

Abbreviated Accounts for the Year Ended 31 January 2007

for

MacDonald Reid Scott Financial
Services Limited



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for the Year Ended 31 January 2007

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MacDonald Reid Scott Financial
Services Limited

Company Information
for the Year Ended 31 January 2007

DIRECTORS:

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

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

MacDonald Reid Scott Financial
Services Limited

Report of the Directors
for the Year Ended 31 January 2007

The directors present their report with the accounts of the company for the year ended 31 January 2007

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

Interim dividends per share were paid as follows

0 218	28 February 2006
0 218	31 March 2006
0 218	30 April 2006
0 218	31 May 2006
0 219	30 June 2006
0 219	31 July 2006
0 219	31 August 2006
0 219	30 September 2006
0 219	31 October 2006
0 219	30 November 2006
0 219	31 December 2006
0 219	31 January 2007
<hr/>	
£2 624	
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The directors recommend a final dividend of £1 222 per share, making a total of £3 846 per share for the year ended 31 January 2007

The total distribution of dividends for the year ended 31 January 2007 will be £173,080

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
A Hardie

appointed 1 12 06

The directors holding office at 31 January 2007 did not hold any beneficial interest in the issued share capital of the company at 1 February 2006 (or date of appointment if later) or 31 January 2007

CHARITABLE DONATIONS

During the year the company made donations totalling £505 (2006 £240)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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.

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:



I G D Scott Director

17 May 2007

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 set out on pages five to fourteen, together with the financial statements of MacDonald Reid Scott Financial Services Limited for the year ended 31 January 2007 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

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 have been properly prepared in accordance with that provision.

Graham & Co (Accountants) Ltd.

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

17 May 2007

MacDonald Reid Scott Financial
Services Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 January 2007

	Notes	31 1 07 £	31 1 06 £
GROSS PROFIT		1,338,765	903,218
Administrative expenses		1,083,423	751,924
OPERATING PROFIT	3	255,342	151,294
Interest receivable and similar income		5,307	3,823
		260,649	155,117
Interest payable and similar charges	4	5,474	6,628
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		255,175	148,489
Tax on profit on ordinary activities	5	67,719	30,000
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		187,456	118,489

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

The notes form part of these abbreviated accounts

MacDonald Reid Scott Financial
Services Limited

Abbreviated Balance Sheet
31 January 2007

	Notes	31 1 07 £	£	31 1 06 £	£
FIXED ASSETS					
Tangible assets	7		75,851		48,108
CURRENT ASSETS					
Debtors	8	164,484		181,747	
Cash at bank and in hand		160,064		45,920	
		324,548		227,667	
CREDITORS					
Amounts falling due within one year	9	263,010		139,667	
NET CURRENT ASSETS			61,538		88,000
TOTAL ASSETS LESS CURRENT LIABILITIES			137,389		136,108
CREDITORS					
Amounts falling due after more than one year	10		57,911		71,006
NET ASSETS			79,478		65,102
CAPITAL AND RESERVES					
Called up share capital	14		45,000		45,000
Profit and loss account	15		34,478		20,102
SHAREHOLDERS' FUNDS	17		79,478		65,102

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

The financial statements were approved by the Board of Directors on 17 May 2007 and were signed on its behalf by



I G D Scott Director



D J McIntyre Director

The notes form part of these abbreviated accounts

MacDonald Reid Scott Financial
Services Limited

Cash Flow Statement
for the Year Ended 31 January 2007

	Notes	31 1 07 £	£	31 1 06 £	£
Net cash inflow from operating activities	1		290,200		225,150
Returns on investments and servicing of finance	2		(167)		(2,805)
Taxation			(31,275)		(24,023)
Capital expenditure	2		(45,125)		(38,876)
Equity dividends paid			(173,080)		(118,080)
			40,553		41,366
Financing	2		74,976		(21,518)
Increase in cash in the period			115,529		19,848
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Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		115,529		19,848	
Cash (inflow)/outflow from (increase)/decrease in debt		(2)		181	
Change in net debt resulting from cash flows			115,527		20,029
Movement in net debt in the period			115,527		20,029
Net debt at 1 February			(32,816)		(52,845)
Net funds/(debt) at 31 January			82,711		(32,816)

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 January 2007

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

	31 1 07	31 1 06
	£	£
Operating profit	255,342	151,294
Depreciation charges	19,156	13,400
Profit on disposal of fixed assets	(1,775)	
(Increase)/Decrease in debtors	(20,406)	52,784
Increase in creditors	37,883	7,672
Net cash inflow from operating activities	290,200	225,150

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

	31 1 07	31 1 06
	£	£
Returns on investments and servicing of finance		
Interest received	5,307	3,823
Interest paid	(5,474)	(6,628)
Net cash outflow for returns on investments and servicing of finance	(167)	(2,805)
Capital expenditure		
Purchase of tangible fixed assets	(50,875)	(38,876)
Sale of tangible fixed assets	5,750	
Net cash outflow for capital expenditure	(45,125)	(38,876)
Financing		
New loans in year	18,830	20,000
Loan repayments in year	(18,827)	(20,180)
Amounts advanced by/(repaid to) group co	74,973	(21,338)
Net cash inflow/(outflow) from financing	74,976	(21,518)

