

Abbreviated Accounts for the Year Ended 31 January 2006

for

MacDonald Reid Scott Financial
Services Limited



ICT #8072JUE7# 249
COMPANIES HOUSE 05/10/2006

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for the Year Ended 31 January 2006

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MacDonald Reid Scott Financial
Services Limited

Company Information
for the Year Ended 31 January 2006

DIRECTORS:

R J Macdonald
G H Reid
I G D Scott
D J McIntyre
BG Dunn
G J Donnelly
V R Pittard

SECRETARY:

H J Cunningham

REGISTERED OFFICE:

23 Eagle Street
Glasgow
G4 9XA

REGISTERED NUMBER:

SC 127074

AUDITORS:

Graham & Co. (Accountants) Limited
118 Dumbarton Road
Clydebank
Glasgow
G81 1UG

Report of the Directors
for the Year Ended 31 January 2006

The directors present their report with the accounts of the company for the year ended 31 January 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of financial services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

DIVIDENDS

An interim dividend of £2.62 per share was paid on 31 January 2006. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 January 2006 will be £118,080.

DIRECTORS

The directors during the year under review were:

R J Macdonald
G H Reid
I G D Scott
D J McIntyre
BG Dunn
G J Donnelly
V R Pittard

- appointed 15.11.05

The directors holding office at 31 January 2006 did not hold any beneficial interest in the issued share capital of the company at 1 February 2005 (or date of appointment if later) or 31 January 2006.

CHARITABLE DONATIONS

During the year the company made donations totalling £240 (2005 - £425).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

MacDonald Reid Scott Financial
Services Limited

Report of the Directors
for the Year Ended 31 January 2006

AUDITORS

The auditors, Graham & Co. (Accountants) Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'I G D Scott', written over a horizontal line.

I G D Scott - Director

19 May 2006

Report of the Independent Auditors to
MacDonald Reid Scott Financial
Services Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages five to fifteen, together with the full financial statements of the company for the year ended 31 January 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to fifteen are properly prepared in accordance with that provision.

Graham & Co. (Accountants) Ltd.

Graham & Co. (Accountants) Limited
118 Dumbarton Road
Clydebank
Glasgow
G81 1UG

19 May 2006

MacDonald Reid Scott Financial
Services Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 January 2006

	Notes	31.1.06 £	31.1.05 £
GROSS PROFIT		889,431	762,508
Administrative expenses		<u>738,137</u>	<u>647,038</u>
OPERATING PROFIT	3	151,294	115,470
Interest receivable and similar income		<u>3,823</u>	<u>2,340</u>
		155,117	117,810
Interest payable and similar charges	4	<u>6,628</u>	<u>2,556</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		148,489	115,254
Tax on profit on ordinary activities	5	<u>30,000</u>	<u>23,145</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>118,489</u>	<u>92,109</u>
RETAINED PROFIT FOR THE YEAR		<u>118,489</u>	<u>92,109</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

**MacDonald Reid Scott Financial
Services Limited**

**Abbreviated Balance Sheet
31 January 2006**

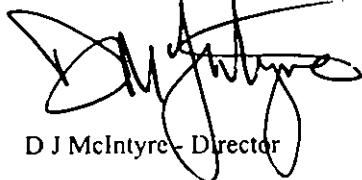
	Notes	31.1.06 £	£	31.1.05 £	£
FIXED ASSETS					
Tangible assets	7		48,108		22,633
CURRENT ASSETS					
Debtors	8	181,747		216,098	
Cash at bank and in hand		45,920		46,015	
		<u>227,667</u>		<u>262,113</u>	
CREDITORS					
Amounts falling due within one year	9	<u>139,667</u>		<u>167,893</u>	
NET CURRENT ASSETS			<u>88,000</u>		<u>94,220</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			136,108		116,853
CREDITORS					
Amounts falling due after more than one year	10		(71,006)		(50,415)
PROVISIONS FOR LIABILITIES	14		-		(1,745)
NET ASSETS			<u>65,102</u>		<u>64,693</u>
CAPITAL AND RESERVES					
Called up share capital	15		45,000		45,000
Profit and loss account	16		<u>20,102</u>		<u>19,693</u>
SHAREHOLDERS' FUNDS	18		<u>65,102</u>		<u>64,693</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



