

Company Registration No. 125713 (Scotland)

Morrison Motors (Turriff) Limited

Abbreviated Accounts

For The Year Ended 31 July 2003



MORRISON MOTORS (TURRIFF) LIMITED

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MORRISON MOTORS (TURRIFF) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2003

The directors present their report and financial statements for the year ended 31 July 2003.

Principal activities and review of the business

The principal activity of the company continued to be that of motor car dealers.

On 1 August 2002 the company changed its status to a limited company.

Results and dividends

The results for the year are set out on page 3.

The directors recommend payment of an ordinary dividend amounting to £80,000 .

Directors

The following directors have held office since 1 August 2002:

B C Morrison
E J Morrison

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 July 2003	1 August 2002
B C Morrison	50	50
E J Morrison	50	50

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Johnston Carmichael be reappointed as auditors of the company will be put to the Annual General Meeting.

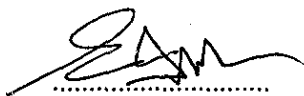
Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



E J Morrison

Director

25 November 2003

MORRISON MOTORS (TURRIFF) LIMITED

INDEPENDENT AUDITORS' REPORT TO MORRISON MOTORS (TURRIFF) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 14, together with the financial statements of the company for the year ended 31 July 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 14 are properly prepared in accordance with that provision.


Johnston Carmichael

Chartered Accountants
Registered Auditor

3 December 2003

30 West High Street
Inverurie
AB51 3QR

MORRISON MOTORS (TURRIFF) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2003

	Notes	2003 £	2002 £
Gross profit		1,048,322	1,063,676
Administrative expenses		(643,881)	(593,672)
Operating profit	2	404,441	470,004
Profit on sale of tangible assets	2	89	8,833
Profit on ordinary activities before interest		404,530	478,837
Other interest receivable and similar income		49	-
Interest payable and similar charges	3	(10,883)	(21,710)
Profit on ordinary activities before taxation		393,696	457,127
Tax on profit on ordinary activities	4	(90,649)	(113,584)
Profit on ordinary activities after taxation		303,047	343,543
Dividends	5	(80,000)	(80,000)
Retained profit for the year	14	223,047	263,543

MORRISON MOTORS (TURRIFF) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 JULY 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6		255,830		278,005
Current assets					
Stocks	7	2,564,937		2,759,098	
Debtors	8	253,193		459,185	
Cash at bank and in hand		298,306		-	
		<u>3,116,436</u>		<u>3,218,283</u>	
Creditors: amounts falling due within one year	9	<u>(1,334,141)</u>		<u>(1,681,466)</u>	
Net current assets			1,782,295		1,536,817
Total assets less current liabilities			2,038,125		1,814,822
Creditors: amounts falling due after more than one year	10		(225,000)		(225,000)
Provisions for liabilities and charges	11		(29,260)		(29,004)
			<u>1,783,865</u>		<u>1,560,818</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		1,783,765		1,560,718
Shareholders' funds - equity interests	15		<u>1,783,865</u>		<u>1,560,818</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 25 November 2003


B C Morrison
Director


E J Morrison
Director

MORRISON MOTORS (TURRIFF) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		750,973		282,583
Returns on investments and servicing of finance				
Interest received	49		-	
Interest paid	(10,883)		(21,710)	
Net cash outflow for returns on investments and servicing of finance		(10,834)		(21,710)
Taxation		(102,565)		(92,074)
Capital expenditure				
Payments to acquire tangible assets	(25,412)		(161,541)	
Receipts from sales of tangible assets	1,455		23,000	
Net cash outflow for capital expenditure		(23,957)		(138,541)
Net cash inflow before management of liquid resources and financing		613,617		30,258
Financing				
Other new long term loans	-		125,000	
Other new short term loans	251,572		646,952	
Repayment of other short term loans	(220,280)		(850,467)	
Net cash inflow/(outflow) from financing		31,292		(78,515)
Increase/(decrease) in cash in the year		644,909		(48,257)

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2003

1	Reconciliation of operating profit to net cash inflow from operating activities	2003		2002	
		£		£	
	Operating profit	404,441		470,004	
	Depreciation of tangible assets	46,221		51,678	
	Decrease/(increase) in stocks	194,161		(289,985)	
	Decrease/(increase) in debtors	205,992		(56,338)	
	(Decrease)/Increase in creditors within one year	(99,842)		107,224	
	Net cash inflow from operating activities	750,973		282,583	

2	Analysis of net debt	1 August 2002	Cash flow	Other non-cash changes	31 July 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	-	298,306	-	298,306
	Bank overdrafts	(346,603)	346,603	-	-
		(346,603)	644,909	-	298,306
	Debt:				
	Debts falling due within one year	(188,465)	(31,292)	-	(219,757)
	Debts falling due after one year	(225,000)	-	-	(225,000)
		(413,465)	(31,292)	-	(444,757)
	Net debt	(760,068)	613,617	-	(146,451)

3	Reconciliation of net cash flow to movement in net debt	2003		2002	
		£		£	
	Increase/(decrease) in cash in the year	644,909		(48,257)	
	Cash (inflow)/outflow from (increase)/decrease in debt	(31,292)		78,515	
	Movement in net debt in the year	613,617		30,258	
	Opening net debt	(760,068)		(790,326)	
	Closing net debt	(146,451)		(760,068)	

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.4 Tangible fixed assets and 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:

Permanent improvements	- 10% reducing balance
Plant and machinery	- 15 - 25% reducing balance

