

Registered number:
SC215539

Cameron Motors (Scotland) Limited

Financial statements

31 May 2011

Friend LLP CHARTERED ACCOUNTANTS

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Cameron Motors (Scotland) Limited
Financial statements - 31 May 2011

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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 2011.

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 £259,733 (2010 - £333,162).

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 directors' report and 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. 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 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 2006. 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)

Donations

During the year the group made charitable donations of £2,500.

Statement as to disclosure of information to auditors

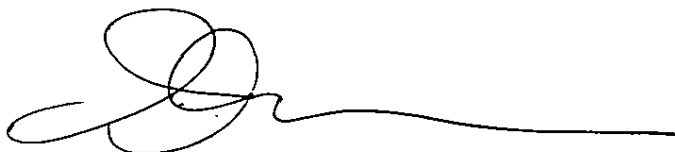
So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware and they have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors 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 26 October 2011.

Signed on behalf of the directors:

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line.

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 2011 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 8 to 15. 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 set out on page 1, the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit 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 (APB'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 directors' report to identify material inconsistencies with the audited financial statements. If we became 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 parent company's affairs as at 31 May 2011 and of the group and company'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 to the shareholders of Cameron Motors (Scotland) Limited (continued)

Matters by 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.

M. D. Friend

**M D Friend (Senior Statutory Auditor)
For and on behalf of Friend LLP, Statutory Auditor**

Chartered Accountants

Eleven Brindleyplace
2 Brunswick Square
Birmingham
B1 2LP

26 October 2011

Cameron Motors (Scotland) Limited

Group profit and loss account - for the year ended 31 May 2011

	<u>Notes</u>	<u>2011</u> £	<u>2010</u> £
Turnover	1	12,818,647	12,467,152
Cost of sales		(11,324,918)	(11,001,255)
Gross profit		1,493,729	1,465,897
Other income		585,048	501,020
Administrative expenses		(1,714,473)	(1,494,391)
Operating profit		364,304	472,526
Interest receivable	2	20,543	8,804
Interest payable	2	(24,686)	(13,291)
Profit on ordinary activities before taxation	2	360,161	468,039
Tax on profit on ordinary activities	4	(100,428)	(134,877)
Profit on ordinary activities after taxation	14,15	£259,733	£333,162

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 15 form part of these financial statements.

Cameron Motors (Scotland) Limited

Balance sheets at 31 May 2011

		<u>Group</u>		<u>Company</u>	
	<u>Notes</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		£	£	£	£
Fixed assets					
Intangible assets	6	-	8,149	-	-
Tangible assets	7	432,991	460,833	-	-
Investments	8	-	-	3,024,000	3,024,000
		<u>432,991</u>	<u>468,982</u>	<u>3,024,000</u>	<u>3,024,000</u>
Current assets					
Stocks held for resale	9	2,941,127	2,120,953	-	-
Debtors	10	1,041,205	908,370	-	-
Cash at bank and in hand		1,888,682	1,904,177	-	-
		<u>5,871,014</u>	<u>4,933,500</u>	-	-
Creditors: amounts falling due within one year	11	(2,371,867)	(1,726,650)	-	-
Net current assets		<u>3,499,147</u>	<u>3,206,850</u>	-	-
Total assets less current liabilities		<u>3,932,138</u>	<u>3,675,832</u>	<u>3,024,000</u>	<u>3,024,000</u>
Provisions for liabilities and charges					
Deferred taxation	12	(20,454)	(23,881)	-	-
Net assets		<u>£3,911,684</u>	<u>£3,651,951</u>	<u>£3,024,000</u>	<u>£3,024,000</u>
Capital and reserves					
Called up share capital	13	3,024,000	3,024,000	3,024,000	3,024,000
Profit and loss account	14	887,684	627,951	-	-
Equity shareholders' funds	15	<u>£3,911,684</u>	<u>£3,651,951</u>	<u>£3,024,000</u>	<u>£3,024,000</u>

These financial statements were approved by the board of directors on 26 October 2011 and signed on its behalf.


I D Cameron
Director

Registered No. SC215539

The notes on pages 8 to 15 form part of these financial statements.

