

DONALD MACKENZIE LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017



DONALD MACKENZIE LIMITED

COMPANY INFORMATION
for the year ended 31 January 2017

DIRECTORS:

D G MacKenzie
J Forbes
J Macaulay
J Beaton
D Mackenzie
R Mackenzie

SECRETARY:

D G MacKenzie

REGISTERED OFFICE:

62 Seafield Road
Inverness
IV1 1SG

REGISTERED NUMBER:

SC058445 (Scotland)

AUDITORS:

MacKenzie Kerr Limited
Chartered Accountants and
Statutory Auditor
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

STRATEGIC REPORT
for the year ended 31 January 2017

The directors present their strategic report for the year ended 31 January 2017.

REVIEW OF BUSINESS

Donald Mackenzie Limited holds the new vehicle franchises for Abarth, Alfa Romeo, Izuzu, Jeep and Fiat cars and commercials. In addition to being an authorised service centre for these franchises, Donald Mackenzie Limited is a Toyota and Chevrolet authorised service centre.

The body shop is approved by many large insurance companies.

Turnover increased during the year to £11,461,239 and equity shareholders funds increased to £6,599,316.

It is anticipated that during 2017 the premises at 62 Seafield Road will be facelifted to provide improved representation for the Alfa Romeo, Jeep and Abarth brands.

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 maintained for the foreseeable future.

Results

The operating profit for the year amounted to £224,529 (2016 - £126,446) and the profit for the year before taxation was £407,836 (2016 - £91,071).

PRINCIPAL RISKS AND UNCERTAINTIES

The company's financial instruments comprise cash instruments only. The main purpose of the financial instruments 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.

ON BEHALF OF THE BOARD:



D G MacKenzie - Director

18 May 2017

DONALD MACKENZIE LIMITED

REPORT OF THE DIRECTORS for the year ended 31 January 2017

The directors present their report with the financial statements of the company for the year ended 31 January 2017.

DIVIDENDS

A dividend of £8.82 per share was distributed during the year to 31 January 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2016 to the date of this report.

D G MacKenzie
J Forbes
J Macaulay
J Beaton
D Mackenzie
R Mackenzie

Other changes in directors holding office are as follows:

Mrs C Y MacKenzie - resigned 31 March 2016

POLITICAL DONATIONS AND EXPENDITURE

During the year donations totalling £31,058 were made. These were split between local charities, £11,608 and national charities, £19,450.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.


DONALD MACKENZIE LIMITED

**REPORT OF THE DIRECTORS
for the year ended 31 January 2017**

AUDITORS

The auditors, MacKenzie Kerr Limited, will be proposed for re-appointment.

ON BEHALF OF THE BOARD:



D G MacKenzie - Director

18 May 2017

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 2017 on pages seven to twenty one. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

With respect to retirement benefits, the evidence available to us was limited as the directors have not obtained a valuation sufficient to comply with the disclosure requirements of FRS 102, as the most recent actuarial valuation was made as at 31 August 2015. The details of this valuation are included in the accounting policies on page 14. There were no other satisfactory audit procedures that we could adopt to obtain this information.

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2017 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 Strategic Report and 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

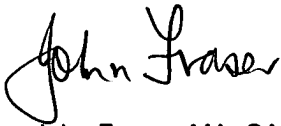
In respect solely of the limitation on our work relating to retirement benefits, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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.

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 and
Statutory Auditor
Redwood
19 Culduthel Road
Inverness
IV2 4AA

18 May 2017

DONALD MACKENZIE LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 January 2017

	Notes	2017 £	£	2016 £	£
TURNOVER			11,461,239		11,298,965
Cost of sales			9,964,208		10,005,987
GROSS PROFIT			1,497,031		1,292,978
Distribution costs		573,775		545,460	
Administrative expenses		748,529		707,167	
			1,322,304		1,252,627
			174,727		40,351
Other operating income			49,802		86,095
OPERATING PROFIT	4		224,529		126,446
Income from fixed asset investments		9,641		13,898	
Interest receivable and similar income		6,071		8,503	
			15,712		22,401
			240,241		148,847
Investment write off	5		(174,402)		56,360
			414,643		92,487
Interest payable and similar expenses	6		6,807		1,416
PROFIT BEFORE TAXATION			407,836		91,071
Tax on profit	7		51,606		25,255
PROFIT FOR THE FINANCIAL YEAR			356,230		65,816

