

DONALD MACKENZIE LIMITED
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2013

SC 52445

THURSDAY



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DONALD MACKENZIE LIMITED (REGISTERED NUMBER: SC058445)

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for the year ended 31 January 2013

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DONALD MACKENZIE LIMITED

COMPANY INFORMATION
for the year ended 31 January 2013

DIRECTORS:	D G MacKenzie Mrs C Y MacKenzie J Forbes J Macaulay J Beaton
SECRETARY:	Mrs C Y MacKenzie
REGISTERED OFFICE:	62 Seafield Road Inverness IV1 1SG
REGISTERED NUMBER:	SC058445
AUDITORS:	MacKenzie Kerr Limited Chartered Accountants Redwood 19 Culduthel Road Inverness IV2 4AA
BANKERS:	Royal Bank of Scotland plc Inverness Chief Office 29 Harbour Road Inverness IV1 1NU
SOLICITORS:	MacAndrew & Jenkins WS 5 Drummond Street Inverness IV1 1QF

**REPORT OF THE DIRECTORS
for the year ended 31 January 2013**

The directors present their report with the financial statements of the company for the year ended 31 January 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the retailing and servicing of motor vehicles.

REVIEW OF BUSINESS

Turnover for the year at £11,835,801 was up 5.3% on last year, however, the profit for the year decreased by £41,210. At the end of the year, the equity shareholders funds have risen from £4,362,211 to £4,618,642. Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Financial risk management

The company's financial instruments comprise cash at bank. The main purpose of this financial instrument is to maintain adequate finance for the company's operations.

The main risk arising from the company's financial instruments are interest rate fluctuations. It is the company's policy to finance its operations through its cash reserves and to review this periodically with regard to the projected cash flow requirements of the company.

Results

The profit for the year before taxation amounted to £317,961 (2012 - £359,171).

DIVIDENDS

A dividend of £5.88 per share was distributed during the year to 31 January 2013.

FIXED ASSETS

The movements in the fixed assets are set out in the notes to the accounts.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2012 to the date of this report.

D G MacKenzie
Mrs C Y MacKenzie
J Forbes
J Macaulay
J Beaton

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company contributed £40,548 to charities. £27,870 was donated to Christian organisations, £9,535 to organisations of a medical nature and £3,143 to other charitable organisations.

REPORT OF THE DIRECTORS
for the year ended 31 January 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

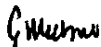
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, MacKenzie Kerr Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
D G MacKenzie - Director

Date: 21st October 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DONALD MACKENZIE LIMITED

We have audited the financial statements of Donald MacKenzie Limited for the year ended 31 January 2013 on pages six to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Qualified opinion arising from disagreement about accounting treatment

As discussed in note 1, included in the fixed assets shown on the balance sheet is an amount of £901,409 which relates to long leasehold property. Depreciation has not been provided for on the property, as required by Financial Reporting Standard 15 (FRS 15). The directors have chosen not to comply with FRS 15 on the grounds that the value of the property is in excess of the cost shown in the accounts. In our opinion a provision of £9,014 should have been made this year, reducing the profit before tax and net assets by that amount over the year and resulting in a property net book value of £658,495 (2012 - £667,509) when added to depreciation that should have been accounted for in previous years.

No impairment review has been carried out by the company in accordance with FRS 15 following the non depreciation of long leasehold property. In our opinion, an impairment review should have been carried out on the leasehold property by the company.

Qualified opinion arising from limitation in audit scope

With respect to retirement benefits, the evidence available to us was limited because the directors have not obtained a valuation sufficient to comply with the disclosure requirements of Financial Reporting Standard 17. There were no other satisfactory audit procedures that we could adopt to obtain this information.

Except for the financial effects of not making the adjustments referred to above, or such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the defined benefit pension scheme surplus or deficit, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2013 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

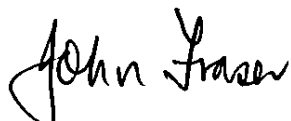
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DONALD MACKENZIE LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

The qualifications made in this report are not material for determining whether a distribution would contravene the Companies Act provisions.



