

SC058445

**DONALD MACKENZIE LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2014**

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**DONALD MACKENZIE LIMITED**

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**for the year ended 31 January 2014**

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**DONALD MACKENZIE LIMITED**

**COMPANY INFORMATION**  
for the year ended 31 January 2014

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

**DONALD MACKENZIE LIMITED**

**STRATEGIC REPORT**  
**for the year ended 31 January 2014**

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The directors present their strategic report for the year ended 31 January 2014.

**REVIEW OF BUSINESS**

Turnover for the year at £9,992,091 was down 15.6% on last year, with the resulting decrease in profit of £214,000. At the end of the year, the equity shareholders funds have risen from £4,618,642 to £4,661,063.

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.

**Results**

The profit for the year before taxation amounted to £62,421 (2013 - £317,961).

**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

Date: 21 May 2014

## **DONALD MACKENZIE LIMITED**

### **REPORT OF THE DIRECTORS for the year ended 31 January 2014**

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The directors present their report with the financial statements of the company for the year ended 31 January 2014.

#### **DIVIDENDS**

A dividend of £5.88 per share was distributed during the year to 31 January 2014.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 February 2013 to the date of this report.

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

#### **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.

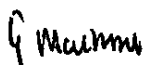
#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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: 21 May 2014

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

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We have audited the financial statements of Donald Mackenzie Limited for the year ended 31 January 2014 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 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.

### **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 £649,481 (2013 - £658,495) 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 2014 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.

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

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**Opinion on other matter prescribed by the Companies Act 2006**

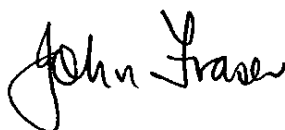
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 and  
Statutory Auditor  
Redwood  
19 Culduthel Road  
Inverness  
IV2 4AA

Date: 21 May 2014

**DONALD MACKENZIE LIMITED**

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 January 2014

	Notes	2014 £	£	2013 £	£
<b>TURNOVER</b>	2		9,992,091		11,835,801
Cost of sales			8,912,409		10,423,693
<b>GROSS PROFIT</b>			1,079,682		1,412,108
Distribution costs		543,001		505,222	
Administrative expenses		707,748		725,354	
			1,250,749		1,230,576
			(171,067)		181,532
Other operating income			154,843		26,632
<b>OPERATING (LOSS)/PROFIT</b>	4		(16,224)		208,164
Income from fixed asset investments		13,384		6,697	
Interest receivable and similar income		12,587		27,382	
			25,971		34,079
			9,747		242,243
Investment write off	5		(59,702)		(82,778)
			69,449		325,021
Interest payable and similar charges	6		7,028		7,060
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			62,421		317,961
Tax on profit on ordinary activities	7		(18,874)		41,540
<b>PROFIT FOR THE FINANCIAL YEAR</b>			81,295		276,421

**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 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	9	963,770	978,240
Investments	10	634,475	873,716
		<u>1,598,245</u>	<u>1,851,956</u>
<b>CURRENT ASSETS</b>			
Stocks	11	1,517,374	1,647,102
Debtors	12	554,116	681,917
Cash at bank and in hand		1,919,427	1,558,160
		<u>3,990,917</u>	<u>3,887,179</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	873,146	1,082,324
<b>NET CURRENT ASSETS</b>		<u>3,117,771</u>	<u>2,804,855</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,716,016</u>	<u>4,656,811</u>
<b>PROVISIONS FOR LIABILITIES</b>	15	36,079	38,169
<b>NET ASSETS</b>		<u><u>4,679,937</u></u>	<u><u>4,618,642</u></u>
<b>CAPITAL AND RESERVES</b>			
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	4,619,937	4,558,642
<b>SHAREHOLDERS' FUNDS</b>	20	<u><u>4,679,937</u></u>	<u><u>4,618,642</u></u>

The financial statements were approved by the Board of Directors on <sup>21</sup> May 2014 and were signed on its behalf by:

  
 .....  
 D G MacKenzie - Director

The notes form part of these financial statements

**DONALD MACKENZIE LIMITED****CASH FLOW STATEMENT  
for the year ended 31 January 2014**

	Notes	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	1	(16,311)	3,569
Returns on investments and servicing of finance	2	18,943	27,019
Taxation		(49,029)	(142,682)
Capital expenditure and financial investment	2	412,307	40,058
Equity dividends paid		(20,000)	(20,000)
		345,910	(92,036)
Financing	2	15,357	24,320
Increase/(decrease) in cash in the period		361,267	(67,716)
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase/(decrease) in cash in the period		361,267	(67,716)
Change in net funds resulting from cash flows		361,267	(67,716)
Movement in net funds in the period		361,267	(67,716)
Net funds at 1 February		1,558,160	1,625,876
Net funds at 31 January		1,919,427	1,558,160

