Company Registration No. SC111981 (Scotland)

DICKSONS OF FORRES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

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DICKSONS OF FORRES LIMITED

DIRECTORS AND ADVISERS

Directors	A Scrimgeour M W R Scrimgeour G McNicol A G MacKenzie J T G MacKenzie
Secretary	G McNicol
Company number	SC111981
Registered office	St Catherines Road Forres IV36 1LS
Registered auditors	Johnston Carmichael LLP Commerce House South Street Elgin IV30 1JE
Solicitors	Anderson Beaton Lamond Bordeaux House 31 Kinnoull Street Perth PH1 5EN

DICKSONS OF FORRES LIMITED

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DICKSONS OF FORRES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012.

Principal activities and review of the business
The principal activity of the group is that of the sale and repair of motor vehicles.

The group produced another solid performance during 2012 with turnover increasing for the fourth consecutive year, reaching £21.8m (2011 - £20.6m). Growth was generated in all areas of the business.

Revenue was split between vehicle sales of £17.5m (2011 - £17.2m), servicing and repair work £1.1m (2011 - £0.9m), parts operations £1.8m (2011 - £1.5m), body shop £1.1m (2011 - £1.0m) and property sales of £0.3m (2011 - £nil).

The gross profit for the year was £0.9m (4.3%) which was £0.3m less than the previous year (2011 - £1.2m / 6.0%). Pressure on gross profit was seen across the business with all areas reporting tighter margins and increased selling costs. Vehicle sales and the parts operations were also impacted by changes to manufacturer bonus schemes.

Administration expenses were kept in check and saw no significant increase year on year.

The reported profit before tax figure was £0.3m (2011 - £0.5m).

During the year the group sold 1,449 retail vehicles (2011 - 1,442). Vehicles sold were split 846 new (2011 - 826) and 603 used (2011 - 616). New vehicle sales were shared between Nissan 415 (2011 - 412), Kia 350 (2011 - 329) and Suzuki 81 (2011 - 85).

Results and dividends
The consolidated profit and loss account for the year is set out on page 5.

An interim ordinary dividend was paid amounting to £100,165. The directors do not recommend payment of a final dividend.

Future developments
The group will focus on two main priorities during next year, increasing the number of vehicles sold, both new and used and improving margins.

With this in mind the group has recruited an additional sales person and reorganised the sales team. Individual managers and staff have been appointed and aligned to focus on each of the three seperate franchises and on used car sales.

Work has started on a new valet bay building which will increase the capacity for preparing vehicles and working practices within the valet bay area are being up-dated. A new contract has been signed with an external business to provide additional on-site valeting services and an agreement has been reached with a local business to rent additional parking spaces when required.

Efforts will continue to ensure a flow of high quality used cars onto the forecourt and where available and appropriate the group will seek to take advantage of manufacturer backed used car schemes.

Focus on margins will identify areas within the sales process where refinements can be made to maximise opportunities to sell added value services. The process for selling finance will be scrutinised thoroughly to see where improvements can be made and/or training provided to ensure the group achieves the higher finance penetration rates and income levels possible.

DICKSONS OF FORRES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Directors
The following directors have held office since 1 January 2012:

A Scrimgeour
M W R Scrimgeour
G McNicol
A G MacKenzie
J T G MacKenzie

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report 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 group and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board

.....
A Scrimgeour
Director
18/4/13

DICKSONS OF FORRES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DICKSONS OF FORRES LIMITED

We have audited the financial statements of Dicksons of Forres Limited for the year ended 31 December 2012 set out on pages 5 to 23. 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 an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's 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 Directors' Responsibilities Statement within the Directors' Report set out on pages 1 - 2, 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 group's and the parent 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 Directors' Report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF DICKSONS OF FORRES 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Johnston Carmichael LLP

