

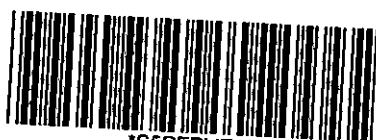
Registered number.
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Cameron Motors (Scotland) Limited

Financial statements

31 May 2007

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Cameron Motors (Scotland) Limited

Financial statements - 31 May 2007

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Cameron Motors (Scotland) Limited

Directors' report

The directors present their report together with the audited financial statements of the group and the company for the year ended 31 May 2007

Principal activity

The principal activity of the company is that of a holding company. The principal activities of its subsidiary company continued to be the buying and selling of new and used motor vehicles, the supply of spare parts and vehicle servicing associated with its Volkswagen franchise.

Review of the business and future developments

The group profit for the year after taxation was £67,685 (2006 £52,324)

The review of the business and future developments is included within the financial statements of the trading subsidiary Cameron Motors (Perth) Limited.

There have been no events since the balance sheet date which materially affect the position of the group.

Directors

The directors who held office throughout the year, were as follows:

I D Cameron (Chairman)

J M Cameron

W D Anderson

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 group and company and of the profit or loss of the group 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 of the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cameron Motors (Scotland) Limited

Directors' report (continued)

Statement as to disclosure of information to auditors

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

Auditors

A resolution to re appoint Friend LLP as auditors will be proposed at the forthcoming Annual General Meeting

This report was approved by the board on 6 November 2007

Signed on behalf of the directors



I D Cameron
Chairman

Independent auditors' report to the shareholders of Cameron Motors (Scotland) Limited

We have audited the financial statements of Cameron Motors (Scotland) Limited for the year ended 31 May 2007 which comprise the group profit and loss account, the group and parent company balance sheets, the group cash flow statement and the related notes as set out on pages 5 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985.

We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the shareholders of Cameron Motors (Scotland) Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 May 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Friend LLP
Chartered Accountants and Registered Auditors

Quayside
252 260 Broad Street
Birmingham
B1 2HF

6 November 2007

Cameron Motors (Scotland) Limited

Group profit and loss account - for the year ended 31 May 2007

	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
Turnover	1	14,495,104	13,873,177
Cost of sales		(13,073,541)	(12,477,755)
Gross profit		1,421,563	1,395,422
Other income		703,602	644,933
Administrative expenses		(2,009,962)	(1,951,226)
Operating profit		115,203	89,129
Interest receivable	2	16,449	21,071
Interest payable	2	(42,927)	(39,907)
Profit on ordinary activities before taxation	2	88,725	70,293
Tax on profit on ordinary activities	4	(21,040)	(17,969)
Profit on ordinary activities after taxation	15,16	£67,685	£52,324

None of the group's activities were acquired or discontinued during the above two financial years

The group has no recognised gains or losses other than the profit for the above two financial years

The notes on pages 8 to 16 form part of these financial statements

Cameron Motors (Scotland) Limited

Balance sheets at 31 May 2007

	Notes	Group		Company	
		2007 £	2006 £	2007 £	2006 £
Fixed assets					
Intangible assets	7	32,608	40,761		
Tangible assets	8	530,995	536,198		
Investments	9			3,024,000	3,024,000
		<u>563,603</u>	<u>576,959</u>	<u>3,024,000</u>	<u>3,024,000</u>
Current assets					
Stocks held for resale	10	2,786,651	1,951,076		
Debtors	11	1,860,902	2,031,912		
Cash at bank and in hand		689,926	411,664		
		<u>5,337,479</u>	<u>4,394,652</u>		
Creditors amounts falling due within one year	12	(2,886,467)	(2,026,567)		
Net current assets		<u>2,451,012</u>	<u>2,368,085</u>		
Total assets less current liabilities		<u>3,014,615</u>	<u>2,945,044</u>	<u>3,024,000</u>	<u>3,024,000</u>
Provisions for liabilities and Charges					
Deferred taxation	13	(58,579)	(56,693)		
Net assets		<u>£2,956,036</u>	<u>£2,888,351</u>	<u>£3,024,000</u>	<u>£3,024,000</u>
Capital and reserves					
Called up share capital	14	3,024,000	3,024,000	3,024,000	3,024,000
Profit and loss account	15	(67,964)	(135,649)		
Equity shareholders' funds	16	<u>£2,956,036</u>	<u>£2,888,351</u>	<u>£3,024,000</u>	<u>£3,024,000</u>