The notes form part of these financial statements

DONALD MACKENZIE LIMITED**OTHER COMPREHENSIVE INCOME
for the year ended 31 January 2017**

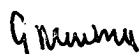
	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		356,230	65,816
OTHER COMPREHENSIVE INCOME			
Revaluation of property		-	1,513,081
Income tax relating to other comprehensive income		-	(160,335)
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	1,352,746
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>356,230</u>	<u>1,418,562</u>

The notes form part of these financial statements

BALANCE SHEET
31 January 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	2,473,000	2,486,886
Investments	10	1,249,921	884,100
		<u>3,722,921</u>	<u>3,370,986</u>
CURRENT ASSETS			
Stocks	11	2,303,935	1,723,455
Debtors	12	735,146	783,874
Cash at bank and in hand		1,035,242	1,473,466
		<u>4,074,323</u>	<u>3,980,795</u>
CREDITORS			
Amounts falling due within one year	13	997,457	880,571
		<u>997,457</u>	<u>880,571</u>
NET CURRENT ASSETS		<u>3,076,866</u>	<u>3,100,224</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,799,787</u>	<u>6,471,210</u>
PROVISIONS FOR LIABILITIES	15	200,471	198,124
		<u>200,471</u>	<u>198,124</u>
NET ASSETS		<u><u>6,599,316</u></u>	<u><u>6,273,086</u></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
Retained earnings	17	6,539,316	6,213,086
		<u>6,599,316</u>	<u>6,273,086</u>
SHAREHOLDERS' FUNDS		<u><u>6,599,316</u></u>	<u><u>6,273,086</u></u>

The financial statements were approved by the Board of Directors on 18 May 2017 and were signed on its behalf by:



D G MacKenzie - Director

DONALD MACKENZIE LIMITED**STATEMENT OF CHANGES IN EQUITY**
for the year ended 31 January 2017

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 February 2015	3,400	4,814,524	37,400	19,200	4,874,524
Changes in equity					
Dividends	-	(20,000)	-	-	(20,000)
Total comprehensive income	-	1,418,562	-	-	1,418,562
Balance at 31 January 2016	<u>3,400</u>	<u>6,213,086</u>	<u>37,400</u>	<u>19,200</u>	<u>6,273,086</u>
Changes in equity					
Dividends	-	(30,000)	-	-	(30,000)
Total comprehensive income	-	356,230	-	-	356,230
Balance at 31 January 2017	<u><u>3,400</u></u>	<u><u>6,539,316</u></u>	<u><u>37,400</u></u>	<u><u>19,200</u></u>	<u><u>6,599,316</u></u>

