

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2007
FOR
MORRISONS GARAGE LIMITED



Macfarlane Gray
Chartered Accountants & Registered Auditors
15 Gladstone Place
Stirling
FK8 2NX

MORRISONS GARAGE LIMITED

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FOR THE YEAR ENDED 31 JANUARY 2007**

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MORRISONS GARAGE LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 JANUARY 2007

DIRECTORS:

Mr J A Morrison
Mr W L Morrison
Mr A I Morrison
Mrs S Moir

SECRETARY:

Mathie Macluckie

REGISTERED OFFICE:

Whins of Milton
Stirling
FK7 8HQ

REGISTERED NUMBER:

SC034750

AUDITORS:

Macfarlane Gray
Chartered Accountants & Registered Auditors
15 Gladstone Place
Stirling
FK8 2NX

BANKERS:

Clydesdale Bank
Regional Business Centre
Suite 2, Ochil House
Springkerse Business Park
Stirling
FK7 7XE

SOLICITORS:

Mathie Macluckie
Wellington House
Dumbarton Road
Stirling
FK8 2RW

MORRISONS GARAGE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JANUARY 2007

The directors present their report with the accounts of the company for the year ended 31 January 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the motor trade

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts

During the year the company added a Fiat franchise to its existing operations

The company therefore represents Seat and Fiat in Central Scotland, and continues to provide aftercare services for MG Rover customers

DIVIDENDS

No dividends will be distributed for the year ended 31 January 2007

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2006 to the date of this report

Mr J A Morrison
Mr W L Morrison
Mr A I Morrison
Mrs S Moir

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 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

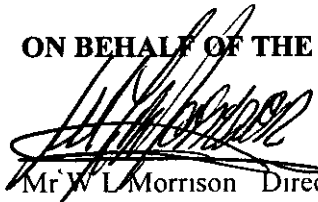
MORRISONS GARAGE LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2007**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

ON BEHALF OF THE BOARD:



Mr W L Morrison Director

20 July 2007

**REPORT OF THE INDEPENDENT AUDITORS TO
MORRISONS GARAGE LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages seven to twenty four, together with the financial statements of Morrisons Garage Limited for the year ended 31 January 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" 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 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Other information

On 20 July 2007 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 January 2007 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We have audited the financial statements of Morrisons Garage Limited for the year ended 31 January 2007 on pages six to twenty three. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO
MORRISONS GARAGE LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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 on page two

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 Report of the Directors 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 Report of the Directors 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

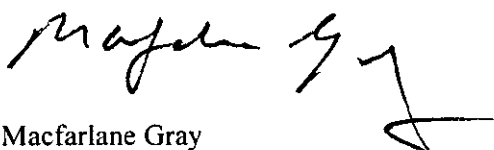
**REPORT OF THE INDEPENDENT AUDITORS TO
MORRISONS GARAGE LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

Qualified Opinion

Note 16 to the financial statements recognises that FRS 17 has not been fully complied with. The pension scheme surplus has, however, been properly brought onto the balance sheet.

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements give a true and fair view of the financial position of the company as of 31 January 2007, and of the results of its operations and its cashflows for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice and the Companies Act 1985.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.



Macfarlane Gray
Chartered Accountants & Registered Auditors
15 Gladstone Place
Stirling
FK8 2NX

20 July 2007

MORRISONS GARAGE LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2007**

	Notes	2007 £	2006 £
GROSS PROFIT		565,097	462,362
Administrative expenses		<u>(573,239)</u>	<u>(403,403)</u>
OPERATING (LOSS)/PROFIT	3	(8,142)	58,959
Interest receivable and similar income		938	1,038
Other finance income	16	<u>120,000</u>	<u> </u>
		112,796	59,997
Interest payable and similar charges	4	<u>(48,362)</u>	<u>(47,560)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		64,434	12,437
Tax on profit on ordinary activities	5	<u>(9,205)</u>	<u>(2,458)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>55,229</u>	<u>9,979</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these abbreviated accounts

MORRISONS GARAGE LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JANUARY 2007**