The notes form part of these financial statements

**DONALD MACKENZIE LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
for the year ended 31 January 2014

**1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating (loss)/profit	(16,224)	208,164
Depreciation charges	23,128	26,981
(Profit)/loss on disposal of fixed assets	(122,022)	14,046
Decrease/(increase) in stocks	129,728	(19,035)
Decrease/(increase) in debtors	144,585	(22,568)
Decrease in creditors	(175,506)	(204,019)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(16,311)</b>	<b>3,569</b>

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

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	12,587	27,382
Interest paid	(7,028)	(7,060)
Dividends received	13,384	6,697
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>18,943</b>	<b>27,019</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(8,658)	(19,737)
Purchase of fixed asset investments	(187,376)	(229,991)
Sale of fixed asset investments	600,930	288,342
Decrease in cash held by broker	7,411	1,444
<b>Net cash inflow for capital expenditure and financial investment</b>	<b>412,307</b>	<b>40,058</b>
<b>Financing</b>		
Amount introduced by directors	15,357	24,320
<b>Net cash inflow from financing</b>	<b>15,357</b>	<b>24,320</b>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/2/13 £	Cash flow £	At 31/1/14 £
Net cash:			
Cash at bank and in hand	1,558,160	361,267	1,919,427
	<u>1,558,160</u>	<u>361,267</u>	<u>1,919,427</u>
<b>Total</b>	<b><u>1,558,160</u></b>	<b><u>361,267</u></b>	<b><u>1,919,427</u></b>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 January 2014

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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 2014**

**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 31 August 2012. 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 2.1% p.a.
- (ii) deferred pension increases of 2.1%.
- (iii) pension increases in payment of 0% to 2.6%
- (iv) a rate used to discount scheme liabilities before retirement of 3.5%.
- (v) a rate used to discount scheme liabilities after retirement of 2.5%.

The market value of the assets of the scheme at the valuation date was £1,882,773 with a past service deficit of £694,000.

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

The pension charge for the year was £104,514 (2013 - £92,770). Contributions outstanding at the balance sheet date amounted to £6,585 (2013 - £6,474).

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 £9,061 (2013 - £8,436).

**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**

	2014	2013
	£	£
Wages and salaries	1,209,779	1,159,667
Social security costs	112,042	104,433
Other pension costs	104,515	92,770
	<u>1,426,336</u>	<u>1,356,870</u>

**DONALD MACKENZIE LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 January 2014****3. STAFF COSTS - continued**

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

	2014	2013
Administration	14	14
Sales	15	15
Service	24	24
	<u>53</u>	<u>53</u>

**4. OPERATING (LOSS)/PROFIT**

The operating loss (2013 - operating profit) is stated after charging/(crediting):

	2014	2013
	£	£
Other operating leases	(550)	1,298
Depreciation - owned assets	23,128	26,981
(Profit)/loss on disposal of fixed assets	(122,022)	14,046
Auditors' remuneration	7,000	7,000
Auditors' remuneration for non audit work	500	500
	<u>193,572</u>	<u>192,088</u>
Directors' remuneration	9,061	8,436
Directors' pension contributions to money purchase schemes	<u>9,061</u>	<u>8,436</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**

	2014	2013
	£	£
Investment write off (reversed)	<u>(59,702)</u>	<u>(82,778)</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
Bank interest	<u>7,028</u>	<u>7,060</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 January 2014**

**7. TAXATION****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax	(16,784)	49,029
Overprovision in previous year	-	(2)
Total current tax	(16,784)	49,027
Deferred tax	(2,090)	(7,487)
Tax on profit on ordinary activities	<u>(18,874)</u>	<u>41,540</u>

**Factors affecting the tax (credit)/charge**

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

	2014 £	2013 £
Profit on ordinary activities before tax	<u>62,421</u>	<u>317,961</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	12,484	63,592
Effects of:		
Expenses not deductible for tax purposes	(14,617)	(17,895)
Capital allowances in excess of depreciation	(22,291)	-
Depreciation in excess of capital allowances	-	3,285
Utilisation of tax losses	24,402	-
Adjustments to tax charge in respect of previous periods	(16,784)	(2)
Other differences	22	47
Current tax (credit)/charge	<u>(16,784)</u>	<u>49,027</u>

