Registered Number SC242909

Falkirk Mortgage Advice Centre Ltd

Abbreviated Accounts

31 January 2012

Falkirk Mortgage Advice Centre Ltd **Registered Number SC242909**

Company Information

Registered Office:
74, Beaumont Drive
Carron
Falkirk
FK2 7NZ

Reporting Accountants:
FBD Consultancy (Scotland) Ltd.
Chartered Accountants and Business Advisors
Sgarbach House
10 Binniehill Road
Balloch
Cumbernauld
Lanarkshire
G68 9AJ

Falkirk Mortgage Advice Centre Ltd **Registered Number SC242909**

Balance Sheet as at 31 January 2012

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Intangible	2		0		417
Tangible	3		0		227
			0		644
Current assets					
Debtors		12,400		4,900	
Cash at bank and in hand		853		366	
Total current assets		13,253		5,266	
Creditors: amounts falling due within one year		(1,627)		(3,759)	
Net current assets (liabilities)			11,626		1,507
Total assets less current liabilities			11,626		2,151
Creditors: amounts falling due after more than one year			(44,676)		(31,422)
Total net assets (liabilities)			(33,050)		(29,271)
Capital and reserves					
Called up share capital	4		2		2
Profit and loss account			(33,052)		(29,273)
Shareholders funds			(33,050)		(29,271)

a. For the year ending 31 January 2012 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board on 27 November 2012

And signed on their behalf by:
G Henderson, Director

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 1068 of the Companies Act 2006.

Notes to the Abbreviated Accounts

For the year ending 31 January 2012

1 **Accounting policies**

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents commissions received less any commissions repaid in the year. Commission is credited to the profit and loss account when received. A provision is made for the clawback of commissions received based on previous years experience.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, is being amortised evenly over its estimated useful life of two years.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Computer equipment	33% on cost

2 **Intangible fixed assets**

Cost or valuation	**£**
At 01 February 2011	5,000
At 31 January 2012	5,000
Amortisation	
At 01 February 2011	4,583
Charge for year	417
At 31 January 2012	5,000
Net Book Value	
At 31 January 2012	0
At 31 January 2011	417

3 **Tangible fixed assets**

	Total
Cost	**£**
At 01 February 2011	6,323
At 31 January 2012	6,323
Depreciation	
At 01 February 2011	6,096

Charge for year		227
At 31 January 2012		6,323
Net Book Value		
At 31 January 2012		0
At 31 January 2011		227

4 **Share capital**

	2012	2011
	£	£
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	2	2

5 **Capital adequacy**

The Financial Services Authority (FSA) regulates financial services intermediaries to ensure that proper advice and proper conduct is maintained by these intermediaries to ensure protection for investors. Whilst these accounts demonstrate a negative net asset position, the director and owner of Falkirk Mortgage Advice Centre Limited (FMAC) is required to provide a signed guarantee on an annual basis to the FSA that a minimum level of "Capital Adequacy" is maintained for the protection of individuals to whom advice is provided and who purchase financial products through FMAC. For the purposes of the "Capital Adequacy" requirement a separate account is maintained independently of the Company.

6 **Commission clawback provision**

Under the Financial Services Authority (FSA) regulations investors retain rights to cancel their investment products during an initial cooling off period and at other points during the lifetime of the product or policy. Due to the nature of the products and the industry, cancellation of policies is commonplace. Cancellation of these policies results in a clawback of commissions from the financial services intermediary (Falkirk Mortgage Advice Centre Ltd.) by the financial institution providing the product. Such clawbacks can have a financial impact on the intermediary for up to four years. Each year a number of policies are cancelled and not renewed by investors, resulting in a clawback of commissions, and a real loss of income to FMAC. In the previous year a provision was calculated according to income levels and previous years experience of levels of commission clawback expected. Whilst the commission income is considerably lower in the current year than in previous years the level of commission clawed back was greater than provided in the accounts. The director's judgement is that the level of provision is reasonably accurate given the deterioration in the market over the last 36 months.

7 **Going concern**

The director is aware of the excess of liabilities over assets, but is confident that the company will be able to rectify the position over the next few years.

8 **Amounts falling due after one year**

Included in this liability is a loan of £40,000, from an unrelated third party. This loan is interest free and is repayable in full on 1st January 2015.