David McBain (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

17/6/13

Chartered Accountants
Statutory Auditor

Commerce House
South Street
Elgin
IV30 1JE

DICKSONS OF FORRES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	21,824,839	20,584,429
Cost of sales		(20,877,138)	(19,357,459)
Gross profit		947,701	1,226,970
Administrative expenses		(850,714)	(851,108)
Other operating income		165,773	141,974
Operating profit	3	262,760	517,836
Profit/(loss) on sale of tangible assets		-	500
Profit on ordinary activities before interest		262,760	518,336
Investment income	4	-	(467)
Other interest receivable and similar income		2,785	2,233
Interest payable and similar charges	5	(14,208)	(14,580)
Profit on ordinary activities before taxation		251,337	505,522
Tax on profit on ordinary activities	6	(57,489)	(125,521)
Profit on ordinary activities after taxation		193,848	380,001

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

DICKSONS OF FORRES LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2012

	Notes	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Fixed assets					
Tangible assets	9	680,660	736,927	680,660	736,927
Investments	10	-	-	279,116	279,116
		680,660	736,927	959,776	1,016,043
Current assets					
Stocks	11	2,189,986	2,140,039	2,189,986	2,140,039
Debtors	12	365,395	279,559	365,395	279,559
Investments	13	-	50,000	-	50,000
Cash at bank and in hand		324,277	422,011	324,277	422,011
		2,879,658	2,891,609	2,879,658	2,891,609
Creditors: amounts falling due within one year	14	(1,378,897)	(1,535,064)	(1,658,075)	(1,814,242)
Net current assets		1,500,761	1,356,545	1,221,583	1,077,367
Total assets less current liabilities		2,181,421	2,093,472	2,181,359	2,093,410
Provisions for liabilities	15	(5,146)	(2,547)	(5,146)	(2,547)
Accruals and deferred income	16	(6,250)	(14,583)	(6,250)	(14,583)
		2,170,025	2,076,342	2,169,963	2,076,280
Capital and reserves					
Called up share capital	18	44,150	44,150	44,150	44,150
Other reserves	19	67,850	67,850	166,966	166,966
Profit and loss account	19	2,058,025	1,964,342	1,958,847	1,865,164
Shareholders' funds	20	2,170,025	2,076,342	2,169,963	2,076,280

Approved by the Board and authorised for issue on 18/4/13

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A Scrimgeour
Director

Company Registration No. SC111981

DICKSONS OF FORRES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		128,825		733,824
Returns on investments and servicing of finance				
Interest received	2,785		2,233	
Interest paid	(14,208)		(14,580)	
Dividends received	-		61	
Net cash outflow for returns on investments and servicing of finance		(11,423)		(12,286)
Taxation		(121,885)		(109,602)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(34,454)		(138,033)	
Receipts from sales of tangible assets	-		500	
Receipts from sales of investments	-		(528)	
Net cash outflow for capital expenditure		(34,454)		(138,061)
Equity dividends paid		(100,165)		(78,785)
Net cash (outflow)/inflow before management of liquid resources and financing		(139,102)		395,090
Management of liquid resources				
Current asset investments	50,000		(48,207)	
		50,000		(48,207)
Financing				
Capital element of hire purchase contracts	(8,632)		(13,443)	
Net cash outflow from financing		(8,632)		(13,443)
(Decrease)/increase in cash in the year		(97,734)		333,440

DICKSONS OF FORRES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

1	**Reconciliation of operating profit to net cash inflow from operating activities**	**2012**	**2011**
		£	**£**
	Operating profit	262,760	517,836
	Depreciation of tangible assets	106,895	113,025
	Increase in stocks	(49,947)	(180,801)
	(Increase)/decrease in debtors	(85,836)	209,906
	(Decrease)/Increase in creditors within one year	(96,714)	82,192
	Movement on grant provision	(8,333)	(8,334)
	Net cash inflow from operating activities	128,825	733,824

2	**Analysis of net funds**	**1 January 2012**	**Cash flow**	**Other non-cash changes**	**31 December 2012**
		£	**£**	**£**	**£**
	Net cash:				
	Cash at bank and in hand	422,011	(97,734)	-	324,277
	Liquid resources:				
	Current asset investments	50,000	(50,000)	-	-
	Finance leases	(6,640)	8,632	(16,174)	(14,182)
	Net funds	465,371	(139,102)	(16,174)	310,095

3	**Reconciliation of net cash flow to movement in net funds**	**2012**	**2011**
		£	**£**
	(Decrease)/increase in cash in the year	(97,734)	333,440
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(50,000)	48,207
	Cash outflow from decrease in debt	8,632	13,443
	Change in net debt resulting from cash flows	(139,102)	395,090
	New finance lease	(16,174)	-
	Movement in net funds in the year	(155,276)	395,090
	Opening net funds	465,371	70,281
	Closing net funds	310,095	465,371

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of Dicksons of Forres Limited and its wholly-owned subsdiary undertakings Arabsnil Limited and Dicksons of Inverness Limited. Intra-group transactions and balances are eliminated in full on consolidation.

