

REGISTERED NUMBER: SC145875 (Scotland)

Unaudited Financial Statements for the Year Ended 31 July 2018

for

Grant Smith Law Practice Limited

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for the Year Ended 31 July 2018

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Grant Smith Law Practice Limited

**Company Information
for the Year Ended 31 July 2018**

DIRECTORS: H A B Macandrew
A Duthie
S G N Beveridge
M J M Nash

REGISTERED OFFICE: Amicable House
252 Union Street
ABERDEEN
AB10 1TN

REGISTERED NUMBER: SC145875 (Scotland)

ACCOUNTANTS: Atholl Scott
Victoria House
13 Victoria Street
ABERDEEN
AB10 1XB

Balance Sheet
31 July 2018

| | Notes | 31.7.18 £ | 31.7.17 £ |
|--|-------|----------------|----------------|
| FIXED ASSETS | | | |
| Intangible assets | 4 | - | - |
| Tangible assets | 5 | 327,893 | 361,872 |
| Investment property | 6 | <u>120,000</u> | <u>130,000</u> |
| | | <u>447,893</u> | <u>491,872</u> |
| CURRENT ASSETS | | | |
| Debtors | 7 | 456,810 | 466,531 |
| Cash at bank and in hand | | <u>26,367</u> | <u>29,237</u> |
| | | 483,177 | 495,768 |
| CREDITORS | | | |
| Amounts falling due within one year | 8 | (456,828) | (496,358) |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>26,349</u> | <u>(590)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 474,242 | 491,282 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 9 | (224,600) | (195,476) |
| PROVISIONS FOR LIABILITIES | | <u>(6,777)</u> | <u>(7,146)</u> |
| NET ASSETS | | <u>242,865</u> | <u>288,660</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | | 408 | 408 |
| Revaluation reserve | 12 | 108,639 | 127,917 |
| Retained earnings | | <u>133,818</u> | <u>160,335</u> |
| SHAREHOLDERS' FUNDS | | <u>242,865</u> | <u>288,660</u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

Balance Sheet - continued
31 July 2018

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 1 April 2019 and were signed on its behalf by:

A Duthie - Director

S G N Beveridge - Director

H A B Macandrew - Director

M J M Nash - Director

**Notes to the Financial Statements
for the Year Ended 31 July 2018**

1. STATUTORY INFORMATION

Grant Smith Law Practice Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents amounts receivable for services rendered during the year, exclusive of value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2011, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|--------------------------|---------------------------|
| Freehold property | - 2% on cost |
| Improvements to property | - 15% on reducing balance |
| Fixtures and fittings | - 25% on reducing balance |
| Computer equipment | - 25% on cost |

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment properties are not depreciated and are valued at open-market value. This represents a departure from the Companies Act 2006 necessary to give a true and fair view.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

2. ACCOUNTING POLICIES - continued

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 53 (2017 - 51) .

4. INTANGIBLE FIXED ASSETS

| | |
|-----------------------|----------------|
| | Goodwill |
| | £ |
| COST | |
| At 1 August 2017 | |
| and 31 July 2018 | <u>130,000</u> |
| AMORTISATION | |
| At 1 August 2017 | |
| and 31 July 2018 | <u>130,000</u> |
| NET BOOK VALUE | |
| At 31 July 2018 | <u>-</u> |
| At 31 July 2017 | <u>-</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

5. TANGIBLE FIXED ASSETS

| | Freehold property £ | Improvements to property £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|---------------------------|---------------------------|-------------------------------------|----------------------------------|----------------------------|----------------|
| COST | | | | | |
| At 1 August 2017 | 394,118 | 50 | 27,966 | 101,761 | 523,895 |
| Additions | - | - | 1,829 | 384 | 2,213 |
| Disposals | (27,500) | - | - | - | (27,500) |
| At 31 July 2018 | <u>366,618</u> | <u>50</u> | <u>29,795</u> | <u>102,145</u> | <u>498,608</u> |
| DEPRECIATION | | | | | |
| At 1 August 2017 | 43,504 | 31 | 20,243 | 98,245 | 162,023 |
| Charge for year | 7,335 | 3 | 2,389 | 2,265 | 11,992 |
| Eliminated on disposal | (3,300) | - | - | - | (3,300) |
| At 31 July 2018 | <u>47,539</u> | <u>34</u> | <u>22,632</u> | <u>100,510</u> | <u>170,715</u> |
| NET BOOK VALUE | | | | | |
| At 31 July 2018 | <u>319,079</u> | <u>16</u> | <u>7,163</u> | <u>1,635</u> | <u>327,893</u> |
| At 31 July 2017 | <u>350,614</u> | <u>19</u> | <u>7,723</u> | <u>3,516</u> | <u>361,872</u> |

6. INVESTMENT PROPERTY

| | Total £ |
|-----------------------|----------------|
| FAIR VALUE | |
| At 1 August 2017 | 130,000 |
| Impairments | (10,000) |
| At 31 July 2018 | <u>120,000</u> |
| NET BOOK VALUE | |
| At 31 July 2018 | <u>120,000</u> |
| At 31 July 2017 | <u>130,000</u> |

Fair value at 31 July 2018 is represented by:

| | £ |
|-------------------|----------------|
| Valuation in 2007 | 77,392 |
| Valuation in 2017 | (20,000) |
| Valuation in 2018 | (10,000) |
| Cost | <u>72,608</u> |
| | <u>120,000</u> |

If the investment property had not been revalued it would have been included at the following historical cost:

| | 31.7.18 £ | 31.7.17 £ |
|------------------------|-----------------|-----------------|
| Cost | <u>72,608</u> | <u>72,608</u> |
| Aggregate depreciation | <u>(37,754)</u> | <u>(34,850)</u> |

The investment property was valued on an open market basis on 31 July 2018 by DM Hall Chartered Surveyors .

