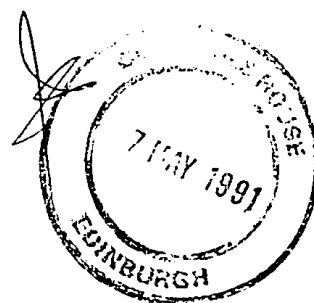


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ALAN R MACKAY & CO LIMITED
ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 1990



ALAN R MACKAY & COMPANY LIMITED

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ALAN R MACKAY & CO LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

A R MacKay (Chairman and Managing)
S A Colquhoun

SECRETARY

Mrs J B MacKay

SOLICITORS

Brodies
Edinburgh

BANKERS

Royal Bank of Scotland PLC
Ayr

AUDITORS

Gaibraith McEwan & Company
Chartered Accountants
Ayr

REGISTERED OFFICE

3 Wellington Square
Ayr

ALAN R MACKAY & COMPANY LIMITED

CHAIRMAN'S REVIEW

RESULTS

Your Company has had a successful year which saw the turnover and net profit exceeding targets. Turnover exceeded £166,000 and the Profit before tax was £46,704. This allowed the Board to pay a dividend of 20p per share on 15 December 1990.

BOARD OF DIRECTORS

The Board of Directors has remained unchanged since inception and I thank my colleague Mr Colquhoun for his enthusiasm and support.

STAFF

I cannot stress too much the contribution made by our staff in all aspects of work and wish to record sincere appreciation on my behalf for all that has been achieved.

DIVIDEND

Your Board wishes to pursue a progressive dividend policy as will be noted from the dividend paid on 15 December 1990

FUTURE PROSPECTS

1991 should be a year of consolidation with a possible move to new premises providing the capacity to handle the increasing clientele.

ALAN R MACKAY
CHAIRMAN

ALAN R MACKAY & CO LIMITED

DIRECTORS' REPORT

The Directors submit their Report and Accounts for the year ended 31st December 1990.

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, amounted to £30036. A dividend of £20000 was paid on 15 December 1990 which leaves a profit of £10036 to be retained.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Report of the progress and prospects of the Company are given in the Chairman's Review.

SHARE CAPITAL

The authorised share capital of the Company is £200,000.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the Notes to the Accounts.

DIRECTORS AND THEIR INTERESTS

The Directors at 31st December 1990 and their interests in the share capital of the Company were as follows:-

	1990	1989
A R MacKay	46000	46000
S A Colquhoun	6000	6000

In accordance with the Company's Articles of Association the following Directors shall retire and being eligible offer themselves for re-election:-

Alan R MacKay
S A Colquoun

AUDITORS

A resolution preposing the re-appointment of Galbraith McEwan & Company as Auditors will be put to the Memebers of the Annual General Meeting.

By Order of the Board

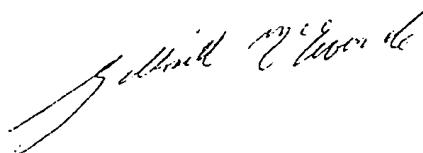
Mrs J B MacKay

Secretary

23rd April 1991

REPORT OF THE AUDITORS TO THE MEMBERS OF
ALAN R MACKAY & CO LIMITED

We have audited the financial statements on pages 5 to 11 in accordance with auditing standards except that no amortisation has been made in respect of purchased Goodwill as recommended by S.S.A.P.22. In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 December 1990 and of the profit and source and application of funds of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



AYR
23rd April 1991

GALBRAITH McEWAN & COMPANY
CHARTERED ACCOUNTANTS

ALAN R MACKAY & CO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1990

	Notes	1990	1989
TURNOVER	2	166,601 =====	136,915 =====
Staff Costs	4	80,858	62,038
Depreciation		9,428	7,994
Other Operating Charges		54,314	49,589
		144,600 -----	119,621 -----
OPERATING PROFIT	3	22,001	17,294
Interest Received (Gross)	5	27,281	10,749
(Loss)/Gain on Sale of Fixed Assets		(2,578)	500
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,704	28,543
Tax on Profit on Ordinary Activities	6	16,668	8,546
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		30,036	19,997
Dividends		(20,000)	(11,250)
Retained Profit Brought Forward		8,747 -----	- -----
Retained Profit Carried Forward		18,783 =====	8,747 =====

ALAN R MACKAY & CO LIMITED

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BALANCE SHEET AS AT 31ST DECEMBER 1990

	Notes	1990	1989
FIXED ASSETS			
Intangible Assets	9	83,906	83,906
Tangible Assets	10		
Short Leaseholds		1,464	1,946
Motor Vehicles		21,107	15,624
Office Equipment		5,990	6,700
		-----	-----
		112,467	108,176
		=====	=====
CURRENT ASSETS			
Debtors	11	67,469	59,801
Cash at Bank		351,603	251,669
Cash in Hand		50	50
		-----	-----
		419,122	311,520
		=====	=====
TOTAL ASSETS		531,589	419,696
CREDITORS			
Amounts falling due within one year	12	402,100	304,798
		-----	-----
		402,100	304,798
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		129,489	114,898
CREDITORS			
Amounts falling due after more than one year	13	10,706	6,151
		-----	-----
		-----	-----
		118,783	108,747
		=====	=====
CAPITAL AND RESERVES			
Called Up - Share Capital	15	100,000	100,000
Profit and Loss Account	16	18,783	8,747
		-----	-----
		118,783	108,747
		=====	=====

The notes on pages 5 to 11 form part of these Accounts.

We hereby certify that the foregoing are a true copy of the Company's Accounts.