John Fraser, MA, CA (Senior Statutory Auditor)
for and on behalf of MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Date: 22 October 2013

DONALD MACKENZIE LIMITED (REGISTERED NUMBER: SC058445)

PROFIT AND LOSS ACCOUNT
for the year ended 31 January 2013

	Notes	2013 £	2012 £
TURNOVER	2	11,835,801	11,238,727
Cost of sales		<u>10,423,693</u>	<u>9,801,323</u>
GROSS PROFIT		1,412,108	1,437,404
Distribution costs		505,222	502,593
Administrative expenses		<u>725,354</u>	<u>636,941</u>
		<u>1,230,576</u>	<u>1,139,534</u>
		181,532	297,870
Other operating income		<u>26,632</u>	<u>52,989</u>
OPERATING PROFIT	4	208,164	350,859
Income from fixed asset investments		6,697	14,451
Interest receivable and similar income		<u>27,382</u>	<u>25,552</u>
		<u>34,079</u>	<u>40,003</u>
		242,243	390,862
Investment write off	5	<u>(82,778)</u>	<u>26,462</u>
		325,021	364,400
Interest payable and similar charges	6	<u>7,060</u>	<u>5,229</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		317,961	359,171
Tax on profit on ordinary activities	7	<u>41,540</u>	<u>71,058</u>
PROFIT FOR THE FINANCIAL YEAR		<u>276,421</u>	<u>288,113</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

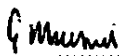
The notes form part of these financial statements

DONALD MACKENZIE LIMITED (REGISTERED NUMBER: SC058445)

BALANCE SHEET
31 January 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	9	978,240	985,484
Investments	10	<u>873,716</u>	<u>864,779</u>
		1,851,956	1,850,263
CURRENT ASSETS			
Stocks	11	1,647,102	1,628,067
Debtors	12	681,917	659,349
Cash at bank and in hand		<u>1,558,160</u>	<u>1,625,876</u>
		3,887,179	3,913,292
CREDITORS			
Amounts falling due within one year	13	<u>1,082,324</u>	<u>1,355,678</u>
NET CURRENT ASSETS		<u>2,804,855</u>	<u>2,557,614</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,656,811	4,407,877
PROVISIONS FOR LIABILITIES	15	<u>38,169</u>	<u>45,656</u>
NET ASSETS		<u>4,618,642</u>	<u>4,362,221</u>
CAPITAL AND RESERVES			
Called up share capital	16	3,400	3,400
Share premium	17	37,400	37,400
Capital redemption reserve	17	19,200	19,200
Profit and loss account	17	<u>4,558,642</u>	<u>4,302,221</u>
SHAREHOLDERS' FUNDS	20	<u>4,618,642</u>	<u>4,362,221</u>

The financial statements were approved by the Board of Directors on 11th October 2013 and were signed on its behalf by:


.....
D G MacKenzie - Director

The notes form part of these financial statements

DONALD MACKENZIE LIMITED (REGISTERED NUMBER: SC058445)**CASH FLOW STATEMENT**
for the year ended 31 January 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	1	3,569	260,893
Returns on investments and servicing of finance	2	27,019	34,774
Taxation		(142,682)	(96,868)
Capital expenditure and financial investment	2	40,058	(121,628)
Equity dividends paid		<u>(20,000)</u>	<u>-</u>
		(92,036)	77,171
Financing	2	<u>24,320</u>	<u>(83,128)</u>
Decrease in cash in the period		<u>(67,716)</u>	<u>(5,957)</u>
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(67,716)</u>	<u>(5,957)</u>
Change in net funds resulting from cash flows		<u>(67,716)</u>	<u>(5,957)</u>
Movement in net funds in the period		(67,716)	(5,957)
Net funds at 1 February		<u>1,625,876</u>	<u>1,631,833</u>
Net funds at 31 January		<u>1,558,160</u>	<u>1,625,876</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
 for the year ended 31 January 2013

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	208,164	350,859
Depreciation charges	26,981	25,412
Loss/(profit) on disposal of fixed assets	14,046	(739)
Increase in stocks	(19,035)	(309,891)
Increase in debtors	(22,568)	(21,024)
(Decrease)/increase in creditors	(204,019)	216,276
Net cash inflow from operating activities	<u>3,569</u>	<u>260,893</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	27,382	25,552
Interest paid	(7,060)	(5,229)
Dividends received	<u>6,697</u>	<u>14,451</u>
Net cash inflow for returns on investments and servicing of finance	<u>27,019</u>	<u>34,774</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(19,737)	(9,147)
Purchase of fixed asset investments	(229,991)	(213,959)
Sale of fixed asset investments	288,342	102,448
Increase in cash held by broker	<u>1,444</u>	<u>(970)</u>
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>40,058</u>	<u>(121,628)</u>
 Financing		
Amount introduced by directors	24,320	75,340
Amount withdrawn by directors	<u>-</u>	<u>(158,468)</u>
Net cash inflow/(outflow) from financing	<u>24,320</u>	<u>(83,128)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/2/12 £	Cash flow £	At 31/1/13 £
Net cash:			
Cash at bank and in hand	<u>1,625,876</u>	<u>(67,716)</u>	<u>1,558,160</u>
	<u>1,625,876</u>	<u>(67,716)</u>	<u>1,558,160</u>
 Total	<u>1,625,876</u>	<u>(67,716)</u>	<u>1,558,160</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers during the year.