	2007	2006
	£	£
PROFIT FOR THE FINANCIAL YEAR	55,229	9,979
Pension scheme asset	-	1,738,000
Deferred tax re pension scheme surplus	35,720	(330,220)
Actual return less expected return	(602,000)	
Experience gains arising on liabilities	41,000	
Change in assumptions re liabilities	502,000	
Restriction re unrecoverable surplus	(129,000)	
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(97,051)</u>	<u>1,417,759</u>

The notes form part of these abbreviated accounts

MORRISONS GARAGE LIMITED**ABBREVIATED BALANCE SHEET**
31 JANUARY 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	6	2,003,830	2,015,978
CURRENT ASSETS			
Stocks	7	546,198	582,727
Debtors	8	245,992	334,629
Cash at bank and in hand		<u>25,202</u>	<u>9,603</u>
		817,392	926,959
CREDITORS			
Amounts falling due within one year	9	<u>(1,145,763)</u>	<u>(1,251,166)</u>
NET CURRENT LIABILITIES		<u>(328,371)</u>	<u>(324,207)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,675,459	1,691,771
CREDITORS			
Amounts falling due after more than one year	10	(482,692)	(554,630)
PROVISIONS FOR LIABILITIES	13	(10,823)	(10,426)
PENSION ASSET	16	<u>1,255,500</u>	<u>1,407,780</u>
NET ASSETS		<u>2,437,444</u>	<u>2,534,495</u>

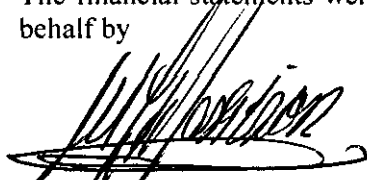
The notes form part of these abbreviated accounts

MORRISONS GARAGE LIMITED**ABBREVIATED BALANCE SHEET - continued**
31 JANUARY 2007

	Notes	2007 £	2006 £
CAPITAL AND RESERVES			
Called up share capital	14	19,100	19,100
Revaluation reserve	15	188,497	188,497
Capital redemption reserve	15	537,911	537,911
Profit and loss account	15	<u>1,691,936</u>	<u>1,788,987</u>
SHAREHOLDERS' FUNDS	17	<u>2,437,444</u>	<u>2,534,495</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 of Directors on 20 July 2007 and were signed on its behalf by


Mr W L Morrison Director
Mr A I Morrison Director

The notes form part of these abbreviated accounts

MORRISONS GARAGE LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2007**

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	166,548	118,006
Returns on investments and servicing of finance	2	(47,424)	(46,522)
Taxation		(3,427)	(3,600)
Capital expenditure	2	<u>(29,852)</u>	<u>(10,636)</u>
		85,845	57,248
Financing	2	<u>(70,868)</u>	<u>(66,755)</u>
Increase/(Decrease) in cash in the period		<u>14,977</u>	<u>(9,507)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		14,977	(9,507)
Cash outflow from decrease in debt		<u>70,869</u>	<u>68,612</u>
Change in net debt resulting from cash flows		<u>85,846</u>	<u>59,105</u>
Movement in net debt in the period		85,846	59,105
Net debt at 1 February		<u>(1,015,258)</u>	<u>(1,074,363)</u>
Net debt at 31 January		<u>(929,412)</u>	<u>(1,015,258)</u>

The notes form part of these abbreviated accounts

MORRISONS GARAGE LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2007****1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2007	2006
	£	£
Operating (loss)/profit	(8,142)	58,959
Depreciation charges	41,999	43,390
Decrease in stocks	36,529	371,873
Decrease/(Increase) in debtors	88,637	(65,432)
Decrease in creditors	(112,475)	(290,784)
Difference between pension charge and cash contributions	120,000	
Net cash inflow from operating activities	166,548	118,006

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	938	1,038
Interest paid	(48,362)	(47,560)
Net cash outflow for returns on investments and servicing of finance	(47,424)	(46,522)
Capital expenditure		
Purchase of tangible fixed assets	(29,852)	(10,636)
Net cash outflow for capital expenditure	(29,852)	(10,636)
Financing		
Loan repayments in year	(70,868)	(68,612)
		1,857
Net cash outflow from financing	(70,868)	(66,755)