I G D Scott - Director



D J McIntyre - Director

Approved by the Board on 19 May 2006

The notes form part of these abbreviated accounts

**MacDonald Reid Scott Financial
Services Limited**

**Cash Flow Statement
for the Year Ended 31 January 2006**

	Notes	31.1.06 £	£	31.1.05 £	£
Net cash inflow from operating activities	1		225,150		100,331
Returns on investments and servicing of finance	2		(2,805)		(216)
Taxation			(24,023)		(26,500)
Capital expenditure	2		(38,876)		2,498
Equity dividends paid			(118,080)		(89,860)
			41,366		(13,747)
Financing	2		(21,518)		32,712
Increase in cash in the period			19,848		18,965
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		19,848		18,965	
Cash outflow/(inflow) from decrease/(increase) in debt		181		(57,604)	
Change in net debt resulting from cash flows			20,029		(38,639)
Movement in net debt in the period			20,029		(38,639)
Net debt at 1 February			(52,845)		(14,206)
Net debt at 31 January			(32,816)		(52,845)

The notes form part of these abbreviated accounts

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.1.06 £	31.1.05 £
Operating profit	151,294	115,470
Depreciation charges	13,400	14,668
Decrease/(Increase) in debtors	52,784	(22,303)
Increase/(Decrease) in creditors	7,672	(7,504)
Net cash inflow from operating activities	225,150	100,331

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.1.06 £	31.1.05 £
Returns on investments and servicing of finance		
Interest received	3,823	2,340
Interest paid	(6,628)	(2,556)
Net cash outflow for returns on investments and servicing of finance	(2,805)	(216)
Capital expenditure		
Purchase of tangible fixed assets	(38,876)	(4,239)
Sale of tangible fixed assets	-	6,737
Net cash (outflow)/inflow for capital expenditure	(38,876)	2,498
Financing		
New loans in year	20,000	45,000
Loan repayments in year	(20,180)	(12,288)
Amounts advanced by/(repaid to) group co	(21,338)	-
Net cash (outflow)/inflow from financing	(21,518)	32,712

Notes to the Cash Flow Statement
for the Year Ended 31 January 2006

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.2.05 £	Cash flow £	At 31.1.06 £
Net cash:			
Cash at bank and in hand	46,015	(95)	45,920
Bank overdraft	(21,328)	19,943	(1,385)
	<u>24,687</u>	<u>19,848</u>	<u>44,535</u>
Debt:			
Debts falling due within one year	(27,117)	20,772	(6,345)
Debts falling due after one year	(50,415)	(20,591)	(71,006)
	<u>(77,532)</u>	<u>181</u>	<u>(77,351)</u>
Total	<u>(52,845)</u>	<u>20,029</u>	<u>(32,816)</u>

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents commissions earned and fees invoiced for the provision of financial services and advice, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.1.06	31.1.05
	£	£
Wages and salaries	390,812	359,280
Social security costs	46,967	37,162
Other pension costs	15,176	13,443
	<u>452,955</u>	<u>409,885</u>

The average monthly number of employees during the year was as follows:

	31.1.06	31.1.05
Office and management	<u>20</u>	<u>18</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2006

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.1.06	31.1.05
	£	£
Depreciation - owned assets	11,434	14,668
Depreciation - assets on hire purchase contracts or finance leases	1,966	-
Auditors' remuneration	4,768	4,961
	<u> </u>	<u> </u>
Directors' emoluments	117,270	131,737
Directors' pension contributions to money purchase schemes	2,601	2,307
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