Notes to the Cash Flow Statement
for the Year Ended 31 January 2007

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 2 06 £	Cash flow £	At 31 1 07 £
Net cash			
Cash at bank and in hand	45,920	114,144	160,064
Bank overdraft	(1,385)	1,385	
	<u>44,535</u>	<u>115,529</u>	<u>160,064</u>
Debt			
Debts falling due within one year	(6,345)	(13,097)	(19,442)
Debts falling due after one year	(71,006)	13,095	(57,911)
	<u>(77,351)</u>	<u>(2)</u>	<u>(77,353)</u>
Total	<u>(32,816)</u>	<u>115,527</u>	<u>82,711</u>

Notes to the Abbreviated Accounts
for the Year Ended 31 January 2007

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 07	31 1 06
	£	£
Wages and salaries	579,205	390,812
Social security costs	61,144	46,967
Other pension costs	19,958	15,176
	<u>660,307</u>	<u>452,955</u>

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

	31 1 07	31 1 06
Office and management	<u>24</u>	<u>20</u>

Notes to the Abbreviated Accounts continued
for the Year Ended 31 January 2007

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 1 07	31 1 06
	£	£
Depreciation owned assets	17,026	11,434
Depreciation assets on hire purchase contracts or finance leases	2,130	1,966
Profit on disposal of fixed assets	(1,775)	
Auditors' remuneration	5,150	4,768
	<u> </u>	<u> </u>
Directors' emoluments	171,968	117,270
Directors' pension contributions to money purchase schemes	4,960	2,601
	<u> </u>	<u> </u>

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

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

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 1 07	31 1 06
	£	£
Bank interest	91	650
Bank loan interest	5,383	5,978
	<u> </u>	<u> </u>
	5,474	6,628
	<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 07	31 1 06
	£	£
Current tax		
UK corporation tax	67,313	31,745
Tax Underprovision	406	
	<u> </u>	<u> </u>
Total current tax	67,719	31,745
Deferred tax		(1,745)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	67,719	30,000
	<u> </u>	<u> </u>

6 DIVIDENDS

	31 1 07	31 1 06
	£	£
Ordinary shares of £1 each		
Final	55,000	
Interim	118,080	118,080
	<u> </u>	<u> </u>
	173,080	118,080
	<u> </u>	<u> </u>

Notes to the Abbreviated Accounts continued
for the Year Ended 31 January 2007

7 TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 February 2006	19,900	26,742	17,345	51,301	115,288
Additions	1,675	1,740	22,190	25,270	50,875
Disposals			(17,345)		(17,345)
At 31 January 2007	21,575	28,482	22,190	76,571	148,818
DEPRECIATION					
At 1 February 2006	1,966	17,375	10,118	37,722	67,181
Charge for year	2,130	2,636	4,639	9,751	19,156
Eliminated on disposal			(13,370)		(13,370)
At 31 January 2007	4,096	20,011	1,387	47,473	72,967
NET BOOK VALUE					
At 31 January 2007	17,479	8,471	20,803	29,098	75,851
At 31 January 2006	17,934	9,367	7,227	13,579	48,107

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

	Improvements to property £
COST	
At 1 February 2006	19,900
Additions	1,675
At 31 January 2007	21,575
DEPRECIATION	
At 1 February 2006	1,966
Charge for year	2,130
At 31 January 2007	4,096
NET BOOK VALUE	
At 31 January 2007	17,479
At 31 January 2006	17,934

8 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 1 07 £	31 1 06 £
Trade debtors	158,035	137,240
Amounts owed by group undertakings		37,669
Prepayments and accrued income	6,449	6,838
	164,484	181,747

Notes to the Abbreviated Accounts continued
for the Year Ended 31 January 2007

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 1 07	31 1 06
	£	£
Bank loans and overdrafts (see note 11)	19,442	7,730
Amounts owed to group undertakings	37,304	
Tax	67,313	30,869
Social security and other taxes	17,993	12,701
VAT	4,300	4,201
Other creditors	12,000	11,158
Accrued expenses	104,658	73,008
	<u>263,010</u>	<u>139,667</u>

10 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 1 07	31 1 06
	£	£
Bank loans (see note 11)	<u>57,911</u>	<u>71,006</u>

11 LOANS

An analysis of the maturity of loans is given below

	31 1 07	31 1 06
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts		1,385
Bank loans	19,442	6,345
	<u>19,442</u>	<u>7,730</u>
Amounts falling due between one and two years		
Bank loans 1 2 years	<u>57,911</u>	<u>71,006</u>

12 OPERATING LEASE COMMITMENTS

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

		Land and buildings
	31 1 07	31 1 06
	£	£
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 2007

13 SECURED DEBTS

The following secured debts are included within creditors

	31 1 07	31 1 06
	£	£
Bank overdraft		1,385
Bank loans	77,353	77,351
	<u>77,353</u>	<u>78,736</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 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid
Number Class

	Nominal value	31 1 07	31 1 06
	£1	£	£
45,000 Ordinary		<u>45,000</u>	<u>45,000</u>

15 RESERVES

	Profit and loss account £
At 1 February 2006	20,102
Profit for the year	187,456
Dividends	(173,080)
At 31 January 2007	<u>34,478</u>

16 ULTIMATE PARENT COMPANY

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

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 1 07	31 1 06
	£	£
Profit for the financial year	187,456	118,489
Dividends	(173,080)	(118,080)
Net addition to shareholders' funds	<u>14,376</u>	<u>409</u>
Opening shareholders' funds	65,102	64,693
Closing shareholders' funds	<u>79,478</u>	<u>65,102</u>