

ALAN R MACKAY & COMPANY LIMITED

Financial Statements

31 December 2007

THURSDAY



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COMPANIES HOUSE

GALBRAITH McEWAN & CO

Chartered Accountants & Registered Auditors

23 Barns Street

Ayr

KA7 1XB

ALAN R MACKAY & COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

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ALAN R MACKAY & COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

Mr A R MacKay ACII
Mr I T Warnock ACII
Mr D MacKay Dip CII
Miss K Fitzgerald ACII
Mrs L Dillett Dip CII

Company Secretary

Janet C Mackay

Registered Office

38 Miller Road
Ayr
KA7 2AY

Auditor

Galbraith McEwan & Co
Chartered Accountants
& Registered Auditors
23 Barns Street
Ayr
KA7 1XB

Bankers

Royal Bank Of Scotland
30 Sandgate
Ayr

Solicitors

The McKinstry Company
Queens Court
Sandgate
Ayr
KA7 1XB

ALAN R MACKAY & COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2007

Principal Activities

The principal activity of the company during the year was the provision of insurance broking services Mackay Corporate Insurance Brokers is the trading name of Alan R Mackay & Company Limited who are authorised and regulated by the Financial Services Authority

The Directors and their Interests in the Shares of the Company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 31 December 2007	At 1 January 2007
Mr A R MacKay ACII	5,000	5,000
Mr I T Warnock ACII	11,000	11,000
Mr D MacKay Dip CII	73,500	73,500
Miss K Fitzgerald ACII	500	500
Mrs L Dillett Dip CII		

Directors' Responsibilities

The directors are responsible for preparing the Annual Report and 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 that disclose with reasonable accuracy at any time the financial position of the company and 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

ALAN R MACKAY & COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2007

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

A resolution to re appoint Galbraith McEwan & Co as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
38 Miller Road
Ayr
KA7 2AY

Signed on behalf of the directors



Mr I Warnock

Director

Approved by the directors on 8 April 2008

ALAN R MACKAY & COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ALAN R MACKAY & COMPANY LIMITED
YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of Alan R MacKay & Company Limited for the year ended 31 December 2007, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on pages 8 to 9

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

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 in the Statement of Directors' Responsibilities.

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 Directors' Report 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 Directors' Report 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.

ALAN R MACKAY & COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ALAN R MACKAY & COMPANY LIMITED *(continued)***

YEAR ENDED 31 DECEMBER 2007

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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard Provisions Available for Small Entities, in the circumstances set out in note 16 to the Financial Statements.

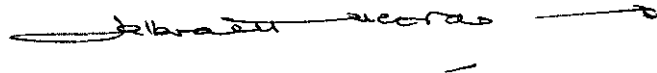
Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements.



23 Barns Street
Ayr
KA7 1XB

GALBRAITH McEWAN & CO
Chartered Accountants
& Registered Auditors

9 April 2008

ALAN R MACKAY & COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
Turnover		1,271,083	1,219,096
Administrative expenses		1,203,797	1,142,225
Operating Profit	2	67,286	76,871
Interest receivable		36,390	23,031
Interest payable and similar charges		(9,392)	(12,425)
Profit on Ordinary Activities Before Taxation		94,284	87,477
Tax on profit on ordinary activities	3	15,918	32,067
Profit for the Financial Year		<u>78,366</u>	<u>55,410</u>

The notes on pages 8 to 13 form part of these financial statements

ALAN R MACKAY & COMPANY LIMITED

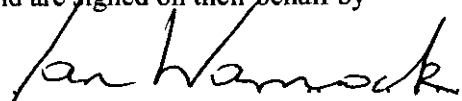
BALANCE SHEET

31 DECEMBER 2007

	Note	2007 £	2006 £
Fixed Assets			
Intangible assets	5	149,059	109,059
Tangible assets	6	112,083	114,228
Investments	7	8,000	9,400
		<u>269,142</u>	<u>232,687</u>
Current Assets			
Debtors	8	773,228	752,053
Cash at bank and in hand		985,159	900,646
		<u>1,758,387</u>	<u>1,652,699</u>
Creditors: Amounts Falling due Within One Year	9	<u>1,602,899</u>	<u>1,474,865</u>
Net Current Assets		155,488	177,834
Total Assets Less Current Liabilities		424,630	410,521
Creditors: Amounts Falling due after More than One Year	10	69,536	83,793
		<u>355,094</u>	<u>326,728</u>
Capital and Reserves			
Called up equity share capital	13	100,000	100,000
Profit and loss account	14	255,094	226,728
Shareholders' Funds	15	<u>355,094</u>	<u>326,728</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

These financial statements were approved by the directors and authorised for issue on 8 April 2008, and are signed on their behalf by



Director



Director

The notes on pages 8 to 13 form part of these financial statements

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Income Recognition

The income shown in the profit and loss account represents the fees and commissions earned during the year

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixed Assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	20% Straight Line
Computer Equipment	33% Straight Line
Motor Vehicles	25% Reducing Balance
Equipment	25% Reducing Balance

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension Costs

The company operates a defined contribution pension 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

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

1. Accounting Policies (continued)

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Operating Profit

Operating profit is stated after charging/(crediting)