The notes form part of these abbreviated accounts

MORRISONS GARAGE LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2007**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/2/06 £	Cash flow £	At 31/1/07 £
Net cash			
Cash at bank and in hand	9,603	15,599	25,202
Bank overdraft	<u>(399,361)</u>	<u>(622)</u>	<u>(399,983)</u>
	<u>(389,758)</u>	<u>14,977</u>	<u>(374,781)</u>
Debt			
Debts falling due within one year	(70,870)	(1,069)	(71,939)
Debts falling due after one year	<u>(554,630)</u>	<u>71,938</u>	<u>(482,692)</u>
	<u>(625,500)</u>	<u>70,869</u>	<u>(554,631)</u>
Total	<u>(1,015,258)</u>	<u>85,846</u>	<u>(929,412)</u>

The notes form part of these abbreviated accounts

MORRISONS GARAGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	1% on reducing balance
Plant and machinery	20% on reducing balance
Fixtures and fittings	20% on reducing balance
Petrol complex	20% on reducing balance

Stocks

Stocks, as valued by the directors, are stated at the lower of cost and net realisable value. Cost is determined as follows

Vehicles	At unit cost price
Other stocks	At purchase cost on a first in, first out basis

Deferred tax

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

Pensions

The company operates a defined benefit pension scheme. The regular cost is charged to the profit and loss account and is based on the expected pension costs over the service lives of the employees. Contributions to the pension plan are paid according to the advice of actuaries.

The company also operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

2 STAFF COSTS

	2007 £	2006 £
Wages and salaries	950,670	823,447
Social security costs	82,122	76,198
Other pension costs	123,342	5,176
	<u>1,156,134</u>	<u>904,821</u>

MORRISONS GARAGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS continued FOR THE YEAR ENDED 31 JANUARY 2007

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	2007	2006
Management and administration	10	14
Vehicle sales	9	9
Service department	23	23
Parts department	4	4
Petrol	8	8
Maintenance	3	2
	<u>57</u>	<u>60</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2007	2006
	£	£
Depreciation owned assets	41,999	43,390
Auditors' remuneration	<u>8,440</u>	<u>7,800</u>
Directors' emoluments	<u>100,201</u>	<u>13,178</u>

Directors' emoluments have been recharged to Morrisons (Land Rover) Limited to cover the substantial input of the directors into the administration of that company

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Bank interest	870	609
Interest on other loans	<u>47,492</u>	<u>46,951</u>
	<u>48,362</u>	<u>47,560</u>

MORRISONS GARAGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS continued FOR THE YEAR ENDED 31 JANUARY 2007

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK corporation tax	8,808	3,427
Deferred tax	397	(969)
Tax on profit on ordinary activities	<u>9,205</u>	<u>2,458</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2007 £	2006 £
Profit on ordinary activities before tax	<u>64,434</u>	<u>12,437</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2006 19%)	12,242	2,363
Effects of		
Excess of depreciation over capital allowances	913	2,278
Losses brought forward	(4,320)	
Marginal relief	<u>(27)</u>	<u>(1,214)</u>
Current tax charge	<u>8,808</u>	<u>3,427</u>

MORRISONS GARAGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS continued FOR THE YEAR ENDED 31 JANUARY 2007

6 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Petrol complex £	Totals £
COST					
At 1 February 2006	2,064,020	136,905	172,408	70,931	2,444,264
Additions	<u> </u>	<u>21,636</u>	<u>3,125</u>	<u>5,091</u>	<u>29,852</u>
At 31 January 2007	<u>2,064,020</u>	<u>158,541</u>	<u>175,533</u>	<u>76,022</u>	<u>2,474,116</u>
DEPRECIATION					
At 1 February 2006	151,110	103,945	125,998	47,234	428,287
Charge for year	<u>20,100</u>	<u>9,644</u>	<u>7,425</u>	<u>4,830</u>	<u>41,999</u>
At 31 January 2007	<u>171,210</u>	<u>113,589</u>	<u>133,423</u>	<u>52,064</u>	<u>470,286</u>
NET BOOK VALUE					
At 31 January 2007	<u>1,892,810</u>	<u>44,952</u>	<u>42,110</u>	<u>23,958</u>	<u>2,003,830</u>
At 31 January 2006	<u>1,912,910</u>	<u>32,960</u>	<u>46,410</u>	<u>23,697</u>	<u>2,015,977</u>

