

MORRISON MOTORS (TURRIFF) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2011



MORRISON MOTORS (TURRIFF) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2011

The directors present their report and financial statements for the year ended 31 July 2011.

Principal activities and review of the business

The company is owned by its directors, and it operates in north east Scotland.

The company's principal activity continued to be that of motor car dealers, and there have not been any significant changes in the company's principal activities during the year under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

The company has not made any investment in research and development during the year.

Turnover has decreased by 5.64% which has led to a 4.45% decrease in gross profit. Profit before taxation has increased by 34.78% this year.

The balance sheet shows that the net asset position of the company at the year end has increased by 24.91% compared to the previous year.

Competitive pressure has remained steady in the motor dealer trade. However, there has only been a small decrease margins. The company continues to be a high profile motor dealer in Scotland. The company has a strategy to continue this achievement by offering quality and personal service to its customers. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

Results and dividends

The results for the year are set out on page 4.

Dividends paid during the year were £nil (2010 - £400,000).

Directors

The following directors have held office since 1 August 2010:

B C Morrison

E J Morrison

MORRISON MOTORS (TURRIFF) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

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 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company'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 company's auditors are aware of that information.

On behalf of the board



E J Morrison

Director

14/12/11

MORRISON MOTORS (TURRIFF) LIMITED

INDEPENDENT AUDITORS' REPORT TO MORRISON MOTORS (TURRIFF) LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of Morrison Motors (Turriff) Limited for the year ended 31 July 2011 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Andrew Smith (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

28/12/11

Chartered Accountants
Statutory Auditor

Axis Business Centre
Thainstone
Inverurie
AB51 5TB

MORRISON MOTORS (TURRIFF) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2011

	Notes	2011 £	2010 £
Turnover		27,324,059	28,958,125
Other operating income less cost of sales		(25,670,965)	(27,227,978)
Administrative expenses		(524,736)	(894,630)
Operating profit	2	1,128,358	835,517
Other interest receivable and similar income		5,714	5,898
Profit on ordinary activities before taxation		1,134,072	841,415
Tax on profit on ordinary activities	4	(322,222)	(240,230)
Profit for the year	13	811,850	601,185

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.

MORRISON MOTORS (TURRIFF) LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 JULY 2011

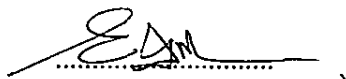
	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6		152,604		202,057
Current assets					
Stocks	7	2,621,869		3,321,001	
Debtors	8	389,857		417,719	
Cash at bank and in hand		1,802,840		481,770	
		<u>4,814,566</u>		<u>4,220,490</u>	
Creditors: amounts falling due within one year	9	<u>(881,183)</u>		<u>(1,144,592)</u>	
Net current assets			3,933,383		3,075,898
Total assets less current liabilities			4,085,987		3,277,955
Provisions for liabilities	10		<u>(14,647)</u>		<u>(18,465)</u>
			<u>4,071,340</u>		<u>3,259,490</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		4,071,240		3,259,390
Shareholders' funds	14		<u>4,071,340</u>		<u>3,259,490</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on 14/12/11



B C Morrison
Director



E J Morrison
Director

Company Registration No. SC125713

MORRISON MOTORS (TURRIFF) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2011

	2011		2010	
	£	£	£	£
Net cash Inflow/(outflow) from operating activities		1,923,503		(739,239)
Returns on investments and servicing of finance				
Interest received	5,714		5,898	
Net cash Inflow for returns on investments and servicing of finance		5,714		5,898
Taxation		(352,825)		(124,333)
Capital expenditure				
Payments to acquire tangible assets	(9,660)		(59,649)	
Receipts from sales of tangible assets	19,300		15,845	
Net cash Inflow/(outflow) for capital expenditure		9,640		(43,804)
Equity dividends paid		-		(400,000)
Net cash inflow/(outflow) before management of liquid resources and financing		1,586,032		(1,301,478)
Movement on directors loans	(264,962)		153,358	
Net cash (outflow)/inflow from financing		(264,962)		153,358
Increase/(decrease) in cash in the year		1,321,070		(1,148,120)

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2011

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2011		2010	
		£		£	
	Operating profit	1,128,358		835,517	
	Depreciation of tangible assets	45,071		60,106	
	Profit on disposal of tangible assets	(5,258)		(1,160)	
	Decrease/(increase) in stocks	699,132		(943,048)	
	Decrease in debtors	27,862		91,013	
	Decrease in creditors within one year	28,338		(781,667)	
	Net cash inflow/(outflow) from operating activities	1,923,503		(739,239)	
2	Analysis of net funds	1 August 2010	Cash flow	Other non-cash changes	31 July 2011
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	481,770	1,321,070	-	1,802,840
3	Reconciliation of net cash flow to movement in net funds	2011		2010	
		£		£	
	Increase/(decrease) in cash in the year	1,321,070		(1,148,120)	
	Movement in net funds in the year	1,321,070		(1,148,120)	
	Opening net funds	481,770		1,629,890	
	Closing net funds	1,802,840		481,770	

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

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

1.3 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	- 20% reducing balance
Plant and machinery	- 25% reducing balance

1.4 Leasing

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

1.5 Stock

Stock is 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.

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

1.6 Pensions

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

1.7 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.