Cameron Motors (Scotland) Limited

Group cash flow statement - for the year ended 31 May 2011

	Notes	£	2011 £	2010 £
Net cash inflow from operating activities	16		143,850	805,961
Returns on investments and servicing of finance				
Interest received		20,543		8,804
Interest paid		(24,686)		(13,291)
Net cash outflow from returns on investments and servicing of finance			(4,143)	(4,487)
Taxation				
UK corporation tax paid			(136,493)	(77,150)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(19,755)		(19,766)
Receipt from sale of tangible fixed assets		1,046		-
Net cash outflow from investing activities			(18,709)	(19,766)
(Decrease)/increase in cash in the year			£(15,495)	£704,558

Reconciliation of net cash flow to movement in net funds - for the year ended 31 May 2011

	2011 £	2010 £
(Decrease)/increase in cash in the year	(15,495)	704,558
Net funds at 1 June 2010	1,904,177	1,199,619
Net funds at 31 May 2011	£1,888,682	£1,904,177

The notes on pages 8 to 15 form part of these financial statements.

Cameron Motors (Scotland) Limited

Notes to the financial statements - 31 May 2011

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 2006 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 2011.

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 - 25% reducing balance
Fixtures and fittings	10 - 25% reducing balance and 25% straight line
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>2011</u> £	<u>2010</u> £
Depreciation of tangible fixed assets	47,160	47,286
Amortisation of goodwill	8,149	8,153
Auditors' remuneration	11,875	11,375
Other interest payable	24,686	13,291
Bank interest receivable	(20,543)	(8,804)
Profit on disposal of tangible fixed assets	(607)	-
	<u> </u>	<u> </u>

3. Directors and employees

	<u>2011</u> £	<u>2010</u> £
Directors' remuneration:		
Emoluments	34,457	34,200
Contributions to money purchase pension schemes	26,857	22,487
	<u> </u>	<u> </u>

<u>£61,314</u>	<u>£56,687</u>
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	<u>2011</u> Number	<u>2010</u> Number
During the year the following number of directors accrued benefits under money purchase pension schemes	1	1
	<u> </u>	<u> </u>

	<u>2011</u> £	<u>2010</u> £
Staff costs comprise:		
Wages and salaries	1,123,683	1,040,978
Social security costs	103,584	95,564
Other pension costs	41,226	36,155
	<u> </u>	<u> </u>
	<u>£1,268,493</u>	<u>£1,172,697</u>

The average number of employees (including directors) during the year was 57 (2010 - 55).

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

4. Tax on profit on ordinary activities

	<u>2011</u> £	<u>2010</u> £
Corporation tax payable based on the results for the year at 27.1% (2010 – 28%)	<u>103,855</u>	<u>136,493</u>
Current tax charge	<u>103,855</u>	<u>136,493</u>
Deferred taxation released	<u>(3,427)</u>	<u>(1,616)</u>
	<u><u>£100,428</u></u>	<u><u>£134,877</u></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>2011</u> £	<u>2010</u> £
Profit on ordinary activities before taxation	<u>360,161</u>	<u>468,039</u>
Profit on ordinary activities multiplied by the applicable standard rate of corporation tax at 27.67% (2010 – 28%)	<u>99,656</u>	<u>131,051</u>
Depreciation on items not qualifying for capital allowances	<u>4,589</u>	<u>4,661</u>
Capital allowances in excess of depreciation on qualifying items	<u>1,832</u>	<u>1,472</u>
Small companies' relief	<u>(2,005)</u>	<u>(206)</u>
Industrial buildings allowances	<u>(217)</u>	<u>(485)</u>
Current tax charge for the year	<u><u>£103,855</u></u>	<u><u>£136,493</u></u>

5. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, 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 2011 was £nil (2010 - £nil).

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

6. Intangible fixed assets

<u>Group</u>	<u>Goodwill</u> £
Cost	
At 31 May 2010 and 2011	81,526
Amortisation	
At 1 June 2010	73,377
Charge for the year	8,149
At 31 May 2011	81,526
Net book value	
At 31 May 2011	£ -
At 31 May 2010	£8,149

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

7. Tangible fixed assets

<u>Group</u>	<u>Property improvements</u> £	<u>Plant and equipment</u> £	<u>Fixtures and fittings</u> £	<u>Computer equipment</u> £	<u>Total</u> £
Cost					
At 1 June 2010	557,027	357,505	251,181	55,490	1,221,203
Additions	-	8,204	-	11,551	19,755
Disposals	-	(1,584)	(2,595)	(15,304)	(19,483)
At 31 May 2011	557,027	364,125	248,586	51,737	1,221,475
Accumulated depreciation					
At 1 June 2010	227,644	274,372	218,992	39,362	760,370
Charge for the year	11,141	14,159	15,919	5,941	47,160
Eliminated on disposal	-	(1,280)	(2,519)	(15,247)	(19,046)
At 31 May 2011	238,785	287,251	232,392	30,056	788,484
Net book value					
At 31 May 2011	£318,242	£76,874	£16,194	£21,681	£432,991
At 31 May 2010	£329,383	£83,133	£32,189	£16,128	£460,833

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

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

8. Fixed asset investments

	<u>2011</u>	<u>2010</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.

