2001 as restated
	(9 months)	(12 months)
	£	£
Operating profit	70,762	18,847
Profit on sale of fixed assets	-	(7,352)
Increase in debtors	(52,502)	(6,667)
Increase in creditors	36,684	39,946
Interest accrued	(24,538)	(35,434)
<b>Net cash inflow from operating activities</b>	<b>30,406</b>	<b>9,340</b>

## Analysis of changes in net funds

	At start of year	Cash flows	At end of year
	£	£	£
Cash at bank and in hand	100,838	51,846	152,684

## Reconciliation of net cash flow to movement in net funds

	31 December 2001	31 March 2001 as restated
	(9 months)	(12 months)
	£	£
Increase/(decrease) in cash in the period	51,846	(2,390)
Change in net funds resulting from cash flows	51,846	(2,390)
Net funds at 1 April 2001	100,838	103,228
<b>Net funds at 31 December 2001</b>	<b>152,684</b>	<b>100,838</b>

## 15 Related parties

During the period the company received management charges of £77,023 from its subsidiary undertaking Mackays Garage and Agricultural Company Limited. At 31 December 2001 £34,572 was outstanding and is included in debtors (note 9). Included in creditors falling due within one year (note 10) is £212,884 in respect of a loan from Mackays Garage and Agricultural Company Limited, on which interest is charged at 2% over base. Interest of £10,330 was accrued during the period.

During the period the company received management charges of £54,000 from its subsidiary undertaking Autovision (Scotland) Limited. £24,000 of these management charges were receivable from Macleods of Perth Limited (note 18) and were paid to the company via Autovision (Scotland) Limited.

Included in creditors falling due within one year (note 10) is £292,800 in respect of a loan from the subsidiary undertaking Robertson & Porter Limited, on which interest is charged at 2% over base. Interest of £14,208 was accrued during the period.



**MACKAYS OF DINGWALL LIMITED****NOTES ON FINANCIAL STATEMENTS****31 December 2001****16 Prior year adjustment**

The prior year adjustment arises from the following fundamental errors.

- Management charges receivable of £6,667 were excluded in the financial statements for the year ended 31 March 2001.
- Investment income of £20,500 receivable from a subsidiary undertaking was declared after the company's financial statements to 31 March 2001 were finalised and thus excluded from the accounts.
- Loan interest payable of £35,245 was excluded from the financial statements for the years ended 31 March 1998, 31 March 1999 and 31 March 2000. In the year to 31 March 2001 loan interest payable of £35,434 had been excluded from the financial statements, resulting in a decrease in the corporation tax charge of £2,433.

The cumulative effect of the above adjustments is to decrease shareholders funds by £41,079.

The effect of the adjustment on the restated result for the year ended 31 March 2001 is to increase management charges receivable by £6,667, increase investment income by £20,500 and increase loan interest payable by £35,434, resulting in a decrease in the corporation tax charge of £2,433. Therefore the reported profit has reduced by £5,834.

**17 Comparative figures**

The comparative figures for the year ended 31 March 2001 are unaudited.

**18 Post balance sheet event**

On 19 March 2002 the subsidiary undertaking Autovision (Scotland) Limited (note 8) purchased the entire share capital of Macleods of Perth Limited, a Scottish registered company whose principal activity is the operation of a Vauxhall franchise dealership in the Perth area. To facilitate the purchase, the ordinary share capital of Autovision (Scotland) Limited was increased by 200,000 ordinary £1 shares. Mackays of Dingwall Limited purchased 130,000 ordinary £1 shares, being 65% of the shares issued.