Tangible fixed assets

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Plant and machinery	-	Over 4 to 10 years
Office equipment	-	Over 4 to 10 years

No depreciation is provided for on leasehold property, which represents a departure from Financial Reporting Standard 15 and the Companies Act 2006.

Stocks

Stocks are valued at the lower of cost and net realisable value. Consignment stock is also held by the company on its premises but is not included in the accounts because title is held by the manufacturer.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets and liabilities are not discounted.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2013

1. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

The company operates a funded defined benefit pension scheme providing benefits based on final pensionable pay. The company closed this defined benefit scheme to future member contributions on 30 June 2008. The assets of the scheme are held separately from those of the company, being invested in units in a segregated fund managed by an external investment manager. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation was made as at 5 April 2010. The only contributions in future will be by the company to finance the past service deficit. The directors have not obtained a valuation sufficient to comply with the disclosure requirements of Financial Reporting Standard 17.

The valuation was made using the defined accrued benefit method. The principal assumptions used were:

- (i) a future inflation rate of 3.9% p.a.
- (ii) deferred pension increases of 3.9%.
- (iii) pension increases in payment of 3.6% or 2.3%
- (iv) a rate used to discount scheme liabilities before retirement of 5.5%.
- (v) a rate used to discount scheme liabilities after retirement of 4.5%.

The market value of the assets of the scheme at the valuation date was £1,576,208 with a past service deficit of £221,000.

From April 2008, the company operated a defined contribution pension scheme.

The pension charge for the year was £92,770 (2012 - £82,587). Contributions outstanding at the balance sheet date amounted to £6,474 (2012 - £6,240).

Contributions in respect of three directors are made to a defined contribution scheme and are charged to the profit and loss account for the year in which they are payable to the scheme. The pension charge for the year was £8,436 (2012 - £8,368).

Fixed asset investments

Fixed asset investments are stated at cost less amounts written off investments at the balance sheet date.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activities of retailing, repairing and servicing motor vehicles. The company operates in the UK and the whole of its turnover is to the UK market.

3. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	1,159,667	1,159,489
Social security costs	104,433	108,553
Other pension costs	92,770	82,597
	<u>1,356,870</u>	<u>1,350,639</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2013

3. STAFF COSTS - continued

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

	2013	2012
Administration	14	14
Sales	15	16
Service	<u>24</u>	<u>25</u>
	<u>53</u>	<u>55</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013 £	2012 £
Other operating leases	1,298	(1,634)
Depreciation - owned assets	26,981	25,412
Loss/(profit) on disposal of fixed assets	14,046	(739)
Auditors' remuneration	7,000	7,000
Auditors' remuneration for non audit work	<u>500</u>	<u>500</u>
Directors' remuneration	192,088	190,718
Directors' pension contributions to money purchase schemes	<u>8,436</u>	<u>8,368</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	3
Defined benefit schemes	<u>5</u>	<u>5</u>

5. INVESTMENT WRITE OFF

	2013 £	2012 £
Investment write off (reversed)	<u>(82,778)</u>	<u>26,462</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Bank interest	<u>7,060</u>	<u>5,229</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2013

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2013 £	2012 £
Current tax:		
UK corporation tax	49,029	85,267
Overprovision in previous year	<u>(2)</u>	<u>(7,595)</u>
Total current tax	49,027	77,672
Deferred tax	<u>(7,487)</u>	<u>(6,614)</u>
Tax on profit on ordinary activities	<u>41,540</u>	<u>71,058</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>317,961</u>	<u>359,171</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 26.323%)	63,592	94,545
Effects of:		
Expenses not deductible for tax purposes	(17,895)	3,162
Capital allowances in excess of depreciation	3,285	2,244
Adjustment re marginal relief	-	(16,327)
Other differences	47	1,643
Adjustments to tax charge in respect of previous periods	<u>(2)</u>	<u>(7,595)</u>
Current tax charge	<u>49,027</u>	<u>77,672</u>

8. DIVIDENDS

	2013 £	2012 £
Ordinary shares of £1 each		
Final	<u>20,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2013

9. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Office equipment £	Totals £
COST				
At 1 February 2012	901,409	288,987	70,094	1,260,490
Additions	-	19,015	722	19,737
At 31 January 2013	901,409	308,002	70,816	1,280,227
DEPRECIATION				
At 1 February 2012	-	223,060	51,946	275,006
Charge for year	-	21,058	5,923	26,981
At 31 January 2013	-	244,118	57,869	301,987
NET BOOK VALUE				
At 31 January 2013	901,409	63,884	12,947	978,240
At 31 January 2012	901,409	65,927	18,148	985,484

As explained in note 1, depreciation has not been provided for on leasehold property. If full provision had been made the depreciation charge would have been increased by £9,014.