Arabsnil Limited is incorporated in Scotland and did not trade during the current and preceding year, its year end is 28 February.

Dicksons of Inverness Limited is incorporated in Scotland and did not trade during the current and preceding year.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Sales of motor vehicles are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Sales of parts and accessories are recognised on delivery to the customer. Servicing and bodyshop sales are recognised on completion of the agreed work.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	- Straight line over 15 to 50 years
Land and buildings long leasehold	- Straight line over 10 to 50 years
Plant and equipment	- 4 to 5 years
Fixtures, fittings & computers	- 3 to 5 years

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets. Assets on hire purchase are depreciated over their useful lives and assets on finance leases are depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at valuation on a net assets basis.
Current asset investments are stated at the lower of cost and net realisable value. Bank deposits which have an access period greater than 24 hours are included as other unlisted investments.

1 Accounting policies **(continued)**

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows:

Vehicle stocks and parts/workshop supplies - purchase cost on a first in, first out basis.

Work in progress - cost of direct materials, direct labour and attributable overheads.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

1.8 Pensions

The group operates two defined contribution pension schemes for the directors and employees whereby contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

1.9 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.10 Grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	**2012**	**2011**
	£	**£**
Operating profit is stated after charging:		
Depreciation of tangible assets	106,895	113,025
Operating lease rentals		
- Plant and machinery	58,515	54,890
- Other assets	31,270	29,250
Fees payable to the group's auditor for the audit of the group's annual accounts (company £15,820; 2011: £15,150)	15,820	15,150
and after crediting:		
Amortisation of grants	8,333	8,332

4	**Investment income**	**2012**	**2011**
		£	**£**
	Income from fixed asset investments	-	(467)

5	**Interest payable**	**2012**	**2011**
		£	**£**
	Hire purchase interest	1,367	1,115
	Stocking charges	12,841	13,465
		14,208	14,580

6 Taxation	2012 £	2011 £
Domestic current year tax		
U.K. corporation tax	55,229	121,885
Adjustment for prior years	(339)	(1,286)
Total current tax	54,890	120,599
Deferred tax		
Deferred tax charge current year	3,108	4,583
Adj. to defd tax resulting from changes in tax rate	(509)	-
Deferred tax adjust re previous year	-	339
	57,489	125,521
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	251,337	505,522
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2011 - 26.49%)	50,267	133,913
Effects of:		
Non deductible expenses	2,146	1,020
Depreciation in excess of capital allowances	10,343	(238)
Amortisation of capital grants	(1,667)	(2,207)
Disposal of fixed assets	-	(132)
Small companies relief	-	(15,334)
Adjustment for prior years	(339)	(1,286)
Other timing differences	1,785	(16)
Movement in provisions	(7,645)	4,879
	4,623	(13,314)
Current tax charge for the year	54,890	120,599

7 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2012 £	2011 £
Holding company's profit for the financial year	193,848	380,001

8 Dividends

	2012	2011
	£	£
Ordinary interim paid	100,165	60,000

9 Tangible fixed assets

Group and company

	Land and buildings freehold	Land and buildings long leasehold	Plant and equipment	Fixtures, fittings & computers	Total
	£	£	£	£	£
Cost					
At 1 January 2012	164,081	570,457	485,534	341,355	1,561,427
Additions	2,450	-	32,779	15,399	50,628
At 31 December 2012	166,531	570,457	518,313	356,754	1,612,055
Depreciation					
At 1 January 2012	79,638	113,540	390,683	240,639	824,500
Charge for the year	6,754	15,924	42,960	41,257	106,895
At 31 December 2012	86,392	129,464	433,643	281,896	931,395
Net book value					
At 31 December 2012	80,139	440,993	84,670	74,858	680,660
At 31 December 2011	84,443	456,917	94,851	100,716	736,927