These financial statements were approved by the board of directors on 6 November 2007 and signed on its behalf


I D Cameron
Director

The notes on pages 8 to 16 form part of these financial statements

Cameron Motors (Scotland) Limited

Group cash flow statement - for the year ended 31 May 2007

	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
Net cash inflow/(outflow) from operating activities	17	360,164	(108,192)
Returns on investments and servicing of finance			
Interest received	16,449		21,071
Interest paid	(42,927)		(39,907)
Net cash outflow from returns on investments and servicing of finance		(26,478)	(18,836)
Taxation			
UK corporation tax paid		(13,638)	(14,303)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(41,786)		(24,694)
Net cash outflow from investing activities		(41,786)	(24,694)
Equity dividend paid			(50,000)
Increase/(decrease) in cash in the year		<u>£278,262</u>	<u>£(216,025)</u>

Reconciliation of net cash flow to movement in net funds for the year ended 31 May 2007

	<u>2007</u> £	<u>2006</u> £
Increase/(decrease) in cash in the year	278,262	(216,025)
Net funds at 1 June 2006	411,664	627,689
Net funds at 31 May 2007	<u>£689,926</u>	<u>£411,664</u>

The notes on pages 8 to 16 form part of these financial statements

Cameron Motors (Scotland) Limited

Notes to the financial statements - 31 May 2007

1 Accounting policies

The financial statements are prepared under the historical cost convention, on a going concern basis, and in accordance with the Companies Act 1985 and applicable accounting standards

The principal accounting policies of the group, which remain unchanged from the previous year, are set out below

a) Consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking for the year ended 31 May 2007

b) Turnover

Turnover comprises income from sales and work done, excluding value added tax. All turnover is derived from the group's principal activities and is wholly within the United Kingdom

c) Tangible fixed assets

Depreciation is calculated, on an annual basis, so as to write off the cost of tangible fixed assets over their expected useful lives, as follows

Property improvements	2% straight line
Plant and equipment	15% reducing balance
Fixtures and fittings	10% reducing balance
Computer equipment	25% straight line

d) Stocks

Stocks are stated at the lower of cost and net realisable value. In accordance with Financial Reporting Standard No 5 stocks include vehicles on consignment from the manufacturer

e) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date

A deferred tax asset is regarded as recoverable and is therefore recognised only when, and to the extent that, on the basis of all available evidence it can be regarded as more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

f) Pensions

The group operates pension schemes providing benefits based on defined contributions. The assets of the schemes are held separately from those of the group, being invested with insurance companies. Contributions to the schemes are charged to the profit and loss account as incurred

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

g) Goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the separable net assets of the businesses acquired. Goodwill is amortised through the profit and loss account in equal instalments over its estimated useful life. The directors consider the estimated useful life of goodwill on acquisitions to be ten years.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

	<u>2007</u> £	<u>2006</u> £
Depreciation of tangible fixed assets	43,681	42,856
Amortisation of goodwill	8,153	8,153
Auditors' remuneration	11,375	11,375
Other interest payable	42,927	39,907
Bank interest receivable	(16,449)	(21,071)
Profit on disposal of tangible fixed assets	(1,492)	
	<u> </u>	<u> </u>

3. Directors and employees

	<u>2007</u> £	<u>2006</u> £
Directors' remuneration		
Emoluments	358,462	357,295
Contributions to money purchase pension schemes	28,479	138,069
	<u> </u>	<u> </u>
	<u>£386,941</u>	<u>£495,364</u>

The emoluments of directors disclosed above include the following amounts paid in respect of the highest paid director

	<u>2007</u> £	<u>2006</u> £
Emoluments	316,000	313,000
Contributions to money purchase pension schemes		
	<u> </u>	<u> </u>
	<u>£316,000</u>	<u>£313,000</u>

	<u>2007</u> <u>Number</u>	<u>2006</u> <u>Number</u>
During the year the following number of directors accrued benefits under money purchase pension schemes	<u>2</u>	<u>3</u>