**8. DIVIDENDS**

	2014 £	2013 £
Ordinary shares of £1 each		
Final	<u>20,000</u>	<u>20,000</u>

**DONALD MACKENZIE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 January 2014

**9. TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Office equipment £	Totals £
<b>COST</b>				
At 1 February 2013	901,409	308,002	70,816	1,280,227
Additions	-	7,091	1,567	8,658
At 31 January 2014	901,409	315,093	72,383	1,288,885
<b>DEPRECIATION</b>				
At 1 February 2013	-	244,118	57,869	301,987
Charge for year	-	17,225	5,903	23,128
At 31 January 2014	-	261,343	63,772	325,115
<b>NET BOOK VALUE</b>				
At 31 January 2014	901,409	53,750	8,611	963,770
At 31 January 2013	901,409	63,884	12,947	978,240

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**

	2014 £	2013 £
Listed investments	633,309	865,139
Cash at brokers	1,166	8,577
	<u>634,475</u>	<u>873,716</u>

Additional information is as follows:

	Listed investments £
<b>COST</b>	
At 1 February 2013	1,188,325
Additions	187,376
Disposals	(478,908)
At 31 January 2014	896,793
<b>PROVISIONS</b>	
At 1 February 2013	323,186
Provision for year	(59,702)
At 31 January 2014	263,484
<b>NET BOOK VALUE</b>	
At 31 January 2014	633,309
At 31 January 2013	865,139



**DONALD MACKENZIE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 January 2014

**10. FIXED ASSET INVESTMENTS - continued**

	Cash at brokers
	£
At 1 February 2013	8,577
New in year	1,166
Repayment in year	(8,577)
	<u>1,166</u>
At 31 January 2014	<u>1,166</u>

The market value of investments included in the balance sheet at cost was £658,481 (2013 - £1,027,160).

**11. STOCKS**

	2014	2013
	£	£
Stocks	<u>1,517,374</u>	<u>1,647,102</u>

**12. DEBTORS**

	2014	2013
	£	£
Amounts falling due within one year:		
Trade debtors	352,784	468,291
Other debtors	31,128	27,182
Tax	16,784	-
Prepayments	42,420	50,444
	<u>443,116</u>	<u>545,917</u>

Amounts falling due after more than one year:

Other debtors	<u>111,000</u>	<u>136,000</u>
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Aggregate amounts	<u>554,116</u>	<u>681,917</u>
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**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Trade creditors	548,971	588,566
Tax	-	49,029
Social security and other taxes	37,496	35,814
VAT	109,117	111,498
Other creditors	27,414	159,300
Directors' current accounts	120,731	105,374
Accrued expenses	29,417	32,743
	<u>873,146</u>	<u>1,082,324</u>

**14. SECURED DEBTS**

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

**DONALD MACKENZIE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 January 2014

**15. PROVISIONS FOR LIABILITIES**

	2014 £	2013 £
Deferred taxation	<u>36,079</u>	<u>38,169</u>
		Deferred tax £
Balance at 1 February 2013		38,169
Decrease in provision		<u>(2,090)</u>
Balance at 31 January 2014		<u>36,079</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	2014 £	2013 £
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 2013	4,558,642	37,400	19,200	4,615,242
Profit for the year	81,295			81,295
Dividends	<u>(20,000)</u>			<u>(20,000)</u>
At 31 January 2014	<u>4,619,937</u>	<u>37,400</u>	<u>19,200</u>	<u>4,676,537</u>

**18. RELATED PARTY DISCLOSURES**

**D G MacKenzie**

A director of the company

Loans to the value of £11,517 were received during the year.

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>87,347</u>	<u>75,830</u>

**DONALD MACKENZIE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 January 2014**

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**18. RELATED PARTY DISCLOSURES - continued**

**Mrs C Y MacKenzie**

A director of the company

Loans to the value of £3,840 were received during the year.

	2014	2013
	£	£
Amount due to related party at the balance sheet date	<u>33,384</u>	<u>29,544</u>

**19. ULTIMATE CONTROLLING PARTY**

The controlling party is D G MacKenzie.

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014	2013
	£	£
Profit for the financial year	81,295	276,421
Dividends	(20,000)	(20,000)
<b>Net addition to shareholders' funds</b>	<u>61,295</u>	<u>256,421</u>
Opening shareholders' funds	4,618,642	4,362,221
<b>Closing shareholders' funds</b>	<u>4,679,937</u>	<u>4,618,642</u>