The notes form part of these financial statements

DONALD MACKENZIE LIMITED

CASH FLOW STATEMENT
for the year ended 31 January 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	(146,926)	(57,104)
Interest paid		(6,807)	(1,416)
Tax paid		(23,868)	(41,574)
Net cash from operating activities		<u>(177,601)</u>	<u>(100,094)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,479)	(37,551)
Purchase of fixed asset investments		(202,203)	(105,971)
Sale of fixed asset investments		11,219	110,545
Increase/Decrease in cash held by broker		(7,161)	3,063
Interest received		6,071	8,503
Dividends received		9,641	13,898
Net cash from investing activities		<u>(187,912)</u>	<u>(7,513)</u>
Cash flows from financing activities			
Amount introduced by directors		30,001	133,229
Amount withdrawn by directors		(72,712)	(37,118)
Equity dividends paid		(30,000)	(20,000)
Net cash from financing activities		<u>(72,711)</u>	<u>76,111</u>
Decrease in cash and cash equivalents		<u>(438,224)</u>	<u>(31,496)</u>
Cash and cash equivalents at beginning of year	2	1,473,466	1,504,962
Cash and cash equivalents at end of year	2	<u><u>1,035,242</u></u>	<u><u>1,473,466</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 January 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017 £	2016 £
Profit before taxation	407,836	91,071
Depreciation charges	19,365	21,514
Loss/(profit) on disposal of fixed assets	9,606	(11,217)
Investment write off	(177,282)	56,360
Finance costs	6,807	1,416
Finance income	(15,712)	(22,401)
	<u>250,620</u>	<u>136,743</u>
Increase in stocks	(580,480)	(28,037)
Decrease/(increase) in trade and other debtors	48,728	(123,028)
Increase/(decrease) in trade and other creditors	134,206	(42,782)
	<u>(146,926)</u>	<u>(57,104)</u>
Cash generated from operations	(146,926)	(57,104)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 January 2017

	31/1/17 £	1/2/16 £
Cash and cash equivalents	<u>1,035,242</u>	<u>1,473,466</u>

Year ended 31 January 2016

	31/1/16 £	1/2/15 £
Cash and cash equivalents	<u>1,473,466</u>	<u>1,504,962</u>

1. STATUTORY INFORMATION

Donald Mackenzie Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of new and used vehicles, parts and services to customers during the year, wholly undertaken in the UK.

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

At the balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any such items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as income immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

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.

2. ACCOUNTING POLICIES - continued

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued, non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

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 31 August 2015. The only contributions in future will be by the company to finance the past service deficit.

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

- (i) a future inflation rate of 2.9% p.a.
- (ii) deferred pension increases of 2.9%.
- (iii) pension increases in payment of 2.5% to 3.4%
- (iv) a rate used to discount scheme liabilities before retirement of 4.0%.
- (v) a rate used to discount scheme liabilities after retirement of 2.75%.

The market value of the assets of the scheme at the valuation date was £2,411,684 with a past service deficit of £199,000, reduced from £694,000 in 2012, the previous valuation date.

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

The pension charge for the year was £82,429 (2016 - £77,504). Contributions outstanding at the balance sheet date amounted to £8,096 (2016 - £6,932).

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 £9,182 (2016 - £8,439).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2017

2. ACCOUNTING POLICIES - continued

Fixed asset investments

Fixed asset investments are stated at fair value at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	1,422,393	1,334,719
Social security costs	129,944	124,044
Other pension costs	122,241	112,131
	<u>1,674,578</u>	<u>1,570,894</u>

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

	2017	2016
Administration	15	15
Sales	15	15
Service	30	27
	<u>60</u>	<u>57</u>

	2017 £	2016 £
Directors' remuneration	185,010	186,385
Directors' pension contributions to money purchase schemes	<u>9,182</u>	<u>8,439</u>

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

	2017	2016
Money purchase schemes	3	3
Defined benefit schemes	<u>5</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2017

4. OPERATING PROFIT

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

	2017	2016
	£	£
Depreciation - owned assets	19,365	21,514
Loss/(profit) on disposal of fixed assets	9,606	(11,217)
Auditors' remuneration	8,900	7,000
Auditors' remuneration for non audit work	200	200
	<u> </u>	<u> </u>

5. INVESTMENT WRITE OFF

	2017	2016
	£	£
Investment write off	-	56,360
Investment write back	(174,402)	-
	<u>(174,402)</u>	<u>56,360</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Other interest and stocking charges	6,807	1,416
	<u>6,807</u>	<u>1,416</u>

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

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	49,259	23,868
Deferred tax	2,347	1,387
Tax on profit	<u>51,606</u>	<u>25,255</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2017

7. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

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

	2017 £	2016 £
Profit before tax	<u>407,836</u>	<u>91,071</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	81,567	18,214
Effects of:		
Expenses not deductible for tax purposes	(36,809)	8,492
Capital allowances in excess of depreciation	-	(2,873)
Depreciation in excess of capital allowances	4,268	-
Other differences	233	35
Deferred tax	<u>2,347</u>	<u>1,387</u>
Total tax charge	<u>51,606</u>	<u>25,255</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 January 2017.

