

ALAN R MACKAY & COMPANY LIMITED

ANNUAL ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 2005

COMPANY NUMBER : SC114821



SCT
COMPANIES HOUSE

#8TK1HH30#

311
14/07/2006

ALAN R MACKAY & COMPANY LIMITED
REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2005

<u>CONTENTS</u>	<u>PAGE</u>
DIRECTORS AND OFFICERS	1
CHAIRMAN'S REVIEW	2
DIRECTORS' REPORT	3 - 4
DIRECTORS' RESPONSIBILITIES	5
AUDITORS' REPORT	6
PROFIT AND LOSS ACCOUNT	7
BALANCE SHEET	8
CASH FLOW STATEMENT	9
NOTES TO THE ACCOUNTS	10 - 15

ALAN R MACKAY & COMPANY LIMITED

DIRECTORS AND OFFICERS

DIRECTORS: A R MacKay, ACII - Chairman
I T Warnock, ACII - Managing Director
D MacKay
K Fitzgerald
L Dillett
D Skinner

SECRETARY: Mrs J C MacKay

SOLICITORS: The McKinstry Company
39 Sandgate
AYR
KA7 1BG

BANKERS: Royal Bank of Scotland PLC
AYR
KA7 1BY

AUDITORS: Galbraith McEwan & Company
Chartered Accountants
23 Barns Street
AYR
KA7 1XB

REGISTERED OFFICE: 38 Miller Road
AYR
KA7 2AY

ALAN R MACKAY & COMPANY LIMITED

CHAIRMAN'S REVIEW

RESULTS

Your Company has had a successful year with Turnover increasing by 15.2% to £1,145,819. However, Operating Costs rose by 16.6%. Operating Profit was decreased from £70,629 to £68,731.

BOARD OF DIRECTORS

The changes in Directors are as per Page 1.

STAFF

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

DIVIDEND

The Company has been able to maintain the dividend at 30p per share.

FUTURE PROSPECTS

The Company has consolidated its position and despite continuing hardening trading conditions, the Company hopes to grow during the forthcoming year.

ALAN R MACKAY

CHAIRMAN

ALAN R MACKAY & COMPANY LIMITED

DIRECTORS' REPORT

The Directors submit their Report and Accounts for the year ended 31st December 2005.

RESULTS AND DIVIDENDS

The trading Profit for the year, after Taxation, amounted to £55,600. A Dividend of £30,000 was paid. The Retained Profit for the year of £25,600 was transferred to Reserves.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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

PRINCIPAL ACTIVITIES

The principal activity of the Company was the provision of insurance broking services.

FIXED ASSETS

The changes in Fixed Assets during the year are summarised in the Notes to the Accounts.

DIRECTORS AND THEIR INTEREST

The Directors at 31st December 2005 and their interests in the Share Capital of the Company were as follows:-

	Ordinary Shares of £1 each	
	as at	as at
	31st Dec 2005	31st Dec 2004
A R MacKay	5,000	5,000
D MacKay	73,500	76,500
I T Warnock	11,000	5,000
K Fitzgerald	500	500
L Dillett	-	-
D Skinner	-	-

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

A R MacKay
D MacKay
I T Warnock
K Fitzgerald
L Dillett
D Skinner

CLOSE COMPANY /.....

ALAN R MACKAY & COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

CLOSE COMPANY

The Company is a Close Company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution proposing the re-appointment of Galbraith McEwan & Company, Chartered Accountants as Auditors in accordance with Section 385 of the Companies Act will be put to the Members at the Annual General Meeting.

By Order of the Board

Secretary

A handwritten signature in dark ink, appearing to read 'J. Mackay', is written over the printed word 'Secretary'.

ALAN R MACKAY & COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 Company and of the Profit or Loss of the Company 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:
- 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, as amended. 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.

The Directors confirm that they have complied with these requirements.

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

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.

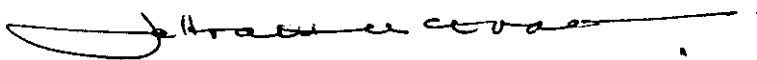
BASIS OF OPINION

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

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs as at 31st December 2005 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



AYR
27th February 2006

GALBRAITH McEWAN & COMPANY
Chartered Accountants and Registered Auditors

ALAN R MACKAY & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2005

	Notes	2005	2004
TURNOVER - CONTINUING OPERATIONS	2	<u>1,145,819</u>	<u>994,669</u>
Net Operating Expenses	3	<u>1,077,088</u>	<u>924,040</u>
OPERATING PROFIT - CONTINUING OPERATIONS	5	68,731	70,629
Interest Receivable	7	<u>21,532</u>	<u>14,087</u>
		90,263	84,716
Interest Payable	8	<u>9,017</u>	<u>5,373</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		81,246	79,343
Tax on Profit on Ordinary Activities	9	<u>25,646</u>	<u>24,882</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		55,600	54,461
Dividends	10	<u>30,000</u>	<u>30,000</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		25,600	24,461
Retained Profit Brought Forward		<u>175,718</u>	<u>151,257</u>
RETAINED PROFIT CARRIED FORWARD		<u>201,318</u> =====	<u>175,718</u> =====

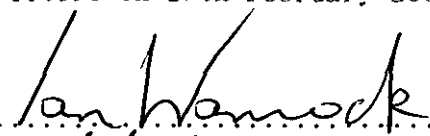
The Company has no recognised gains or losses other than the profit or loss for the year, therefore no Statement of Total Recognised Gains and Losses has been presented.