2 Operating profit	2011	2010
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	45,071	60,106
Operating lease rentals	67,000	57,000
Auditors' remuneration (including expenses and benefits in kind)	15,000	15,000
and after crediting:		
Profit on disposal of tangible assets	(5,258)	(1,160)

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2011

3	Investment income	2011	2010
		£	£
	Bank interest	5,679	5,884
	Other interest	35	14
		<u>5,714</u>	<u>5,898</u>
4	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U.K. corporation tax	326,040	232,825
	Total current tax	<u>326,040</u>	<u>232,825</u>
	Deferred tax		
	Deferred tax (credit)/charge current year	(3,818)	7,405
		<u>322,222</u>	<u>240,230</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,134,072</u>	<u>841,415</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.33% (2010 - 28.00%)	<u>309,942</u>	<u>235,596</u>
	Effects of:		
	Non deductible expenses	7,319	2,556
	Depreciation add back	12,318	16,829
	Capital allowances	(3,488)	(21,917)
	Provisions	(69)	(239)
	Other tax adjustment	18	-
		<u>16,098</u>	<u>(2,771)</u>
	Current tax charge for the year	<u>326,040</u>	<u>232,825</u>
5	Dividends	2011	2010
		£	£
	Ordinary dividend paid	<u>-</u>	<u>400,000</u>

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2011

6 Tangible fixed assets

	Permanent improvements	Plant and machinery	Total
	£	£	£
Cost			
At 1 August 2010	242,026	547,944	789,970
Additions	-	9,660	9,660
Disposals	-	(301,518)	(301,518)
At 31 July 2011	242,026	256,086	498,112
Depreciation			
At 1 August 2010	155,057	432,856	587,913
On disposals	-	(287,476)	(287,476)
Charge for the year	17,394	27,677	45,071
At 31 July 2011	172,451	173,057	345,508
Net book value			
At 31 July 2011	69,575	83,029	152,604
At 31 July 2010	86,969	115,088	202,057

7 Stocks

	2011 £	2010 £
Vehicles	2,568,545	3,273,717
Parts and workshop supplies	53,324	47,284
	2,621,869	3,321,001

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2011

8 Debtors	2011 £	2010 £
Trade debtors	358,629	386,824
Other debtors	-	100
Prepayments and accrued income	31,228	30,795
	<u>389,857</u>	<u>417,719</u>

9 Creditors: amounts falling due within one year	2011 £	2010 £
Advance Finance Commission	72,956	21,099
Trade creditors	118,819	192,591
Corporation tax	206,040	232,825
Other taxes and social security costs	147,123	112,960
Directors' current accounts	244,704	509,666
Other creditors	32,506	29,779
Accruals and deferred income	59,035	45,672
	<u>881,183</u>	<u>1,144,592</u>

10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 August 2010	18,465
Profit and loss account	(3,818)
Balance at 31 July 2011	<u>14,647</u>

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	<u>14,647</u>	<u>18,465</u>

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2011

11 Pension and other post-retirement benefit commitments

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.

	2011 £	2010 £
Contributions payable by the company for the year	34,063	33,445

12 Share capital

	2011 £	2010 £
Allotted, called up and fully paid 100 Ordinary shares of £1 each	100	100

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 2010	3,259,390
Profit for the year	811,850
Balance at 31 July 2011	4,071,240

14 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	811,850	601,185
Dividends	-	(400,000)
Net addition to shareholders' funds	811,850	201,185
Opening shareholders' funds	3,259,490	3,058,305
Closing shareholders' funds	4,071,340	3,259,490

15 Contingent liabilities

A cross guarantee is in place between the company and MVR (Turrieff) Limited in respect of the companys' bank borrowings.

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2011

16 Financial commitments

At 31 July 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2012:

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire:		
Within one year	-	50,000
Between two and five years	-	7,000
	<u>-</u>	<u>57,000</u>

17 Directors' remuneration

	2011	2010
	£	£
Remuneration for qualifying services	72,000	372,000
Company pension contributions to defined contribution schemes	29,040	29,040
	<u>101,040</u>	<u>401,040</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2010 - 2).

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2011

18 Employees

Number of employees

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

	2011 Number	2010 Number
Sales	20	19
Administration and directors	8	9
Garage services	11	11
	<u>39</u>	<u>39</u>

Employment costs	2011 £	2010 £
Wages and salaries	989,523	1,256,219
Social security costs	94,323	133,860
Other pension costs	34,063	33,445
	<u>1,117,909</u>	<u>1,423,524</u>

19 Ultimate parent company

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

MORRISON MOTORS (TURRIFF) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2011

20 Related party relationships and transactions

Other transactions

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	£193,283 (2010 - £339,363)
Edwin J Morrison	£51,420 (2010 - £170,303)

These amounts are included in creditors due less than one year. The amounts owed by the company are interest free and have no fixed terms for repayment.

The directors charged the company rent of £60,000 (2010 - £50,000) for use of premises which they own personally. The rent is charged at market value.

During the year the company made sales of £121,747 (2010 - £319,095) to, and purchases of £567,050 (2010 - £1,416,270) from, MVR (Turrieff) Limited, a company in which Brian and Edwin Morrison are directors and shareholders. At the year end the balances due to and from MVR (Turrieff) Limited were £Nil (2010 - £Nil) and £nil (2010 - £2,301) respectively.

During the year the company also made pension contributions of £29,040 (2010 - £29,040) to Morrison Motors Small Self Administered Pension Scheme of which the directors are sole trustees.

The following dividends were paid to directors during the year, Mr B C Morrison - £nil (2010 - £200,000) and Mr E J Morrison - £nil (2010 - £200,000).