ALAN R. MACKAY & COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Company Registration No. SC114821 (Scotland)
PAGES FOR FILING WITH REGISTRAR

ALAN R. MACKAY & COMPANY LIMITED

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ALAN R. MACKAY & COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities
The principal activity of the company continued to be that of insurance brokers.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Ian Warnock ACII
Mr David Mackay Dip CII
Miss Karen Fitzgerald ACII
Mrs Gloria Lambert ACII
Mr Iain Henry ACII

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr David Mackay Dip CII
Director

11 March 2020

ALAN R. MACKAY & COMPANY LIMITED

REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF ALAN R. MACKAY & COMPANY LIMITED

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Alan R. Mackay & Company Limited for the year ended 31 December 2019 set out on pages to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the ICAS we are subject to its ethical and other professional requirements which are detailed at https://www.icas.com/FrameworkforthePreparationofAccounts.

This report is made solely to the Board of Directors of Alan R. Mackay & Company Limited, as a body, in accordance with the terms of our engagement letter dated 17 April 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Alan R. Mackay & Company Limited and state those matters that we have agreed to state to the Board of Directors of Alan R. Mackay & Company Limited, as a body, in this report in accordance with the requirements of the ICAS as detailed at https://www.icas.com/FrameworkforthePreparationofAccounts. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alan R. Mackay & Company Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Alan R. Mackay & Company Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Alan R. Mackay & Company Limited. You consider that Alan R. Mackay & Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Alan R. Mackay & Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

William Duncan + Co Ltd

Chartered Accountants

11 March 2020

30 Miller Road
Ayr
Ayrshire
KA7 2AY

ALAN R. MACKAY & COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	**3**		256,007		-
Tangible assets	**4**		22,470		13,798
Investments	**5**		11,561		376,250
			290,038		390,048
Current assets					
Debtors	**6**	1,507,334		689,172	
Cash at bank and in hand		640,643		810,345	
		2,147,977		1,499,517	
Creditors: amounts falling due within one year	**7**	(1,974,912)		(1,444,200)	
Net current assets			173,065		55,317
Total assets less current liabilities			463,103		445,365
Provisions for liabilities			(2,486)		(1,065)
Net assets			460,617		444,300
Capital and reserves					
Called up share capital	**8**		100,000		94,500
Share premium account			33,000		-
Capital redemption reserve			11,000		5,500
Profit and loss reserves			316,617		344,300
Total equity			460,617		444,300

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2019

The financial statements were approved by the board of directors and authorised for issue on 11 March 2020 and are signed on its behalf by:

Mr David Mackay Dip CII
Director

Company Registration No. SC114821

1 Accounting policies

Company information

Alan R. Mackay & Company Limited is a private company limited by shares incorporated in Scotland. The registered office is 38 Miller Road, Ayr, Ayrshire, KA7 2AY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

The company recognises brokerage and fees when the insurance premium has been paid. Turnover represents brokerage and fees associated with placing insurance contracts.

1.3 Intangible fixed assets - goodwill

The cost of purchased goodwill, less its estimated residual value, is written off over 10 years to reflect the expected useful economic life of the acquisition.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1 Accounting policies **(Continued)**

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies **(Continued)**

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 25 (2018 - 21).

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2019	-
Additions	310,312
Other changes	(31,031)
At 31 December 2019	279,281
Amortisation and impairment	
At 1 January 2019	-
Amortisation charged for the year	23,274
At 31 December 2019	23,274
Carrying amount	
At 31 December 2019	256,007
At 31 December 2018	-

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2019	191,634
Additions	18,250
At 31 December 2019	209,884
Depreciation and impairment	
At 1 January 2019	177,836
Depreciation charged in the year	9,578
At 31 December 2019	187,414
Carrying amount	
At 31 December 2019	22,470
At 31 December 2018	13,798

5 Fixed asset investments

	2019	2018
	£	£
Investments in subsidiary	-	366,264
Other investments	11,561	9,986
	11,561	376,250

Fixed asset investments not carried at market value

The investments above are not publicly traded and it is not possible to measure their fair value reliably. For this reason they are measured at cost less impairment.

6 Debtors

Amounts falling due within one year:	2019 £	2018 £
Trade debtors	1,482,989	659,221
Other debtors	24,345	29,951
	1,507,334	689,172

7 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans	-	9,476
Trade creditors	1,726,153	1,061,744
Taxation and social security	73,935	53,836
Other creditors	174,824	319,144
	1,974,912	1,444,200

8 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
39,000 Ordinary of £1 each	39,000	33,500
61,000 Ordinary A of £1 each	61,000	61,000
	100,000	94,500

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
	186,118	399,816

The following amounts were outstanding at the reporting end date:

10 Related party transactions

The trade and assets of the company's subsidiary were hived up on 1 April 2019. The subsidiary has no value as a result.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.