The Notes on Pages 10 to 15 form part of the Accounts.

ALAN R MACKAY & COMPANY LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 2005

	Notes	2005	2004
FIXED ASSETS			
Intangible Asset	11	149,059	209,059
Tangible Assets	12	123,646	88,486
Investments	13	9,400	9,820
		282,105	307,365
CURRENT ASSETS			
Debtors	14	789,985	691,528
Cash at Bank and in Hand		820,391	714,913
		1,610,376	1,406,441
CREDITORS:			
Amounts falling due within one year	15	1,497,754	1,385,786
NET CURRENT ASSETS		112,622	20,655
TOTAL ASSETS LESS CURRENT LIABILITIES		394,727	328,020
CREDITORS:			
Amounts falling due after more than one year	16	93,409	52,302
		301,318	275,718
CAPITAL AND RESERVES			
Called Up - Share Capital	17	100,000	100,000
Profit and Loss Account		201,318	175,718
		301,318	275,718

The Financial Statements on Pages 7 to 15 were approved by the Board of Directors on 27th February 2006 and signed on its behalf by:-

 DIRECTOR

 DIRECTOR

The Notes on Pages 10 to 15 form part of the Accounts.

ALAN R MACKAY & COMPANY LIMITED

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2005

	Notes	2005	2004
NET CASH INFLOW FROM OPERATING ACTIVITIES	19(i)	192,462	355,306
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Received	21,532		14,087
Interest Paid	(9,017)		(5,373)
		12,515	8,714
TAXATION		(24,646)	(26,732)
CAPITAL EXPENDITURE			
Payments to Acquire Tangible Fixed Assets	(100,547)		(74,468)
Payments to Acquire Intangible Fixed Assets	-		(34,403)
Receipts from Sale of Tangible Fixed Assets	22,650		23,500
		(77,897)	(85,371)
		102,434	251,917
EQUITY DIVIDENDS		(30,000)	(30,000)
		72,434	221,917
FINANCING			
Loan Advances	82,502		56,607
Repayments of Capital Element under Hire Purchase Contracts	(49,458)		(44,928)
		33,044	11,679
INCREASE IN CASH		105,478	233,596

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005

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
Computer Equipment	-	33.3% 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.

2. TURNOVER

Turnover arises from the operation as Insurance Brokers and represents the amount of services provided.

Turnover includes amounts earned as commission from undertaking insurance broking transactions on behalf of clients. It also includes fee income derived from pre-negotiated fees for carrying out insurance broking transactions on behalf of clients.

3. COST OF SALES AND NET OPERATING EXPENSES

	2005	2004
Administrative Expenses-Continuing Operations	1,077,088	924,040
	=====	=====

4. SEGMENTAL INFORMATION

The information disclosed in the Profit and Loss Account relates solely to the one class of business, being that of Insurance Broking, and also within the one geographical location, being the United Kingdom. As such no additional segmental information is disclosed in the Financial Statements.

5. OPERATING PROFIT

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONTINUED)

5. OPERATING PROFIT

This is stated after charging:-

	2005	2004
Auditors Remuneration - Audit Fees	4,500	4,500
Other	6,576	5,488
Depreciation of Owned Fixed Assets	5,414	5,076
Depreciation of Assets held under Hire Purchase Contracts	35,429	44,918
Loss on Disposal of Fixed Assets	1,894	751
(Gain) on Disposal of Fixed Assets	-	(4,042)
	=====	=====

6. STAFF COSTS

Salaries	572,184	478,134
Social Security Costs	60,296	53,289
Other Pension Costs	80,959	51,800
	=====	=====
	713,439	583,223
	=====	=====

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

20	19
=====	=====

DIRECTORS REMUNERATION

Fees	351,294	279,252
Pension Scheme Contributions	69,535	41,818
	=====	=====
	420,829	321,070
	=====	=====

7. INTEREST RECEIVABLE

Bank Interest (Gross)	21,532	14,087
	=====	=====

8. INTEREST PAYABLE

Bank Interest	-	-
Hire Purchase Interest repayable within 5 years	9,017	5,373
	=====	=====
	9,017	5,373
	=====	=====

9. TAXATION

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONTINUED)

9. TAXATION

	2005	2004
Corporation Tax Calculated at Current Rates Based on Profit for Year		
Corporation Tax	25,700	24,700
Under/(Overprovided) in Previous Year	(54)	182
	<u>25,646</u>	<u>24,882</u>
	=====	=====

10. DIVIDENDS

Ordinary Dividends Dividend Paid		
Pence per Share (2004:30p per Share)	30,000	30,000
	<u>30,000</u>	<u>30,000</u>
	=====	=====