9. Stocks

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
New vehicles	264,466	234,230	-	-
Used vehicles	1,527,929	1,230,374	-	-
Parts	76,933	76,317	-	-
Paint, consumables and work in progress	17,410	17,478	-	-
Consignment vehicles	1,054,389	562,554	-	-
	<u>£2,941,127</u>	<u>£2,120,953</u>	<u>£ -</u>	<u>£ -</u>

10. Debtors

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	348,880	232,312	-	-
Other debtors (amount owed by related company - see note 18)	577,733	578,752	-	-
Prepayments and accrued income	114,592	97,306	-	-
	<u>£1,041,205</u>	<u>£908,370</u>	<u>£ -</u>	<u>£ -</u>

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

11. Creditors: amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
Trade creditors	1,007,096	839,283	-	-
Other creditors (amounts owed to related companies - see note 18)	-	1,019	-	-
Corporation tax	103,855	136,493	-	-
Other taxes and social security	78,121	50,842	-	-
Accruals	128,406	136,459	-	-
Consignment stock creditor	1,054,389	562,554	-	-
	<u>£2,371,867</u>	<u>£1,726,650</u>	<u>£ -</u>	<u>£ -</u>

12. Deferred taxation

Full provision has been made at 25.8% (2010 - 28%) for the potential taxation arising in respect of:

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
Capital allowances in excess of depreciation	<u>£20,454</u>	<u>£23,881</u>	<u>£ -</u>	<u>£ -</u>

	<u>Group</u>
	£
Movement in provision during the year:	
At 1 June 2010	23,881
Movement in the year	
Provided in respect of - originating and reversing timing difference in the year	(1,843)
- change in rate of tax	(1,584)
	<u>£20,454</u>
At 31 May 2011	

13. Share capital

	<u>2011</u>	<u>2010</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>£3,024,000</u>	<u>£3,024,000</u>

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

14. Profit and loss account

	<u>Group</u> £
At 1 June 2010	627,951
Retained profit for the year	259,733
At 31 May 2011	£887,684

15. Reconciliation of movements in equity shareholders' funds

	<u>Group</u>		<u>Company</u>	
	<u>2011</u> £	<u>2010</u> £	<u>2011</u> £	<u>2010</u> £
Profit on ordinary activities after taxation	259,733	333,162	-	-
Increase in shareholders' funds	259,733	333,162	-	-
Opening shareholders' funds	3,651,951	3,318,789	3,024,000	3,024,000
Closing shareholders' funds	<u>£3,911,684</u>	<u>£3,651,951</u>	<u>£3,024,000</u>	<u>£3,024,000</u>

16. Reconciliation of group operating profit to net cash inflow from operating activities

	<u>2011</u> £	<u>2010</u> £
Operating profit	364,304	472,526
Depreciation of tangible fixed assets	47,160	47,286
Amortisation of intangible fixed assets	8,149	8,153
Profit on disposal of tangible fixed assets	(607)	-
Increase in stocks	(820,174)	(330,093)
(Increase)/decrease in debtors	(132,836)	490,501
Increase in creditors	677,854	117,588
Net cash inflow from operating activities	<u>£143,850</u>	<u>£805,961</u>

17. 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 £41,226 (2010 - £36,155). At 31 May 2011 there was £4,634 payable to the funds (2010 - £nil).

Cameron Motors (Scotland) Limited

Notes to the financial statements (continued)

18. Related companies

Amount owed by company under common control:

	<u>Group</u>	
	<u>2011</u>	<u>2010</u>
Douglas Cameron (Perth) Limited	<u>£577,733</u>	<u>£577,733</u>

19. Capital commitments

	<u>2011</u>	<u>2010</u>
Capital expenditure contracted for but not provided for in the financial statements	<u>£570,000</u>	<u>£ -</u>

20. Ultimate controlling party

The ultimate controlling party is I D Cameron, a director and shareholder.