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

	Plant and equipment
	£
Net book values	
At 31 December 2012	15,725
At 31 December 2011	12,608
Depreciation charge for the year	
31 December 2012	449
31 December 2011	9,642

10 Fixed asset investments

Company

	Shares in group undertakings £
Valuation	
At 1 January 2012 & at 31 December 2012	279,116
Net book value	
At 31 December 2012	279,116
At 31 December 2011	279,116

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

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

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Arabsnil Limited	Scotland	Ordinary	100
Dicksons of Inverness Limited	Scotland	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Arabsnil Limited	Dormant
Dicksons of Inverness Limited	Dormant

The historic cost of investments shown above is £180,000.

The year-end of Arabsnil Limited is 28 February and is not therefore co-terminous with the parent company. However, as the company is dormant, this has no impact on the group financial statements and is accordingly considered appropriate.

11 Stocks and work in progress

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Parts and workshop supplies	104,956	104,291	104,956	104,291
Work in progress	75,378	82,496	75,378	82,496
Property	-	187,000	-	187,000
Vehicle stock	2,009,652	1,766,252	2,009,652	1,766,252
	2,189,986	2,140,039	2,189,986	2,140,039

Included within vehicle stock is £620,897 (2011 - £681,218) of vehicles held on consignment stock. The consignment period is usually 180 days although in certain cases extensions are arranged. The stock becomes due for repayment on the earlier of the stock being purchased or the expiry of the consignment period.

12 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	259,179	225,985	259,179	225,985
Other debtors	67,549	24,548	67,549	24,548
Prepayments and accrued income	38,667	29,026	38,667	29,026
	365,395	279,559	365,395	279,559

13 Current asset investments

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Other unlisted investments	-	50,000	-	50,000

14 Creditors : amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Net obligations under finance lease and hire purchase contracts	14,182	6,640	14,182	6,640
Trade creditors	393,520	312,917	393,520	312,917
Consignment stock creditor	620,897	681,218	620,897	681,218
Amounts owed to group undertakings	-	-	279,679	279,679
Corporation tax	53,604	120,599	53,604	120,599
Taxes and social security costs	156,934	177,407	156,934	177,407
Directors current accounts	25,433	14,037	25,433	14,037
Other creditors	7,551	15,451	7,550	15,450
Accruals and deferred income	106,776	206,795	106,276	206,295
	1,378,897	1,535,064	1,658,075	1,814,242

Net obligations under finance leases and hire purchase contracts				
Repayable within one year	14,182	6,640	14,182	6,640
Finance charges and interest allocated to future accounting periods	-	-	-	-
	14,182	6,640	14,182	6,640

Net obligations under hire purchase contracts are secured over the related assets.

15 Provisions for liabilities

Group

	Deferred taxation £
Balance at 1 January 2012	2,547
Profit and loss account	2,599
Balance at 31 December 2012	5,146

Company

Balance at 1 January 2012	2,547
Profit and loss account	2,599
Balance at 31 December 2012	5,146

The deferred tax liability/(asset) is made up as follows:

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Accelerated capital allowances	14,486	21,547	14,486	21,547
Other timing differences	(9,340)	(19,000)	(9,340)	(19,000)
	5,146	2,547	5,146	2,547

16 Accruals and deferred income

Group	Grants £
Balance at 1 January 2012	14,583
Amortisation in the year	(8,333)
Balance at 31 December 2012	6,250
Company	
Balance at 1 January 2012	14,583
Amortisation in the year	(8,333)
Balance at 31 December 2012	6,250

17 Pension and other post-retirement benefit commitments

Defined contribution

The company operates two defined contribution pension schemes for the directors and employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

	2012 £	2011 £
Contributions payable by the group for the year	49,283	48,524
Contributions payable to the fund at the year end and included in creditors	(8,924)	-

18 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
43,550 Ordinary shares of £1 each	43,550	43,550
600 'A' Ordinary shares of £1 each	600	600
	44,150	44,150

The "A" ordinary shares rank pari passu with the ordinary shares with the exception that they only carry one vote per 100 shares and, on any disposal of these shares, the company has the first call on their purchase.