Alan R Mackay
..... Director
John G. G. G. G.
..... Director

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED

31ST DECEMBER 1990

	1990	1989
SOURCE OF FUNDS		
Profit/(Loss) on Ordinary Activities before Taxation	46704	28543
Adjustment for items not involving movement of funds:		
Depreciation	9428	7994
Loss/(Profit) on sale of Fixed Assets	2578	(500)
TOTAL GENERATED BY OPERATIONS	58710	36037
Funds from other sources		
Share Issue	-	100000
Sale of Fixed Assets	13046	11500
APPLICATION OF FUNDS	71756	147537
Corporation Tax paid	14050	3750
Purchase of Fixed Assets	29343	127170
Dividend Paid	20000	11250
Current Instalments due on Hire Equipment	(4555)	(6151)
	58838	136019
INCREASE IN WORKING CAPITAL	12918	11518
COMPONENTS OF INCREASE IN WORKING CAPITAL		
Increase/(Decrease) in Debtors	7668	59801
Decrease/(Increase) in Creditors	(94697)	(295389)
Current Instalments due on Hire Commitments	13	(4613)
	87016	240201
MOVEMENT IN NET LIQUID FUNDS		
Increase/(Decrease) in Cash and Bank Balances	99934	251719
	12918	11518

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1990

1. Accounting Convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets on the following basis:-

Office Furniture & Equipment	25% Reducing balance
Motor Vehicles	25% Reducing balance
Short term loan	To write off the cost over the unexpired period of lease.

Hire Purchase Commitments

Assets obtained under hire purchase are capitalised in the balance sheet. The interest element of the hire obligations is charged to profit and loss account over the period of hire and represents a constant proportion of the balance of capital repayments outstanding.

Deferred Taxation

Deferred taxation has not been provided in these accounts as no liability is deferred by reason of differences between profits as computed for taxation purposes and profits as stated in the accounts.

Goodwill

Goodwill Represents the cost of acquiring certain clients accounts and no amortisation has been applied.

2. Turnover

Turnover represents the amount of services provided excluding value added tax. Turnover arises from the operation as Insurance Brokers.

3. Operating Profit

a) This is stated after charging:-	1990	1989
Directors Remuneration (see below)	47426	39401
Auditors Remuneration	1500	1000
Depreciation of owned fixed assets	3950	3537
Depreciation of assets held under hire purchase contracts	5478	4457
	=====	=====

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1990 (CONTINUED)

3. Operating Profit (Cont'd)

b) Directors Remuneration:-	1990	1989
Remuneration	42926	36401
Pension Contributions	4500	3000
	-----	-----
	47426	39401
	-----	-----

Particulars of Directors emoluments excluding pension contributions were as follows:-

Chairman	21900	15600
Highest paid Director	21026	20801

4. Staff Costs

Salaries	65639	53680
Social Security Costs	6719	5359
Other Pension Costs	8500	3000
	-----	-----
	80858	62039
	-----	-----

The average weekly number of employees during the year was:-

5	5
=	=

5. Interest Receivable

Bank Interest (Gross)	27281	10749
	-----	-----

6. Taxation

Corporation Tax Calculated at current rates		
Based on profit for year	14081	8546
Adjustment for previous year	2587	-
	-----	-----
	16668	8546
	-----	-----

7. Dividend

Paid 37.5p Per Share on 30,000 Shares	-	11250
Paid 20.0p Per Share on 100,000 Shares	20000	-

8. Retained Profit for Year

Retained	10083	8747
	-----	-----

9. Intangible Assets

Goodwill	83906	83906
	-----	-----

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1990 (CONTINUED)

10. Tangible Assets

	Total	Short Lease	Motor Vehicles	Office Furniture & Equipment
Cost at 1.1.90	32264	2500	20831	8933
Additions	29343	-	28055	1288
Disposals	(20831)	-	(20831)	-
At 31.12.90	40776	2500	28055	10221
Depreciation	2787	554	-	2233
Charge for Year	9428	482	6948	1998
At 31.12.90	12215	1036	6948	4231
Net Book Value at 31.12.90	28561	1464	21107	5990

Included in the above amounts for motor vehicles are the following amounts relating to assets acquired under hire purchase contracts:-

Cost	1990	1989
At 1 January 1990	-	-
Additions	19945	17831
At 31 December 1990	19945	17831
Depreciation		
At 1 January 1990	-	-
Charge for Year	4986	4457
At 31 December 1990	4986	4457
Net Book Value at 31 December 1990	14959	13374

11. Debtors

Trade Debtors	62161	59180
Prepayments	5308	621
	67469	59801

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1990 (CONTINUED)

	1990	1989
	----	----
12. Creditors - Amounts falling due within one year		
Obligations under Hire Purchase Contracts (Note 14)	4600	4613
Trade Creditors	369935	283528
Corporation Tax (after deduction of A.C.T. Paid)	7414	4796
Other Taxes and Social Security Costs	-	303
Accruals	20151	7475
Directors Loan	-	4083
	-----	-----
	402100	304798
	=====	=====
13. Creditors - Amounts falling due after one year (Note 14)		
14. Obligations under Hire Purchase Contracts		
Amounts payable within one year	6118	5997
In the second to third year inclusive	10706	7996
	-----	-----
	16824	13993
Less: Finance charges allocated to future periods	4174	3229
	-----	-----
	12650	10764
	=====	=====
Analysed as follows:-		
Current obligations (Note 12)	4600	4613
Non-current obligations	8050	6151
	-----	-----
	12650	10764
	=====	=====
15. Share Capital		
Authorised		

Ordinary shares of £1 each	200,000	200,000
	=====	=====
Allocated and fully paid at 31 December 1990	100,000	100,000
	=====	=====
16. Reserves		
Retained profit for year	10036	8747
	=====	=====
17. Capital Commitments		
Amounts contracted for but not provided in the financial statements amounted to	Nil	Nil
	===	===