	3	2
Money purchase schemes	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.1.06	31.1.05
	£	£
Bank interest	650	277
Bank loan interest	5,978	2,279
	<u> </u>	<u> </u>
	6,628	2,556
	<u> </u>	<u> </u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.1.06	31.1.05
	£	£
Current tax:		
UK corporation tax	31,745	23,145
Deferred tax	(1,745)	-
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	30,000	23,145
	<u> </u>	<u> </u>

6. DIVIDENDS

	31.1.06	31.1.05
	£	£
Equity shares:		
Interim	118,080	89,860
	<u> </u>	<u> </u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2006

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 February 2005	-	20,764	17,345	38,303	76,412
Additions	19,900	5,978	-	12,998	38,876
At 31 January 2006	19,900	26,742	17,345	51,301	115,288
DEPRECIATION					
At 1 February 2005	-	14,513	5,782	33,485	53,780
Charge for year	1,966	2,862	4,336	4,236	13,400
At 31 January 2006	1,966	17,375	10,118	37,721	67,180
NET BOOK VALUE					
At 31 January 2006	17,934	9,367	7,227	13,580	48,108
At 31 January 2005	-	6,251	11,563	4,818	22,632

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Improvements to property £
COST	
Additions	19,900
At 31 January 2006	19,900
DEPRECIATION	
Charge for year	1,966
At 31 January 2006	1,966
NET BOOK VALUE	
At 31 January 2006	17,934

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.06 £	31.1.05 £
Trade debtors	137,240	169,372
Amounts owed by group undertakings	37,669	19,236
Prepayments and accrued income	6,838	27,490
	181,747	216,098

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2006**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.06	31.1.05
	£	£
Bank loans and overdrafts (see note 11)	7,730	48,445
Amounts owed to group undertakings	-	2,905
Tax	30,869	23,147
Social security and other taxes	12,701	10,821
VAT	4,201	2,280
Other creditors	11,158	16,951
Accrued expenses	73,008	63,344
	<u>139,667</u>	<u>167,893</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.1.06	31.1.05
	£	£
Bank loans (see note 11)	<u>71,006</u>	<u>50,415</u>

11. LOANS

An analysis of the maturity of loans is given below:

	31.1.06	31.1.05
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,385	21,328
Bank loans	6,345	27,117
	<u>7,730</u>	<u>48,445</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>71,006</u>	<u>50,415</u>

12. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

		Land and buildings
	31.1.06	31.1.05
	£	£
Expiring:		
Between one and five years	<u>14,176</u>	<u>14,176</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2006

13. SECURED DEBTS

The following secured debts are included within creditors:

	31.1.06	31.1.05
	£	£
Bank overdrafts	1,385	21,328
Bank loans	77,351	77,532
	<u>78,736</u>	<u>98,860</u>

Bank borrowings are secured by a floating charge over the company's assets together with a cross guarantee from Macdonald Reid Scott Group Limited.

14. PROVISIONS FOR LIABILITIES

	31.1.06	31.1.05
	£	£
Deferred tax	-	1,745
	<u>-</u>	<u>1,745</u>
		Deferred tax
		£
Balance at 1 February 2005		1,745
Movement in year		(1,745)
Balance at 31 January 2006		<u>-</u>

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.1.06	31.1.05
			£	£
45,000	Ordinary	£1	<u>45,000</u>	<u>45,000</u>

16. RESERVES

	Profit and loss account
	£
At 1 February 2005	19,693
Retained profit for the year	118,489
Dividends	(118,080)
At 31 January 2006	<u>20,102</u>

17. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Macdonald Reid Scott Group Limited, a company incorporated in Scotland.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 January 2006

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.1.06	31.1.05
	£	£
Profit for the financial year	118,489	92,109
Dividends	(118,080)	(89,860)
Net addition to shareholders' funds	<u>409</u>	<u>2,249</u>
Opening shareholders' funds	64,693	62,444
Closing shareholders' funds	<u><u>65,102</u></u>	<u><u>64,693</u></u>
Equity interests	<u><u>65,102</u></u>	<u><u>64,693</u></u>