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

3 Directors and employees (continued)

	<u>2007</u> £	<u>2006</u> £
Staff costs comprise		
Wages and salaries	1,416,231	1,328,102
Social security costs	150,388	137,332
Other pension costs	56,816	152,740
	<u>£1,623,435</u>	<u>£1,618,174</u>

The average number of employees (including directors) during the year was 54 (2006 52)

4 Tax on profit on ordinary activities

	<u>2007</u> £	<u>2006</u> £
Corporation tax payable based on the results for the year at 29.7% (2006 19%)	19,154	13,638
Current tax charge	19,154	13,638
Deferred taxation provided	1,886	4,331
	<u>£21,040</u>	<u>£17,969</u>

The current tax charge for the year is at a different rate from the standard rate of corporation tax in the UK for groups of this size. The difference is explained below

	<u>2007</u> £	<u>2006</u> £
Profit on ordinary activities before taxation	88,725	70,293
Profit on ordinary activities multiplied by the applicable standard rate of corporation tax at 30%	26,617	21,088
Expenses not deductible for tax purposes (mainly professional fees)	789	338
Depreciation on items not qualifying for capital allowances	4,458	4,439
Capital allowances in excess of depreciation on qualifying items	(1,886)	(744)
Small companies' relief	(10,824)	(7,896)
Other timing differences		(3,587)
Current tax charge for the year	<u>£19,154</u>	<u>£13,638</u>

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

5. Dividend

	<u>2007</u> £	<u>2006</u> £
Dividend of £nil (2006 £0 01653) paid per ordinary share		40,000
Dividend of £nil (2006 £0 01653) paid per ordinary 'A' share		10,000
	—	—
	<u>£</u>	<u>£50,000</u>

6 Profit of parent company

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit after taxation for the financial year ended 31 May 2007 was £nil (2006 £nil)

7 Intangible fixed assets

<u>Group</u>	<u>Goodwill</u> £
Cost	
At 31 May 2006 and 2007	81,526
Amortisation	
At 1 June 2006	40,765
Charge for the year	8,153
	—
At 31 May 2007	48,918
Net book value	
At 31 May 2007	£32,608
	—
At 31 May 2006	£40,761

Goodwill arose on the purchase of Cameron Motors (Perth) Limited on 29 June 2001 and is amortised over 10 years

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

8 Tangible fixed assets

<u>Group</u>	<u>Property</u>	<u>Plant</u>	<u>Fixtures</u>	<u>Computer</u>	<u>Total</u>
<u>Cost</u>	<u>improvements</u>	<u>and</u>	<u>and</u>	<u>equipment</u>	<u></u>
	£	£	£	£	£
At 1 June 2006	538,006	292,301	247,201	32,856	1,110,364
Additions		36,232	274	5,280	41,786
Disposals		(4,950)			(4,950)
At 31 May 2007	538,006	323,583	247,475	38,136	1,147,200
Accumulated depreciation					
At 1 June 2006	183,832	201,708	170,689	17,937	574,166
Charge for the year	10,760	17,969	8,716	6,236	43,681
Eliminated on disposals		(1,642)			(1,642)
At 31 May 2007	194,592	218,035	179,405	24,173	616,205
Net book value					
At 31 May 2007	£343,414	£105,548	£68,070	£13,963	£530,995
At 31 May 2006	£354,174	£90,593	£76,512	£14,919	£536,198

The property improvements relate to buildings erected on land owned by an associated company, Ian H Cameron Limited

9. Fixed asset investments

	<u>2007</u>	<u>2006</u>
Shares in subsidiary company, at cost	<u>£3,024,000</u>	<u>£3,024,000</u>

The company owns the entire issued share capital of Cameron Motors (Perth) Limited, a company registered in Scotland. The principal activities of Cameron Motors (Perth) Limited are the buying and selling of new and used motor vehicles, the supply of spare parts and the servicing of vehicles associated with its Volkswagen franchise.