	Gross £	2016 Tax £	Net £
Revaluation of property	1,513,081	(160,335)	1,352,746
	<u>1,513,081</u>	<u>(160,335)</u>	<u>1,352,746</u>

8. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Final	<u>30,000</u>	<u>20,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2017

9. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Office equipment £	Totals £
COST OR VALUATION				
At 1 February 2016	2,430,000	338,597	58,169	2,826,766
Additions	-	2,700	2,779	5,479
Disposals	-	(2,002)	(6,016)	(8,018)
At 31 January 2017	2,430,000	339,295	54,932	2,824,227
DEPRECIATION				
At 1 February 2016	-	293,403	46,477	339,880
Charge for year	-	12,824	6,541	19,365
Eliminated on disposal	-	(2,002)	(6,016)	(8,018)
At 31 January 2017	-	304,225	47,002	351,227
NET BOOK VALUE				
At 31 January 2017	2,430,000	35,070	7,930	2,473,000
At 31 January 2016	2,430,000	45,194	11,692	2,486,886

Cost or valuation at 31 January 2017 is represented by:

	Long leasehold £	Plant and machinery £	Office equipment £	Totals £
Valuation in 2016	1,513,081	-	-	1,513,081
Cost	916,919	339,295	54,932	1,311,146
	2,430,000	339,295	54,932	2,824,227

10. FIXED ASSET INVESTMENTS

	2017 £	2016 £
Listed investments	1,240,442	881,782
Cash at brokers	9,479	2,318
	1,249,921	884,100

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2017

10. FIXED ASSET INVESTMENTS - continued

Additional information is as follows:

	Listed investments £
COST	
At 1 February 2016	1,157,591
Additions	202,203
Disposals	(20,825)
At 31 January 2017	1,338,969
PROVISIONS	
At 1 February 2016	275,809
Provision for year	(177,282)
At 31 January 2017	98,527
NET BOOK VALUE	
At 31 January 2017	1,240,442
At 31 January 2016	881,782
	Cash at brokers £
At 1 February 2016	2,318
New in year	7,161
At 31 January 2017	9,479

11. STOCKS

	2017 £	2016 £
Stocks	2,303,935	1,723,455

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	395,435	373,439
Other debtors	309,976	381,925
Prepayments	29,735	28,510
	735,146	783,874

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2017

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	603,728	394,689
Tax	49,259	23,868
Social security and other taxes	3,800	38,015
VAT	86,258	111,241
Other creditors	44,056	61,665
Directors' current accounts	180,662	223,373
Accrued expenses	29,694	27,720
	<u>997,457</u>	<u>880,571</u>

14. SECURED DEBTS

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

15. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred taxation	<u>200,471</u>	<u>198,124</u>
		Deferred tax £
Balance at 1 February 2016		198,124
Provided during year		<u>2,347</u>
Balance at 31 January 2017		<u>200,471</u>

The deferred tax provision is comprised as follows:

	2017 £	2016 £
Deferred taxation relating to accelerated capital allowances	40,136	37,789
Deferred taxation on revaluation of property	<u>160,335</u>	<u>160,335</u>
	<u>200,471</u>	<u>198,124</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
3,400	Ordinary	£1	<u>3,400</u>	<u>3,400</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 January 2017

17. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 February 2016	6,213,086	37,400	19,200	6,269,686
Profit for the year	356,230			356,230
Dividends	(30,000)			(30,000)
At 31 January 2017	<u>6,539,316</u>	<u>37,400</u>	<u>19,200</u>	<u>6,595,916</u>

Included in the profit and loss reserve are non-distributable reserves of £1,352,746.

18. ULTIMATE CONTROLLING PARTY

The controlling party is D G MacKenzie.