	2007	2006
	£	£
Amortisation	40,000	40,000
Depreciation of owned fixed assets	14,339	9,862
Depreciation of assets held under hire purchase agreements	27,372	29,210
(Profit)/Loss on disposal of fixed assets	(2,887)	2,203
Auditor's fees	<u>12,337</u>	<u>11,045</u>

3. Taxation on Ordinary Activities

Analysis of charge in the year

	2007	2006
	£	£
Current tax		
UK Corporation tax based on the results for the year at 20% (2006 19%)	26,774	32,163
Over/under provision in prior year	<u>(10,856)</u>	<u>(96)</u>
Total current tax	<u>15,918</u>	<u>32,067</u>

4. Dividends

Equity dividends

	2007	2006
	£	£
Paid		
Equity dividends on ordinary shares	<u>50,000</u>	<u>30,000</u>

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

5. Intangible Fixed Assets

	Goodwill £
Cost	
At 1 January 2007	109,059
Additions	80,000
At 31 December 2007	<u>189,059</u>
Amortisation	
Charge for the year	40,000
At 31 December 2007	<u>40,000</u>
Net Book Value	
At 31 December 2007	<u>149,059</u>
At 31 December 2006	<u>109,059</u>

6. Tangible Fixed Assets

	Tenants Improvements £	Computer Equipment £	Motor Vehicles £	Equipment £	General Fixed Assets £	Total £
Cost						
At 1 Jan 2007	16,622	73,547	141,619	64,825	1,251	297,864
Additions	–	14,943	35,748	4,403	–	55,094
Disposals	–	(1,645)	(32,910)	–	–	(34,555)
At 31 Dec 2007	<u>16,622</u>	<u>86,845</u>	<u>144,457</u>	<u>69,228</u>	<u>1,251</u>	<u>318,403</u>
Depreciation						
At 1 Jan 2007	9,615	69,053	53,515	51,453	–	183,636
Charge for the year	1,798	7,969	27,492	4,452	–	41,711
On disposals	–	–	(19,027)	–	–	(19,027)
At 31 Dec 2007	<u>11,413</u>	<u>77,022</u>	<u>61,980</u>	<u>55,905</u>	<u>–</u>	<u>206,320</u>
Net Book Value						
At 31 Dec 2007	<u>5,209</u>	<u>9,823</u>	<u>82,477</u>	<u>13,323</u>	<u>1,251</u>	<u>112,083</u>
At 31 Dec 2006	<u>7,007</u>	<u>4,494</u>	<u>88,104</u>	<u>13,372</u>	<u>1,251</u>	<u>114,228</u>

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

6. Tangible Fixed Assets (continued)

Hire purchase agreements

Included within the net book value of £112,083 is £82,118 (2006 £87,003) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £27,372 (2006 £29,210).

7. Investments

Unlisted Investment

	£
Cost	
At 1 January 2007	9,400
Additions	1,000
Disposals	(2,400)
At 31 December 2007	<u>8,000</u>
Net Book Value	
At 31 December 2007	<u>8,000</u>
At 31 December 2006	<u>9,400</u>

8. Debtors

	2007	2006
	£	£
Trade debtors	752,676	736,800
Other debtors	20,552	15,253
	<u>773,228</u>	<u>752,053</u>

9. Creditors: Amounts Falling due Within One Year

	2007	2006
	£	£
Trade creditors	1,357,917	1,275,839
Corporation tax	26,774	32,163
Other taxation and social security	24,544	21,946
Hire purchase agreements	28,895	24,196
Other creditors	164,769	120,721
	<u>1,602,899</u>	<u>1,474,865</u>

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

10. Creditors: Amounts Falling due after More than One Year

	2007	2006
	£	£
Hire purchase agreements	<u>69,536</u>	<u>83,793</u>

11. Commitments under Operating Leases

At 31 December 2007 the company had aggregate annual commitments under non cancellable operating leases as set out below

	2007	2006
	£	£
Operating leases which expire		
Within 1 year	<u>1,322</u>	
Within 2 to 5 years	<u>57,899</u>	<u>36,221</u>
	<u>59,221</u>	<u>36,221</u>

12. Related Party Transactions

The company was under the control of the director Mr David MacKay throughout the current and previous year

As at 31st December 2007 Mr David MacKay was due from the company the sum of £36,750 This Directors Loan is included within Creditors Within One Year has no set repayment date and is interest free

13. Share Capital

Authorised share capital:

	2007	2006
	£	£
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

14. Profit and Loss Account

	2007	2006
	£	£
Balance brought forward	226,728	201,318
Profit for the financial year	78,366	55,410
Equity dividends	(50,000)	(30,000)
Balance carried forward	<u>255,094</u>	<u>226,728</u>

15. Reconciliation of Movements in Shareholders' Funds

	2007	2006
	£	£
Profit for the financial year	78,366	55,410
Equity dividends	(50,000)	(30,000)
Net addition to shareholders' funds	<u>28,366</u>	<u>25,410</u>
Opening shareholders' funds	<u>326,728</u>	<u>301,318</u>
Closing shareholders' funds	<u>355,094</u>	<u>326,728</u>

16. APB Ethical Standard Provisions Available for Smaller Entities

In common with many other businesses of our size, we use our auditors' to prepare and submit returns to H M Revenue & Customs, assist with the preparation of the financial statements and to process the monthly payroll