1.5 Leasing

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

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Operating profit	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	46,221	51,678
Operating lease rentals	37,042	35,000
Auditors' remuneration	8,000	8,000
3 Interest payable	2003	2002
	£	£
On bank loans and overdrafts	10,883	21,473
On overdue tax	-	237
	10,883	21,710

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2003

4	Taxation	2003	2002
		£	£
	Domestic current year tax		
	U.K. corporation tax	90,393	102,565
	Current tax charge	90,393	102,565
	Deferred tax		
	Deferred tax charge current year	256	11,019
		90,649	113,584
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	393,696	457,127
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 30.00 %)	118,109	137,138
	Effects of:		
	Non deductible expenses	1,254	2,403
	Depreciation add back	13,840	12,854
	Capital allowances	(12,614)	(23,139)
	Chargeable disposals	-	858
	Marginal relief	(30,196)	(27,549)
		(27,716)	(34,573)
	Current tax charge	90,393	102,565
5	Dividends	2003	2002
		£	£
	Ordinary final proposed	80,000	80,000

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2003

6 Tangible fixed assets

	Permanent improvements £	Plant and machinery £	Total £
Cost			
At 1 August 2002	109,831	346,277	456,108
Additions	1,236	24,176	25,412
Disposals	-	(4,100)	(4,100)
At 31 July 2003	111,067	366,353	477,420
Depreciation			
At 1 August 2002	54,223	123,880	178,103
On disposals	-	(2,734)	(2,734)
Charge for the year	4,931	41,290	46,221
At 31 July 2003	59,154	162,436	221,590
Net book value			
At 31 July 2003	51,913	203,917	255,830
At 31 July 2002	55,608	222,397	278,005

7 Stocks

	2003 £	2002 £
Raw materials and consumables	2,530,697	2,723,957
Finished goods and goods for resale	34,240	35,141
	2,564,937	2,759,098

8 Debtors

	2003 £	2002 £
Trade debtors	221,970	441,746
Other debtors	9,382	961
Prepayments and accrued income	21,841	16,478
	253,193	459,185

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2003

9 Creditors: amounts falling due within one year	2003	2002
	£	£
Bank loans and overdrafts	-	346,603
Trade creditors	127,628	197,486
Advance finance commission	219,757	188,465
Corporation tax	90,393	102,565
Other taxes and social security costs	253,728	299,347
Directors' current accounts	463,760	386,457
Other creditors	45,920	33,788
Accruals and deferred income	52,955	46,755
Proposed dividend	80,000	80,000
	<u>1,334,141</u>	<u>1,681,466</u>

The bank overdraft is secured by a floating charge, guarantees from the directors and standard securities over certain assets of the company.

10 Creditors: amounts falling due after more than one year	2003	2002
	£	£
Other loans	<u>225,000</u>	<u>225,000</u>
Analysis of loans		
Wholly repayable within five years	<u>444,757</u>	<u>413,465</u>
	444,757	413,465
Included in current liabilities	<u>(219,757)</u>	<u>(188,465)</u>
	<u>225,000</u>	<u>225,000</u>
Loan maturity analysis		
In more than one year but not more than two years	<u>225,000</u>	<u>225,000</u>

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2003

11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 August 2002	29,004
Profit and loss account	256
Balance at 31 July 2003	29,260

The deferred tax liability is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	29,260	29,004

12 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2003 £	2002 £
Contributions payable by the company for the year	39,760	39,010

13 Share capital

	2003 £	2002 £
Authorised		
1,000 Ordinary shares of £ 1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2003

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 2002	1,560,718
Retained profit for the year	223,047
Balance at 31 July 2003	1,783,765

15 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	303,047	343,543
Dividends	(80,000)	(80,000)
Net addition to shareholders' funds	223,047	263,543
Opening shareholders' funds	1,560,818	1,297,275
Closing shareholders' funds	1,783,865	1,560,818

16 Financial commitments

At 31 July 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2003 £	2002 £
Expiry date:		
Within one year	35,000	35,000

17 Capital commitments

	2003 £	2002 £
At 31 July 2003 the company had capital commitments as follows:		
Authorised but not contracted for	80,000	-

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2003

18 Directors' emoluments	2003 £	2002 £
Emoluments for qualifying services	284,468	282,600
Company pension contributions to money purchase schemes	29,040	29,040
	<u>313,508</u>	<u>311,640</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 2).

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

Emoluments for qualifying services	142,234	142,010
Company pension contributions to money purchase schemes	<u>14,520</u>	<u>14,526</u>

19 Transactions with directors

The company operates current accounts for the directors through which various personal expenses are settled. At the year end the directors were owed the following amounts:

Brian C Morrison £208,901
Edwin J Morrison £254,859

These amounts are included in creditors at the year end as detailed in note 10. The amounts owed by the company are interest free and have no fixed terms for repayment.

The directors charged the company rent of £35,000 (2002 - £35,000) for use of premises which they own personally. The rent is charged at market value.

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2003

20 Employees

Number of employees

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

	2003 Number	2002 Number
Sales	16	10
Administration and directors	8	8
Garage services	10	13
	<u>34</u>	<u>31</u>

Employment costs

	£	£
Wages and salaries	831,414	768,213
Social security costs	84,262	73,953
Other pension costs	39,760	39,010
	<u>955,436</u>	<u>881,176</u>

21 Control

The company is controlled by the directors who own 100% of the issued share capital.

22 Related party transactions

The company deals with Turriff Tyres, a company in which the directors' sister is a director. During the year Morrison Motors (Turriff) Limited purchased goods and services totalling £68,517 (2002 - £57,208) from, and paid rent of £2,042 (2002 - £NIL) to, Turriff Tyres. These transactions were at arms length and at open market rates.