Heritable property at Whins of Milton, Stirling in existence at 1st February 1997 was valued at 31st January 1998 by Shepherd, Chartered Surveyors, on an open market basis

7 STOCKS

	2007 £	2006 £
Stocks	<u>546,198</u>	<u>582,727</u>

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade debtors	151,096	210,083
Amounts owed by group undertakings	17,362	
Other debtors	59,004	67,444
Prepayments and accrued income	<u>18,530</u>	<u>57,102</u>
	<u>245,992</u>	<u>334,629</u>

MORRISONS GARAGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 JANUARY 2007

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank loans and overdrafts (see note 11)	471,922	470,231
Trade creditors	522,192	583,151
Amounts owed to group undertakings	-	68,631
Tax	8,808	3,427
Social security and other taxes	30,177	21,842
VAT	45,087	59,642
Accruals and deferred income	67,577	44,242
	<u>1,145,763</u>	<u>1,251,166</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Bank loans (see note 11)	307,692	379,630
Other loans (see note 11)	175,000	175,000
	<u>482,692</u>	<u>554,630</u>

11 LOANS

An analysis of the maturity of loans is given below

	2007	2006
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	399,983	399,361
Bank loans	71,939	70,870
	<u>471,922</u>	<u>470,231</u>
Amounts falling due between one and two years		
Bank loans 1 2 years	71,939	73,784
Amounts falling due between two and five years		
Bank loans 2 5 years	140,817	187,004
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Directors' loan accounts	175,000	175,000

MORRISONS GARAGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 JANUARY 2007

11 LOANS continued

	2007 £	2006 £
Repayable by instalments		
Bank loans	<u>94,936</u>	<u>118,842</u>

12 SECURED DEBTS

The following secured debts are included within creditors

	2007 £	2006 £
Bank overdrafts	399,983	399,361
Bank loans	<u>379,631</u>	<u>450,500</u>
	<u>779,614</u>	<u>849,861</u>

13 PROVISIONS FOR LIABILITIES

	2007 £	2006 £
Deferred tax	<u>10,823</u>	<u>10,426</u>

	Deferred tax £
Balance at 1 February 2006	10,426
Capital Allowances	<u>397</u>
Balance at 31 January 2007	<u>10,823</u>

14 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	2007 £	2006 £
20,000	Ordinary		<u>20,000</u>	<u>20,000</u>

Allotted, issued and fully paid Number	Class	Nominal value £1	2007 £	2006 £
19,100	Ordinary		<u>19,100</u>	<u>19,100</u>

MORRISONS GARAGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 JANUARY 2007

15 RESERVES

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 February 2006	1,788,987	188,497	537,911	2,515,395
Profit for the year	55,229			55,229
Pension surplus	(152,280)	-	-	(152,280)
At 31 January 2007	<u>1,691,936</u>	<u>188,497</u>	<u>537,911</u>	<u>2,418,344</u>
Profit and loss account excluding pension asset	436,436			
Pension reserve	<u>1,255,500</u>			
Profit and loss account	<u>1,691,936</u>			

16 PENSION COMMITMENTS

The company operates a defined benefit scheme in the UK. FRS 17 disclosures are not complete as comparative figures have not been fully disclosed. The directors have decided the cost of obtaining these figures is excessive. They appreciate the absence of the figures impacts on the profit and loss account as the movement in the pension scheme surplus is unknown for the year ended 31 January 2006, therefore costs which should be reflected in the comparative profit and loss account cannot be identified and the entire surplus has been brought onto the balance sheet through the statement of total recognised gains and losses.