19 Statement of movements on reserves

Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2012	67,850	1,964,342
Profit for the year	-	193,848
Dividends paid	-	(100,165)
Balance at 31 December 2012	67,850	2,058,025

Other reserves

Capital redemption reserve

Balance at 1 January 2012 & at 31 December 2012	67,850

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2012	166,966	1,865,164
Profit for the year	-	193,848
Dividends paid	-	(100,165)
Balance at 31 December 2012	166,966	1,958,847

Other reserves

Capital redemption reserve

Balance at 1 January 2012 & at 31 December 2012	67,850

Other reserves

Investment revaluation reserve

Balance at 1 January 2012 & at 31 December 2012	99,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

20	**Reconciliation of movements in shareholders' funds**	**2012**	**2011**
	Group	**£**	**£**
	Profit for the financial year	193,848	380,001
	Dividends	(100,165)	(60,000)
	Net addition to shareholders' funds	93,683	320,001
	Opening shareholders' funds	2,076,342	1,756,341
	Closing shareholders' funds	2,170,025	2,076,342

		2012	**2011**
	Company	**£**	**£**
	Profit for the financial year	193,848	380,001
	Dividends	(100,165)	(60,000)
	Net addition to shareholders' funds	93,683	320,001
	Opening shareholders' funds	2,076,280	1,756,279
	Closing shareholders' funds	2,169,963	2,076,280

21 Financial commitments

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date:				
Within one year	-	-	2,401	45,805
Between two and five years	-	-	18,748	2,401
In over five years	28,300	28,300	-	-
	28,300	28,300	21,149	48,206

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date:				
Within one year	-	-	2,401	45,805
Between two and five years	-	-	18,748	2,401
In over five years	28,300	28,300	-	-
	28,300	28,300	21,149	48,206

22 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	222,558	235,263
Company pension contributions to defined contribution schemes	6,328	5,375
	228,886	240,638

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2011 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	74,075	70,390
Company pension contributions to defined contribution schemes	2,177	1,959

23 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2012 Number	2011 Number
Management and administration	17	17
Sales	8	8
Workshop	54	50
	79	75

Employment costs	2012 £	2011 £
Wages and salaries	1,855,601	1,673,239
Social security costs	177,689	159,092
Other pension costs	49,283	48,524
	2,082,573	1,880,855

24 Control

The group and company are controlled by Mr A Scrimgeour.

25 Related party relationships and transactions

Advances and credits to directors

Advances and credits granted to the directors during the year are outlined in the table below:

	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
A Scrimgeour	-	-	32,175	-	(32,175)	-
M W R Scrimgeour	-	-	2,175	-	(2,175)	-
		-	34,350	-	(34,350)	-

Other transactions

Group

(a) Included in creditors is £17,865 (2011 - £4,255) due to A Scrimgeour and £7,568 (2011 - £9,782) due to M W R Scrimgeour. These balances are interest free and have no fixed terms of agreement.

(b) During the year, the company paid out the following dividends to shareholders: A Scrimgeour £50,140 (2011 - £29,430), M Scrimgeour £19,743 (2011 - £24,957), J Barry £15,026 (2011 - £2,746), B Scrimgeour £15,026 (2011 - £2,746) and J Mackenzie £230 (2011 - £121).

Company

(a) At the year-end, the company owed its subsidiary, Dicksons of Inverness Limited £200,000 (2011 - £200,000).

(b) At the year-end, the company owed its subsidiary, Arabsnil Limited £79,679 (2011 - £79,679).

(c) Included in creditors is £17,865 (2011 - £4,255) due to A Scrimgeour and £7,568 (2011 - £9,782) due to M W R Scrimgeour. These balances are interest free and have no fixed terms of repayment.

(d) During the year, the company paid out the following dividends to shareholders: A Scrimgeour £50,140 (2011 - £29,430), M Scrimgeour £19,743 (2011 - £24,957), J Barry £15,026 (2011 - £2,746), B Scrimgeour £15,026 (2011 - £2,746) and J Mackenzie £230 (2011 - £121).