11. INTANGIBLE ASSETS

Goodwill	149,059	209,059
	<u>149,059</u>	<u>209,059</u>
	=====	=====

12. TANGIBLE ASSETS

	Total	Motor Vehicles	Office Furniture & Equipment	Tenants Improvements
COST:				
As at 1st January 2005	246,295	119,352	119,056	7,887
Additions	100,547	90,243	10,304	-
Disposals	(49,445)	(49,445)	-	-
	<u>297,397</u>	<u>160,150</u>	<u>129,360</u>	<u>7,887</u>
	=====	=====	=====	=====
As at 31st December 2005	297,397	160,150	129,360	7,887
	<u>297,397</u>	<u>160,150</u>	<u>129,360</u>	<u>7,887</u>
	=====	=====	=====	=====
DEPRECIATION:				
As at 1st January 2005	157,809	42,689	107,395	7,725
Charge for Year	40,843	35,526	5,225	92
Disposals	(24,901)	(24,901)	-	-
	<u>173,751</u>	<u>53,314</u>	<u>112,620</u>	<u>7,817</u>
	=====	=====	=====	=====
As at 31st December 2005	173,751	53,314	112,620	7,817
	<u>173,751</u>	<u>53,314</u>	<u>112,620</u>	<u>7,817</u>
	=====	=====	=====	=====
NET BOOK VALUE:				
As at 31st December 2005	123,646	106,836	16,740	70
	<u>123,646</u>	<u>106,836</u>	<u>16,740</u>	<u>70</u>
	=====	=====	=====	=====
As at 31st December 2004	88,486	78,050	10,274	162
	<u>88,486</u>	<u>78,050</u>	<u>10,274</u>	<u>162</u>
	=====	=====	=====	=====

The net Book Value of Fixed Assets at 31st December 2005 includes amounts for assets held under Hire Purchase Contracts of £106,282 (2004:£76,012).

13. UNLISTED INVESTMENTS

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONTINUED)

13. UNLISTED INVESTMENTS

	2005	2004
Isle of Arran Distillers Ltd - Bond	-	420
Debentures Murrayfield and Hampden	9,400	9,400
	<u>9,400</u>	<u>9,820</u>
	=====	=====

14. DEBTORS

Trade Debtors	781,616	684,830
Prepayments	8,369	6,698
	<u>789,985</u>	<u>691,528</u>
	=====	=====

15. CREDITORS - Amounts Falling Due Within One Year

Obligations under Hire Purchase		
Contracts (Note 16)	25,875	33,937
Trade Creditors	1,224,667	1,179,205
Corporation Tax	25,700	24,700
Accruals	137,572	98,727
Other Creditors	52,223	28,140
Directors Loan Account	(134)	(62)
Other Taxes and Social Security Costs	31,851	21,140
	<u>1,497,754</u>	<u>1,385,787</u>
	=====	=====

16. CREDITORS - Amounts Falling Due After One Year

Obligations under Hire Purchase Contracts	93,409	52,303
	=====	=====
Amounts Payable Within One Year	34,249	39,678
In the Second to Fifth Year Inclusive	111,940	62,261
	<u>146,189</u>	<u>101,939</u>
Less: Finance Charges Allocated to		
Future Periods	26,905	15,699
	<u>119,284</u>	<u>86,240</u>
	=====	=====
Analysed as Follows:-		
Current Obligations (Note 15)	25,875	33,937
Non-Current Obligations	93,409	52,303
	<u>119,284</u>	<u>86,240</u>
	=====	=====

17. SHARE CAPITAL

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONTINUED)

17. SHARE CAPITAL

	2005	2004
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
	=====	=====

18. CAPITAL COMMITMENTS

The aggregate amount of the Company's contracts for Capital Expenditure not provided in the Accounts is £Nil (2004 - £ NIL).

The aggregate amount of Capital Expenditure authorised by the Directors which has not been contracted for is £Nil (2004 - £Nil).

19. NOTES TO THE CASH FLOW STATEMENT

(i) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Operating Profit	68,731	70,629
Depreciation Charges	100,843	69,994
(Increase) in Debtors	(98,457)	(169,113)
Increase in Creditors	119,031	387,087
Loss on Sale of Assets	2,314	751
(Gain) on Sale of Assets	-	(4,042)
	-----	-----
Net Cash Inflow from Operating Activities	192,462	355,306
	=====	=====

(ii) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

Increase in Cash During the Year	105,478	233,596
Net Funds as at 1st January 2005	714,913	481,317
	-----	-----
Net Funds at 31st December 2005	820,391	714,913
	=====	=====

(iii) ANALYSIS OF CHANGES IN NET FUNDS

	At 31/12/05	Cash Flow	At 1/1/05
Cash at Bank and in Hand	820,391	105,478	714,913
	=====	=====	=====

20. RECONCILIATION AND MOVEMENT IN SHAREHOLDERS FUNDS

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2005 (CONTINUED)

20. RECONCILIATION AND MOVEMENT IN SHAREHOLDERS FUNDS

	2005	2004
Profit for the Financial Year	55,600	54,461
Dividends	(30,000)	(30,000)
Opening Shareholders Funds	25,600 275,718	24,461 251,257
Closing Shareholders Funds	301,318 =====	275,718 =====