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.7.18 | 31.7.17 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 223,100 | 211,990 |
| Client ledger debit balances | 96,203 | 164,805 |
| Other debtors | 5,199 | 2,981 |
| Directors' loan accounts | 72,075 | 51,247 |
| Tax recoverable | 23,424 | 690 |
| Prepayments & accrued income | 36,809 | 34,818 |
| | <u>456,810</u> | <u>466,531</u> |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.7.18 | 31.7.17 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 180,750 | 180,875 |
| K Ritchie loan | 16,000 | 16,000 |
| Tax | 50,350 | 49,439 |
| PAYE | 14,800 | 25,375 |
| VAT | 64,666 | 82,497 |
| Other creditors | 6,266 | 7,103 |
| Other creditors | 40,261 | - |
| Directors' loan accounts | 37,784 | 83,741 |
| Accrued exps & deferred income | 45,951 | 51,328 |
| | <u>456,828</u> | <u>496,358</u> |

Within accrued expenses are pension costs of £850 payable at the year end.

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

| | 31.7.18 | 31.7.17 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans - 2-5 years | 149,594 | 96,176 |
| Bank loans more 5 yr by instal | 75,006 | 99,300 |
| | <u>224,600</u> | <u>195,476</u> |

Amounts falling due in more than five years:

| | | |
|--------------------------------|---------------|---------------|
| Repayable by instalments | | |
| Bank loans more 5 yr by instal | <u>75,006</u> | <u>99,300</u> |

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 31.7.18 | 31.7.17 |
|----------------------------|----------------|------------------|
| | £ | £ |
| Within one year | 190,687 | 175,181 |
| Between one and five years | 501,237 | 523,846 |
| In more than five years | 14,000 | 594,767 |
| | <u>705,924</u> | <u>1,293,794</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

11. SECURED DEBTS

The following secured debts are included within creditors:

| | 31.7.18 | 31.7.17 |
|-----------------|----------------|----------------|
| | £ | £ |
| Bank overdrafts | 82,195 | 85,590 |
| Bank loans | <u>323,155</u> | <u>290,761</u> |
| | <u>405,350</u> | <u>376,351</u> |

The Bank of Scotland plc holds 5 standard securities (created on 19 September 2011) and a floating charge over the company's assets (created 15 September 2011) at 31 July 2015.

12. RESERVES

| | Revaluation reserve £ |
|------------------------------|-----------------------------|
| At 1 August 2017 | 127,917 |
| Investment property | (10,000) |
| Realised revaluation on sale | <u>(9,278)</u> |
| At 31 July 2018 | <u>108,639</u> |

13. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 July 2018 and 31 July 2017:

| | 31.7.18 | 31.7.17 |
|--------------------------------------|---------------|---------------|
| | £ | £ |
| H A B Macandrew | | |
| Balance outstanding at start of year | 27,623 | 14,366 |
| Amounts advanced | 52,518 | 51,293 |
| Amounts repaid | (37,885) | (38,036) |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>42,256</u> | <u>27,623</u> |
| S G N Beveridge | | |
| Balance outstanding at start of year | - | 4,156 |
| Amounts advanced | 41,650 | 42,840 |
| Amounts repaid | (40,579) | (46,996) |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>1,071</u> | <u>-</u> |
| M J M Nash | | |
| Balance outstanding at start of year | 23,623 | 12,864 |
| Amounts advanced | 44,127 | 49,767 |
| Amounts repaid | (39,004) | (39,008) |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>28,746</u> | <u>23,623</u> |

Advances and repayments during the year have been summarised. The above loans are unsecured, interest free and repayable on demand.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

14. RELATED PARTY DISCLOSURES

During the year, total dividends of £136,000 (2017 - £170,000) were paid to the directors .

The loans due to directors from the company at the year end were as follows:

A D Duthie - £37,783. This loan is interest-free, unsecured and repayable on demand.

Grant Smith Law Practice Limited

**Report of the Accountants to the Directors of
Grant Smith Law Practice Limited**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 31 July 2018 set out on pages three to twelve and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

This report is made solely to the Board of Directors of the company, as a body, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Board of Directors of the company, as a body, in this report in accordance with the requirements of the Institute of Financial Accountants. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that the company has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities and financial position of the company. You consider that the company 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 the company. 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.

Atholl Scott
Victoria House
13 Victoria Street
ABERDEEN
AB10 1XB

1 April 2019

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.