

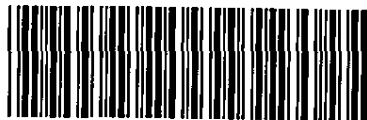
BELL AND SCOTT LLP

Limited Liability Partnership registration number SO300197

Members' Report and Financial Statements

For the year ended 30 April 2011

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BELL AND SCOTT LLP

Financial statements for the year ended 30 April 2011

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BELL AND SCOTT LLP

Designated members, officers and advisers

Designated members

P K Jennings
B W Anderson
R M Wark
R P A Maclean
A C McGregor
D M Henderson
P J Loftus

Registered office

16 Hill Street
Edinburgh
EH2 3LD

Registered number

SO300197

Auditors

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Principal Bankers

The Royal Bank of Scotland PLC
36 St Andrew Square
Edinburgh
EH2 2YB

Solicitors

Biggart Baillie LLP
Dalmore House
310 St Vincent Street
Glasgow
G2 5QR

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

The members present their report and the financial statements of the limited liability partnership for the year ended 30 April 2011.

Principal activity

The principal activity of the limited liability partnership is the provision of property focused Scottish legal services from offices in Edinburgh and Glasgow.

Designated Members

The members who served during the year were:

P K Jennings
B J Malone (resigned 15 April 2011)
B W Anderson
M A Kane (resigned 18 February 2011)
R M Wark
R P A Maclean
A C McGregor
D M Henderson
P J Loftus
J Gallacher (resigned 30 September 2010)

Members' interests

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the limited liability partnership.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which are determined by the performance and seniority of those members. On retirement, capital is repaid to members in line with the LLP agreement.

Members' responsibilities

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounts Standards and applicable law). Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members 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 limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

To the knowledge and belief of each of the persons who are designated members at the time the report is approved:

- So far as the designated member is aware, there is no relevant information of which the limited liability partnership's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as a designated member in order to make himself/herself aware of any relevant audit information, and to establish that the limited liability partnership's auditor is aware of the information

Auditors

The auditors, Scott-Moncrieff, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The above report has been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the members on 25/1/12 and signed on their behalf by:


P K Jennings
Designated member

Independent auditors' report to the Members of Bell and Scott LLP

We have audited the financial statements of Bell and Scott LLP for the year ended 30 April 2011 which comprise the profit and loss account, balance sheet and related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the limited liability partnership's members as a body, in accordance with Section 495 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the Members' Responsibilities Statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boards (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 21 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the members' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion:

- the financial statements have been properly prepared, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been properly prepared in accordance with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) (Regulations 2008); and
- the financial statements give a true and fair view of the statement of the limited liability partnership's affairs as at 30 April 2011, and of its profit for the year then ended.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BELL AND SCOTT LLP

Independent auditors' report to the Members of Bell and Scott LLP (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 (as applied by the Limited Liability Partnerships, Accounts and Audit (Application of Companies Act 2006) Regulations 2008) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Alan R Donaldson

**Alan R Donaldson (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Exchange Place 3
Sempie Street
Edinburgh
EH3 8BL**

Date: *17 January 2012*

BELL AND SCOTT LLP

Profit and loss account for the year ended 30 April 2011

	Notes	2011 £	2010 £
Turnover	2	2,320,734	2,844,064
Cost of sales		(966,257)	(1,139,803)
Gross profit		1,354,477	1,704,261
Administrative expenses		(929,098)	(1,004,361)
Other operating income	3	53,767	20,129
Operating profit	4	479,146	720,029
Other interest receivable and similar income		4,813	4,446
Interest payable and similar charges		(65,618)	(54,964)
Profit for the financial year before members' remuneration and profit shares	13	418,341	669,511
Members' remuneration charged as an expense	5	(418,341)	(669,511)
Profit for the financial year available for discretionary division among members		-	-

The notes on pages 9 to 15 form part of these financial statements.