All regulatory requirements in relation to the pension scheme have been complied with. A full actuarial valuation was carried out at 31 December 2005 and updated to 31 January 2006 and 31 January 2007 for FRS 17 purposes by a qualified independent actuary. The major assumptions used by the actuary were:

	31/1/07	31/1/06
Rate of increase in salaries	4.70%	4.50%
Rate of increase in deferred pensions	0%	3%
Discount rate for scheme liabilities	5%	4.60%
Inflation assumption	3.20%	3%
Pension in payment LPI	2.80%	2.70%
Pension in payment RPI	2.40%	2.30%

MORRISONS GARAGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS continued FOR THE YEAR ENDED 31 JANUARY 2007

16 PENSION COMMITMENTS continued

The assets in the scheme and the expected rate of return were

	Long term rate of return expected at 31/1/07	Value at 31/1/07 £	Long term rate of return expected at 31/1/06	Value at 31/1/06 £
Equities	7.60 %	2,396,776	7.10 %	2,710,369
Bonds	4.60 %	590,046	4.60 %	1,524,890
Property	7.60 %	1,587,178	7.10 %	683,741
Secured pensions in payment	5%	5,479,000	4.60%	5,650,000
Unrecoverable surplus	0%	<u>(160,000)</u>	0%	<u> </u>
Total market value of assets		9,893,000		10,569,000
Present value of scheme liabilities		<u>(8,343,000)</u>		<u>(8,831,000)</u>
Surplus in scheme		1,550,000		1,738,000
Related deferred tax liability		<u>(294,500)</u>		<u>(330,220)</u>
Net pension asset		<u>1,255,500</u>		<u>1,407,780</u>

Analysis of the amount charged to operating profit

	2007 £	2006 £
Current service cost	<u>120,000</u>	<u> </u>
Total operating charge	<u>120,000</u>	<u> </u>

Analysis of the amount credited to other finance income

	2007 £	2006 £
Expected return on pension scheme assets	527,000	<u> </u>
Interest on pension scheme liabilities	<u>(407,000)</u>	<u> </u>
Net return	<u>120,000</u>	<u> </u>

MORRISONS GARAGE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS continued
FOR THE YEAR ENDED 31 JANUARY 2007**

16 PENSION COMMITMENTS - continued**Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)**

	2007	2006
	£	£
Actual return less expected return on pension scheme assets	(602,000)	1,738,000
Experience gains and losses arising on the scheme liabilities	41,000	
Changes in assumptions underlying the present value of the scheme liabilities	<u>373,000</u>	
Actuarial (loss)/gain recognised in STRGL	<u>(188,000)</u>	<u>1,738,000</u>

Movement in surplus during the year

	2007	2006
	£	£
Surplus in scheme at start of year	1,738,000	
Current service cost	(120,000)	
Other finance income	120,000	
Actuarial gain	<u>(188,000)</u>	<u>1,738,000</u>
Surplus in scheme at end of year	<u>1,550,000</u>	<u>1,738,000</u>

MORRISONS GARAGE LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JANUARY 2007**

16 PENSION COMMITMENTS - continued

History of experience gains and losses

	2007	2006
Difference between the expected and actual return on scheme assets amount (£)	(602,000)	1,738,000
percentage of scheme assets	(6)%	16%

Experience gains and losses on scheme liabilities amount (£)	41,000	0
percentage of the present value of the scheme liabilities	0%	0%

Total actuarial gain or loss amount (£)	(188,000)	1,738,000
percentage of the present value of the scheme liabilities	2%	(20)%

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	55,229	9,979
Other recognised gains and losses relating to the year (net)	(152,280)	1,407,780
Net (reduction)/addition to shareholders' funds	(97,051)	1,417,759
Opening shareholders' funds	2,534,495	1,116,736
Closing shareholders' funds	2,437,444	2,534,495

MORRISONS GARAGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 JANUARY 2007

18 SECURITIES

Standard Securities

The following companies hold standard securities over the properties at Whins of Milton, Stirling

Alliance & Leicester Commercial Bank plc (Garage premises excluding petrol station)

BP Oil UK Limited (Petrol station only)

Clydesdale Bank plc (Land Rover premises)

Floating Charges

The following companies hold floating charges over the assets and undertakings of Morrisons Garage Limited, in order of priority

1 Alliance & Leicester Commercial Bank plc

2 Clydesdale Bank plc

Clydesdale Bank plc, Alliance & Leicester Commercial Bank plc and Blackhorse Fleet Finance also hold cross guarantees between Morrisons Garage Limited and Morrisons (Land Rover) Limited