

ALAN R MACKAY & COMPANY LIMITED

COMPANY NUMBER: 114821

REPORT AND ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 2001



AUDITORS' REPORT TO THE MEMBERS OF

ALAN R MACKAY & COMPANY LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the Abbreviated Accounts on Pages 2 to 5, together with the Financial Statements of Alan R MacKay & Company Limited prepared under Section 226 of the Companies Act 1985, as amended, for the year ended 31st December 2001.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the Abbreviated Accounts in accordance with Section 246 of the Companies Act 1985, as amended. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver the Abbreviated Accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and Accounts to be delivered have been properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

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. The scope of our work for the purpose of this Report does not include examining or dealing with events after the date of our Report on the Financial Statements.

OPINION

In our opinion, the Company is entitled to deliver Abbreviated Accounts, prepared in accordance with Sections 246(5) and 246(6) of the Companies Act 1985, as amended, and the Abbreviated Accounts on Pages 2 to 5 have been properly prepared in accordance with those provisions.

OTHER INFORMATION

On 3rd July 2002, we reported as Auditors of Alan R MacKay & Company Limited to the members on the Financial Statements prepared under Section 226 of the Companies Act 1985, as amended for the year ended 31st December 2001 and our Audit Report was as follows:

We have audited the Financial Statements on Pages 7 to 15, which have been prepared under the historical cost convention and on the basis of the Accounting Policies set out on Page 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on Page 5 the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION /.....

AUDITORS' REPORT TO THE MEMBERS OF

ALAN R MACKAY & COMPANY LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985 (CONTINUED)

BASIS OF OPINION

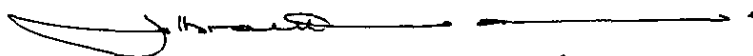
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements 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.

OPINION

No amortisation of purchased Goodwill has been made, contrary to FRS 10. In our opinion amortisation over a twenty year period should have been made. This would have the effect of reducing the Profit and Loss Account Reserve and Net Assets by £60,664.

Except for the above, in our opinion the Financial Statements give a true and fair view of the state of the Company's affairs as at 31st December 2001 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Galbraith McEwan & Company

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

4th July 2002

ALAN R MACKAY & COMPANY LIMITED

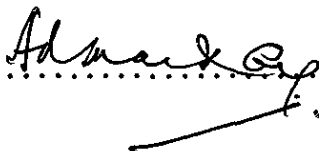
BALANCE SHEET AS AT 31ST DECEMBER 2001

	Notes	2001	2000
FIXED ASSETS			
Intangible Asset	2	145,656	124,656
Tangible Assets	4	94,818	102,921
Investments	3	9,820	9,820
		250,294	237,397
CURRENT ASSETS			
Debtors		427,901	247,176
Cash at Bank and in Hand		194,099	388,450
		622,000	635,626
CREDITORS:			
Amounts falling due within one year		645,714	660,069
NET CURRENT (LIABILITIES)		(23,714)	(24,443)
TOTAL ASSETS LESS CURRENT LIABILITIES		226,580	212,954
CREDITORS:			
Amounts falling due after more than one year	6	24,168	31,554
		202,412	181,400
CAPITAL AND RESERVES			
Called Up - Share Capital	5	100,000	100,000
Profit and Loss Account		102,412	81,400
		202,412	181,400

In preparing these Abbreviated Financial Statements:-

Advantage has been taken of the exemptions conferred by Part III, Schedule 8 of the Company's Act 1985, as amended, on the grounds that in the Directors' opinion, the Company is a small Company as defined because it satisfies the criteria for the exemptions.

The Financial Statements on Pages 7 to 15 were approved by the Board of Directors on 26th June 2002 and signed on its behalf by:-

 DIRECTOR

ALAN R MACKAY & COMPANY LIMITED
 NOTES TO THE ABBREVIATED ACCOUNTS
 FOR THE YEAR ENDED 31ST DECEMBER 2001

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
Tenant's Improvements	-	20% Straight Line

HIRE PURCHASE COMMITMENTS

Assets obtained under Hire Purchase are capitalised in the Balance Sheet. The Interest element of the obligations is charged to the 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 which is a departure from FRS 10.

2. INTANGIBLE ASSETS

	2001	2000
Goodwill	145,656 =====	124,656 =====

3. UNLISTED INVESTMENTS

Isle of Arran Distillers Ltd - Bond	420	420
Debentures Murrayfield	9,400	9,400
	9,820 =====	9,820 =====

4. TANGIBLE ASSETS

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001 (CONTINUED)

4. TANGIBLE ASSETS

	Total	Motor Vehicles	Office Furniture & Equipment	Tenants Improvements
COST:				
As at 1st January 2001	195,667	98,797	90,511	6,359
Additions	23,974	15,300	7,401	1,273
Disposals	(3,045)	-	(3,045)	-
As at 31st December 2001	216,596	114,097	94,867	7,632
DEPRECIATION:				
As at 1st January 2001	92,746	33,919	56,266	2,561
Charge for Year	31,624	19,980	10,057	1,587
Disposals	(2,592)	-	(2,592)	-
As at 31st December 2001	121,798	53,899	63,731	4,148
NET BOOK VALUE:				
As at 31st December 2001	94,818	60,198	31,136	3,484
As at 31st December 2000	102,921	64,878	34,245	3,798

5. SHARE CAPITAL

	2001	2000
Authorised		
Ordinary Shares of £1 each	200,000	200,000
Allotted, Called up and Fully Paid		
Ordinary Shares of £1 each	100,000	100,000

6. CREDITORS - Amounts Falling Due After One Year

ALAN R MACKAY & COMPANY LIMITED
 NOTES TO THE ABBREVIATED ACCOUNTS
 FOR THE YEAR ENDED 31ST DECEMBER 2001 (CONTINUED)

6. CREDITORS - Amounts Falling Due After One Year

	2001	2000
Obligations under Hire Purchase Contracts	24,168 =====	31,554 =====
Amounts Payable Within One Year	19,977	21,459
In the Second to Fifth Year Inclusive	29,400	37,975
	49,377	59,434
Less: Finance Charges Allocated to Future Periods	8,323 	8,911
	41,054 =====	50,523 =====
Analysed as Follows:-		
Current Obligations (Note 15)	16,886	18,969
Non-Current Obligations	24,168 	31,554
	41,054 =====	50,523 =====