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

10. Stocks

	<u>Group</u>		<u>Company</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	£	£	£	£
New vehicles	142,983	252,701		
Used vehicles	1,705,709	1,220,547		
Parts	92,911	72,613		
Paint, consumables and work in progress	21,363	17,545		
Consignment vehicles	823,685	387,670	-	
	<u>£2,786,651</u>	<u>£1,951,076</u>	<u>£ -</u>	<u>£</u>

11 Debtors

	<u>Group</u>		<u>Company</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	£	£	£	£
Amounts falling due within one year				
Trade debtors	262,599	196,096		
Other debtors (amount owed by related company see note 19)	1,457,733	1,754,598		
Prepayments and accrued income	140,570	81,218		
	<u>£1,860,902</u>	<u>£2,031,912</u>	<u>£</u>	<u>£</u>

12 Creditors amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	£	£	£	£
Trade creditors	1,371,936	755,760		
Other creditors (amounts owed to related companies see note 19)	142,240	265,948		
Corporation tax	19,154	13,638	-	
Other taxes and social security	90,473	222,719		
Accruals	101,860	379,765		
Directors' current accounts	337,119	1,067		
Consignment stock creditor	823,685	387,670		
	<u>£2,886,467</u>	<u>£2,026,567</u>	<u>£</u>	<u>£</u>

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

13. Deferred taxation

Full provision has been made at 30% (2006 30%) for the potential taxation arising in respect of

	<u>Group</u>		<u>Company</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Capital allowances in excess of depreciation	<u>£58,579</u>	<u>£56,693</u>	<u>£</u>	<u>£</u>
			<u>Group</u>	<u>Company</u>
			<u>£</u>	<u>£</u>
Movement in provision during the year				
At 1 June 2006			56,693	
Provided in the year			1,886	
			<u> </u>	<u> </u>
At 31 May 2007			<u>£58,579</u>	<u>£</u>

14. Share capital

	<u>2007</u>	<u>2006</u>
Authorised		
3,395,200 ordinary shares of £1 each	3,395,200	3,395,200
604,800 ordinary 'A' shares of £1 each	604,800	604,800
	<u> </u>	<u> </u>
	<u>£4,000,000</u>	<u>£4,000,000</u>
Allotted, issued and fully paid		
2,419,200 ordinary shares of £1 each	2,419,200	2,419,200
604,800 ordinary 'A' shares of £1 each	604,800	604,800
	<u> </u>	<u> </u>
	<u>£3,024,000</u>	<u>£3,024,000</u>

15 Profit and loss account

	<u>Group</u>
	<u>£</u>
At 1 June 2006	(135,649)
Retained profit for the year	67,685
	<u> </u>
At 31 May 2007	<u>£(67,964)</u>

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

16 Reconciliation of movements in equity shareholders' funds

	<u>Group</u>		<u>Company</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	£	£	£	£
Profit on ordinary activities after taxation	67,685	52,324		50,000
Dividend paid	-	(50,000)	-	(50,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Increase in shareholders' funds	67,685	2,324		
Opening shareholders' funds	2,888,351	2,886,027	3,024,000	3,024,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing shareholders' funds	<u>£2,956,036</u>	<u>£2,888,351</u>	<u>£3,024,000</u>	<u>£3,024,000</u>

17 Reconciliation of group operating profit to net cash inflow from operating activities

	<u>2007</u>	<u>2006</u>
	£	£
Operating profit	115,203	89,129
Depreciation of tangible fixed assets	43,681	42,856
Amortisation of intangible fixed assets	8,153	8,153
Profit on disposal of tangible fixed assets	(1,492)	
(Increase)/decrease in stocks	(399,560)	151,706
Decrease/(increase) in debtors	171,010	(770,129)
Increase in creditors	423,169	370,093
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from operating activities	<u>£360,164</u>	<u>£(108,192)</u>

18 Pension costs

The group operates a number of defined contribution schemes. The assets are held separately from those of the group in both independently and self administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £56,816 (2006 £152,740). No amounts were payable at the year end.

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

19 Related companies

Amount owed by company under common control

	<u>Group</u> <u>2007</u>	<u>2006</u>
Douglas Cameron (Perth) Limited	<u><u>£1,457,733</u></u>	<u><u>£1,754,598</u></u>

Amounts owed to companies under common control

	<u>Group</u> <u>2007</u> £	<u>2006</u> £
Douglas Cameron (Perth) Limited	1,878	33,205
Inveralmond Motors Limited		93,208
Ian H Cameron Limited	<u>140,362</u>	<u>139,535</u>
	<u><u>£142,240</u></u>	<u><u>£265,948</u></u>