BELL AND SCOTT LLP
Balance sheet at 30 April 2011

	<u>Notes</u>	<u>2011</u> £	<u>2010</u> £
Fixed assets			
Intangible assets	7	158,331	289,998
Tangible assets	8	2,540,378	2,552,286
		<u>2,698,709</u>	<u>2,842,284</u>
Current assets			
Debtors	9	1,286,239	1,546,280
Cash at bank and in hand		104	72
		<u>1,286,343</u>	<u>1,546,352</u>
Creditors: amounts falling due within one year	10	<u>(903,100)</u>	<u>(924,603)</u>
Net current assets		<u>383,243</u>	<u>621,749</u>
Total assets less current liabilities		<u>3,081,952</u>	<u>3,464,033</u>
Creditors: amounts falling due after more than one year	11	(2,257,977)	(2,353,703)
Provision for liabilities	12	(34,400)	(84,539)
Net assets attributable to members		<u><u>789,575</u></u>	<u><u>1,025,791</u></u>
Represented by			
Loans and other debts due to members within one year			
Members' capital classified as a liability under FRS25	13	373,139	695,629
Other amounts	13	84,098	141,258
		<u>457,237</u>	<u>836,887</u>
Equity			
Revaluation reserve	13	37,904	37,904
Property revaluation reserve	13 & 14	294,434	151,000
		<u>332,338</u>	<u>188,904</u>
Net assets attributable to members		<u><u>789,575</u></u>	<u><u>1,025,791</u></u>
Total members' interests			
Amounts due from members	9	(103,525)	(102,431)
Loans and other debts due to members		457,237	836,887
Members' other interests	13	332,338	188,904
		<u><u>686,050</u></u>	<u><u>923,360</u></u>

BELL AND SCOTT LLP

Balance sheet at 30 April 2011 (continued)

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the limited liability partnerships' regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were authorised for issue by the members on 25/1/12 and signed on their behalf by:


P K Jennings
Designated Member

Limited Liability Partnership Registration No. SO300197

The notes on pages 9 to 15 form part of these financial statements.

BELL AND SCOTT LLP
Notes to the financial statements
for the year ended 30 April 2011

1 Accounting policies

Going concern

The limited liability partnership requires the continued support of its bankers for its future. Although the trade of the limited liability partnership will be transferred to Anderson Strathern from 1 July 2011, the limited liability partnership will continue to exist, holding property (for further details see note 19). The members are of the opinion that with the continued support of the bank, it is appropriate to prepare the financial statements on a going concern basis.

Basis of accounting

The financial statements are prepared on the historical cost convention as modified by the revaluation of certain fixed assets, and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements do not include a cash flow statement because the limited liability partnership, as a small reporting entity, is exempt from the requirement to prepare such a statement under the the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents amounts chargeable to clients for professional services provided during the year, excluding value added tax.

Depreciation of tangible fixed assets

Land & buildings are stated at valuation. FRS 15 requires fixed assets that are carried at revalued amounts to be shown at their current market value at the balance sheet date. To achieve this, land & buildings are subject to a full valuation every five years and an interim valuation in the third year of this cycle. A full valuation of the limited liability partnership's land & buildings was obtained in August 2008. Depreciation has not been charged as the members believe that the building has a high residual value and any depreciation would therefore be immaterial.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Equipment, fixtures and fittings	20% reducing balance / 25% straight line
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Goodwill

Goodwill, representing the excess of the consideration for an acquired undertaking compared with the fair value of net assets acquired, is capitalised and written off evenly over six years as in the opinion of the members this represents the period over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the first full year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

When the fair value of the consideration for an acquired undertaking is less than the fair value of the separable net assets, the difference is treated as negative goodwill which, up to the value of the non-monetary assets acquired, is recognised in the profit and loss account in the period in which those non-monetary assets are realised. Any negative goodwill in excess of the fair value of non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

BELL AND SCOTT LLP
Notes to the financial statements
for the year ended 30 April 2011 (continued)

1 Accounting policies (continued)

Members' participation rights

Members' participation rights are the rights of a member against the limited liability partnership that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the limited liability partnership are analysed between those that are, from the limited liability partnership's perspective, either a financial liability or equity, in accordance with FRS 25 Financial Instruments: Disclosure and Presentation and UITF abstract 39: Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the limited liability partnership.

Amounts subscribed or otherwise contributed by members, for example members' capital are classed as equity if the limited liability partnership has an unconditional right to refuse payment to members. If the limited liability partnership does not have such an unconditional right, such amounts are classified as liabilities.

Where members are entitled to a fixed level of remuneration under the terms of the membership agreement such amounts are charged as an expense in the profit and loss account.

Remaining profits are automatically divided as they arise. The limited liability partnership does not have an unconditional right to refuse payment, the amounts that are due to members are in the nature of liabilities. To the extent that they remain unpaid at the year-end, they are shown as liabilities in the balance sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other division of profits, as described above, according to whether the limited liability partnership has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the balance sheet within "Loans and other debts due to members". Amounts due to members that are classified as equity are shown in the balance sheet within "Members other interests".

