

COMPANY REGISTRATION NUMBER SC114821

ALAN R MACKAY & COMPANY LIMITED

Financial Statements

31 December 2008



GALBRAITH McEWAN & CO

Chartered Accountants & Registered Auditors

23 Barns Street

Ayr

KA7 1XB

ALAN R MACKAY & COMPANY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

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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
Ms G Lambert ACII

Company Secretary

Mrs A Warnock

Registered Office

38 Miller Road
Ayr
KA7 2AY

Auditor

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

Bankers

Clydesdale Bank
43 Alloway Street
Ayr
KA7 1SP

Solicitors

The McKinstry Company
Queens Court
Sandgate
Ayr
KA7 1XB

ALAN R MACKAY & COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

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.

Directors

The directors who served the company during the year were as follows:

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

Ms G Lambert ACII was appointed as a director on 1 October 2008.

Mrs L Dillett Dip CII retired as a director on 10 April 2008.

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 2008

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 11 May 2009

ALAN R MACKAY & COMPANY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ALAN R MACKAY & COMPANY LIMITED
YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of Alan R MacKay & Company Limited for the year ended 31 December 2008 on pages 6 to 13, 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.

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.

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

YEAR ENDED 31 DECEMBER 2008

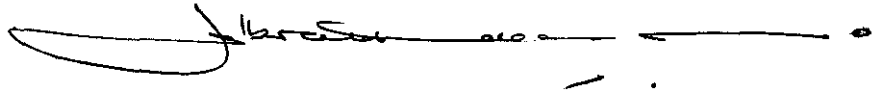
We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out below:

In common with many other businesses of our size and nature 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.

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 2008 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.



GALBRAITH McEWAN & CO
Chartered Accountants
& Registered Auditors

23 Barns Street
Ayr
KA7 1XB

12 May 2009

ALAN R MACKAY & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
Turnover		1,463,389	1,271,083
Administrative expenses		1,382,067	1,203,797
Operating Profit	2	81,322	67,286
Interest receivable		44,761	36,390
Interest payable and similar charges		(8,861)	(9,392)
Profit on Ordinary Activities Before Taxation		117,222	94,284
Tax on profit on ordinary activities	4	33,123	15,918
Profit for the Financial Year		84,099	78,366

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

ALAN R MACKAY & COMPANY LIMITED

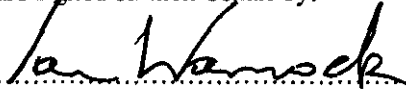
BALANCE SHEET

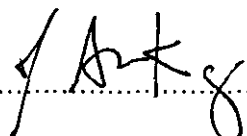
31 DECEMBER 2008

	Note	2008 £	2007 £
Fixed Assets			
Intangible assets	6	169,059	149,059
Tangible assets	7	61,943	112,083
Investments	8	8,000	8,000
		<u>239,002</u>	<u>269,142</u>
Current Assets			
Debtors	9	1,065,420	773,228
Cash at bank and in hand		961,126	985,159
		<u>2,026,546</u>	<u>1,758,387</u>
Creditors: Amounts Falling due Within One Year	10	<u>1,849,395</u>	<u>1,602,899</u>
Net Current Assets		177,151	155,488
Total Assets Less Current Liabilities		<u>416,153</u>	<u>424,630</u>
Creditors: Amounts Falling due after More than One Year	11	26,960	69,536
		<u>389,193</u>	<u>355,094</u>
Capital and Reserves			
Called-up equity share capital	14	100,000	100,000
Profit and loss account	15	289,193	255,094
Shareholders' Funds		<u>389,193</u>	<u>355,094</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 11 May 2009, and are signed on their behalf by:

.....  Director

.....  Director

The notes on page 7 form part of these financial statements.

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

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 2008

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):

	2008	2007
	£	£
Amortisation	60,000	40,000
Depreciation of owned fixed assets	14,310	14,339
Depreciation of assets held under hire purchase agreements	11,076	27,372
Loss/(Profit) on disposal of fixed assets	3,813	(2,887)
Auditor's fees	12,120	12,337

3. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Aggregate emoluments	303,727	302,445
Value of company pension contributions to money purchase schemes	46,795	50,026
	350,522	352,471

4. Taxation on Ordinary Activities

Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 21% (2007 - 20%)	33,176	26,774
Over/under provision in prior year	(53)	(10,856)
Total current tax	33,123	15,918

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

5. Dividends

Equity dividends

	2008 £	2007 £
Paid		
Equity dividends on ordinary shares	50,000	50,000

6. Intangible Fixed Assets

	Goodwill £
Cost	
At 1 January 2008	189,059
Additions	80,000
At 31 December 2008	269,059
Amortisation	
At 1 January 2008	40,000
Charge for the year	60,000
At 31 December 2008	100,000
Net Book Value	
At 31 December 2008	169,059
At 31 December 2007	149,059

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

7. Tangible Fixed Assets

	Tenants Improvements £	Computer Equipment £	Motor Vehicles £	Equipment £	General Fixed Assets £	Total £
Cost						
At 1 Jan 2008	16,622	86,845	144,457	69,228	1,251	318,403
Additions	2,192	7,848	–	2,584	435	13,059
Disposals	–	–	(76,327)	–	–	(76,327)
At 31 Dec 2008	18,814	94,693	68,130	71,812	1,686	255,135
Depreciation						
At 1 Jan 2008	11,413	77,022	61,980	55,905	–	206,320
Charge for the year	2,236	8,007	11,166	3,977	–	25,386
On disposals	–	–	(38,514)	–	–	(38,514)
At 31 Dec 2008	13,649	85,029	34,632	59,882	–	193,192
Net Book Value						
At 31 Dec 2008	5,165	9,664	33,498	11,930	1,686	61,943
At 31 Dec 2007	5,209	9,823	82,477	13,323	1,251	112,083

Hire purchase agreements

Included within the net book value of £61,943 is £33,228 (2007 - £82,118) 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 £11,076 (2007 - £27,372).

8. Investments

Unlisted Investment

	£
Cost	
At 1 January 2008 and 31 December 2008	8,000
Net Book Value	
At 31 December 2008	8,000
At 31 December 2007	8,000

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

9. Debtors

	2008	2007
	£	£
Trade debtors	1,040,630	752,676
Other debtors	24,790	20,552
	<u>1,065,420</u>	<u>773,228</u>

10. Creditors: Amounts Falling due Within One Year

	2008	2007
	£	£
Trade creditors	1,616,480	1,357,917
Corporation tax	33,176	26,774
Other taxation and social security	26,028	24,544
Hire purchase agreements	15,023	28,895
Other creditors	158,688	164,769
	<u>1,849,395</u>	<u>1,602,899</u>

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

	2008	2007
	£	£
Hire purchase agreements	<u>26,960</u>	<u>69,536</u>

12. Commitments under Operating Leases

At 31 December 2008 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2008	2007
	£	£
Operating leases which expire:		
Within 1 year	38,406	1,322
Within 2 to 5 years	55,019	57,899
	<u>93,425</u>	<u>59,221</u>

13. 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.

ALAN R MACKAY & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

14. Share Capital

Authorised share capital:

	2008	2007
	£	£
200,000 Ordinary shares of £1 each	200,000	200,000

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

15. Profit and Loss Account

	2008	2007
	£	£
Balance brought forward	255,094	226,728
Profit for the financial year	84,099	78,366
Equity dividends	(50,000)	(50,000)
Balance carried forward	289,193	255,094

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.