10. FIXED ASSET INVESTMENTS

	2013 £	2012 £
Listed investments	865,139	854,758
Cash at brokers	8,577	10,021
	<u>873,716</u>	<u>864,779</u>

Additional information is as follows:

	Listed investments £
COST	
At 1 February 2012	1,260,722
Additions	229,991
Disposals	(302,388)
At 31 January 2013	<u>1,188,325</u>
PROVISIONS	
At 1 February 2012	405,964
Provision for year	(82,778)
At 31 January 2013	<u>323,186</u>
NET BOOK VALUE	
At 31 January 2013	<u>865,139</u>
At 31 January 2012	<u>854,758</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2013

10. FIXED ASSET INVESTMENTS - continued

	Cash at brokers
	£
At 1 February 2012	10,021
Repayment in year	<u>(1,444)</u>
At 31 January 2013	<u>8,577</u>

The market value of investments included in the balance sheet at cost was £1,027,160 (2012 - £953,755).

11. STOCKS

	2013	2012
	£	£
Stocks	<u>1,647,102</u>	<u>1,628,067</u>

12. DEBTORS

	2013	2012
	£	£
Amounts falling due within one year:		
Trade debtors	468,291	426,599
Other debtors	7,151	21,605
Prepayments	<u>50,444</u>	<u>44,145</u>
	<u>525,886</u>	<u>492,349</u>

Amounts falling due after more than one year:

Other debtors	<u>156,031</u>	<u>167,000</u>
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Aggregate amounts

<u>681,917</u>	<u>659,349</u>
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13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	588,566	829,368
Tax	49,029	142,684
Social security and other taxes	35,814	33,675
VAT	111,498	63,605
Other creditors	159,300	166,094
Directors' current accounts	105,374	81,054
Accrued expenses	<u>32,743</u>	<u>39,198</u>
	<u>1,082,324</u>	<u>1,355,678</u>

14. SECURED DEBTS

The bank holds a guarantee of £92,000 granted in favour of Fiat Auto Financial Services Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2013

15. PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Deferred taxation	<u>38,169</u>	<u>45,656</u>
		Deferred tax £
Balance at 1 February 2012		45,656
Decrease in provision		(3,130)
Reduction due to rate change		<u>(4,357)</u>
Balance at 31 January 2013		<u>38,169</u>

The deferred tax provision relates to accelerated capital allowances and other short term timing differences.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2013 £	2012 £
3,400	Ordinary		<u>3,400</u>	<u>3,400</u>

17. RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 February 2012	4,302,221	37,400	19,200	4,358,821
Profit for the year	276,421			276,421
Dividends	<u>(20,000)</u>			<u>(20,000)</u>
At 31 January 2013	<u>4,558,642</u>	<u>37,400</u>	<u>19,200</u>	<u>4,615,242</u>

18. RELATED PARTY DISCLOSURES

D G MacKenzie

A director of the company

Loans to the value of £20,000 were received during the year.

	2013 £	2012 £
Amount due to related party at the balance sheet date	<u>75,830</u>	<u>55,830</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2013

18. RELATED PARTY DISCLOSURES - continued

Mrs C Y MacKenzie

A director of the company

Loans to the value of £4,320 were received during the year.

	2013 £	2012 £
Amount due to related party at the balance sheet date	<u>29,544</u>	<u>25,224</u>

A & I Quality Butchers

one of whose partners is the brother in law of George Mackenzie

Sales to the value of £1,690 were made during the year. The balance on the loan advanced to the partnership remained at £27,502

	2013 £	2012 £
Amount due from related party at the balance sheet date	<u>36,397</u>	<u>34,460</u>

19. ULTIMATE CONTROLLING PARTY

The controlling party is D G MacKenzie.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	276,421	288,113
Dividends	<u>(20,000)</u>	<u>-</u>
Net addition to shareholders' funds	256,421	288,113
Opening shareholders' funds	<u>4,362,221</u>	<u>4,074,108</u>
Closing shareholders' funds	<u>4,618,642</u>	<u>4,362,221</u>