Pension scheme

The limited liability partnership operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Amounts recoverable on contracts

Amounts recoverable on contracts comprise direct staff costs and members' costs appropriate to the relevant state of completion of the related project. A profit element is also included in the work in progress valuation representing the average realisation on specific categories of work. The profit element on contingent fees is excluded from the work in progress valuation in accordance with UITF 40.

Taxation

The taxation payable on profits is the personal liability of the members during the year. No retention from profits is made to fund payments of taxation on members' behalf.

2 Turnover

The turnover and operating profit is attributable to the one principal activity of the limited liability partnership.

BELL AND SCOTT LLP
Notes to the financial statements
for the year ended 30 April 2011 (continued)

3 Other operating income

	<u>2011</u>	<u>2010</u>
	£	£
Rent receivable	30,874	-
Delegate income	22,893	20,129
	<u>53,767</u>	<u>20,129</u>

4 Operating profit

This is stated after charging:

	<u>2011</u>	<u>2010</u>
	£	£
Amortisation of intangible assets	131,667	125,000
Depreciation	18,108	15,968
Auditors' remuneration - Audit fee	4,500	6,300
Auditors' remuneration - fees for non audit services	1,500	11,708

5 Information in relation to members

	<u>2011</u>	<u>2010</u>
	£	£
Remuneration of members		
Emoluments	<u>418,341</u>	<u>669,511</u>
Paid under the terms of the limited liability partnership agreement	<u>418,341</u>	<u>669,511</u>
The amount of profit attributable to the member with the largest entitlement	<u>60,000</u>	<u>66,250</u>
The average number of members during the year	<u>10</u>	<u>11</u>

6 Tax on profit on ordinary activities

The taxation payable on profits is the personal liability of the members during the year.

7 Intangible fixed assets

	Goodwill
	£
Cost:	
At 1 May 2010 and at 30 April 2011	<u>790,000</u>
Amortisation:	
At 1 May 2010	500,002
Provision for the year	<u>131,667</u>
At 30 April 2011	<u>631,669</u>
Net book value:	
At 30 April 2011	<u>158,331</u>
At 30 April 2010	<u>289,998</u>

BELL AND SCOTT LLP
Notes to the financial statements
for the year ended 30 April 2011 (continued)

8 Tangible fixed assets

	Land & buildings	Equipment fixtures & fittings	Total
	£	£	£
Cost:			
At 1 May 2010	2,486,300	491,884	2,978,184
Additions	-	6,200	6,200
At 30 April 2011	2,486,300	498,084	2,984,384
Depreciation:			
At 1 May 2010	-	425,898	425,898
Provision for the year	-	18,108	18,108
At 30 April 2011	-	444,006	444,006
Net book value:			
At 30 April 2011	2,486,300	54,078	2,540,378
At 30 April 2010	2,486,300	65,986	2,552,286

The net book value of land and buildings at 30 April 2011 is made up as follows:

	2011	2010
	£	£
Freehold land and buildings	2,486,300	2,486,300

As explained in the accounting policies, depreciation has not been charged as members believe that the buildings have a high residual value and any depreciation would be immaterial. The members have made provision for any impairment in the carrying value as detailed in note 14. The historic cost of the land and buildings is £2,448,396.

9 Debtors

	2011	2010
	£	£
Trade debtors	551,034	721,075
Amounts due from members	103,525	102,431
Other debtors	631,680	722,774
	1,286,239	1,546,280

BELL AND SCOTT LLP
Notes to the financial statements
for the year ended 30 April 2011 (continued)

10 Creditors: amounts falling due within one year

	2011	2010
	£	£
Bank loans and overdrafts	433,939	453,257
Trade creditors	101,123	81,082
Other creditors	270,720	278,715
Other tax and social security	97,318	111,549
	<u>903,100</u>	<u>924,603</u>

Other creditors includes finance of £65,760 (2010: £50,467) which was advanced to the limited liability partnership for Professional Indemnity Insurance cover.

11 Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Bank loans	2,137,977	2,233,703
Other creditors	120,000	120,000
	<u>2,257,977</u>	<u>2,353,703</u>

Analysis of loan repayments

Bank loans and overdrafts		
Within one year or on demand	433,939	453,257
Between two and five years	1,895,321	1,888,709
After five years	242,656	344,994
Other loans		
In five years or more	120,000	120,000
	<u>2,691,916</u>	<u>2,806,960</u>
Less: amounts included in current liabilities (note 10)	<u>(433,939)</u>	<u>(453,257)</u>
	<u>2,257,977</u>	<u>2,353,703</u>

The bank loans totalling £2,231,573 (2010: £2,323,703) are secured by a standard security over the whole of property. The bank overdraft per note 10 amounting to £340,343 (2010: £363,257) is secured by a bond and floating charge.

Two of the bank loans are repayable by equal monthly instalments, one being repayable in 2017 and the other in 2027. They both bear interest at a rate of base plus 1.6%. The other bank loan is on an interest only basis at a rate of base plus 1.6% repayable in 2013.

BELL AND SCOTT LLP
Notes to the financial statements
for the year ended 30 April 2011 (continued)

12 Provisions for liabilities

	2011	2010
	£	£
Dilapidations provision	-	50,139
Claims provisions	34,400	34,400
	<u>34,400</u>	<u>84,539</u>
Provision at start of year	84,539	126,139
Unused amounts reversed in the year	(50,139)	(41,600)
Provision at end of year	<u>34,400</u>	<u>84,539</u>

The dilapidations provision is in relation to leased property and has been reversed as the lease has been assigned to Anderson Strathern.

The claims provision reflects the amount of any excess due on claims against the firm.

13 Members' interests

	Reval- uation reserve	Other reserves	Total	Due to members	Members' capital	Total
	£	(note 14) £	£	£	£	
Members' interests at 1 May 2010	37,904	151,000	188,904	141,258	695,629	1,025,791
Divisions of profits	-	-	-	418,341	-	418,341
Introduced by members	-	-	-	-	22,500	22,500
Repayments of capital	-	-	-	-	(344,990)	(344,990)
Drawings	-	-	-	(558,398)	-	(558,398)
Other movements	-	143,434	143,434	82,897	-	226,331
Members' interests at 30 April 2011	<u>37,904</u>	<u>294,434</u>	<u>332,338</u>	<u>84,098</u>	<u>373,139</u>	<u>789,575</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in a winding up.

Members' capital has been classified as loans and other debts due to members within the financial statements rather than as equity in line with FRS 25 Financial Instruments: Disclosure and Presentation, as applied to limited liability partnerships.

14 Property revaluation reserve

	Property revaluation reserve	Total
Members interests at 1 May 2010	151,000	151,000
Movement in the year	143,434	143,434
At 30 April 2011	<u>294,434</u>	<u>294,434</u>

15 Contingent liabilities

There are no contingent liabilities at the year-end.

BELL AND SCOTT LLP
Notes to the financial statements
for the year ended 30 April 2011 (continued)

16 Leasing commitments

Operating leases

The limited liability partnerships's annual commitments for rental payments under non-cancellable operating leases at 30 April 2011 were as set out below:

	<u>2011</u>	<u>2010</u>
	Other	Other
	£	£
Operating leases which expire:		
Within one year	<u>8,376</u>	<u>8,804</u>

17 Controlling Interests

In the opinion of the members there is no controlling party as defined by FRS 8 "Related party disclosures".

18 Related parties

Included within other creditors due after one year at 30 April 2011 is a loan from S McLean, the limited liability partnership's practice director, of £120,000 (2010: £120,000). The loan is repayable within six months of the date of her cessation of employment by the limited liability partnership but no demand for repayment is competent prior to then. Interest is paid at 1.5% p.a. over base rate. This loan entitles her to a proportion of goodwill on any amalgamation or takeover of the business, while the loan is still in place. She has no voting rights within the limited liability partnership.

Included in trade creditors (Note 10) are amounts due to P K Jennings, and D M Henderson, both designated limited liability partnership members of £742 (2010: £Nil) and £100 (2010: £Nil) respectively.

19 Post balance sheet events

On 1 July 2011, the members of Bell & Scott LLP resigned and the Glasgow property lease and employees were all transferred on that date to Anderson Strathern.

20 Pension commitments and other post-retirement benefits

Defined contribution scheme

The limited liability partnership operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the limited liability partnership in an independently administered fund. The pension cost and charge represents contributions payable by the limited liability partnership to the fund and amounted to £20,504 (2010: £25,002). At 30 April 2011 contributions amounting to £2,671 (2010: £Nil) were payable to the fund and were included in creditors.

21 Other professional services provided by the auditors

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.