Company Registration No. SC392978 (Scotland)

Senscot Legal Ltd

Annual report and financial statements

for the year ended 31 March 2019

Senscot Legal Ltd

Company information

Directors	S F Evans S M Green K Miller L Ravell	 (Appointed 27 July 2018)
Company number	SC392978	
Registered office	24 George Square Glasgow Scotland G2 1EG	
Auditor	MHA Henderson Loggie Ground Floor 11-15 Thistle Street Edinburgh EH2 1DF	

Senscot Legal Ltd

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Directors' report

for the year ended 31 March 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities
The principal activity of the company continued to be that of providing legal services.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S F Evans	
S M Green	
K Miller	
L Ravell	(Appointed 27 July 2018)

Auditor
MHA Henderson Loggie were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

S F Evans
Director

20 September 2019

Senscot Legal Ltd

Directors' responsibilities statement

for the year ended 31 March 2019

The directors are responsible for preparing the annual report and 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). Under company law the directors 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 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Senscot Legal Ltd

Independent auditor's report

to the members of Senscot Legal Ltd

Opinion

We have audited the financial statements of Senscot Legal Ltd (the 'company') for the year ended 31 March 2019 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 14 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Davidson (Senior Statutory Auditor)
for and on behalf of MHA Henderson Loggie
Chartered Accountants
Statutory Auditor

20 September 2019

Ground Floor
11-15 Thistle Street
Edinburgh
EH2 1DF

MHA Henderson Loggie is a trading name of Henderson Loggie LLP.

Senscot Legal Ltd

Profit and loss account

for the year ended 31 Mar 2019

	Note	2019 £	2018 £
Turnover		**66,709**	77,010
Cost of sales		**(57,589)**	(63,676)
Gross profit		**9,120**	13,334
Administrative expenses		**(16,349)**	(16,216)
Other operating income		**4,769**	13,116
Operating (loss)/profit		**(2,460)**	10,234
Interest payable and similar expenses	3	**(1,659)**	-
(Loss)/profit before taxation		**(4,119)**	10,234
Tax on (loss)/profit		**-**	-
(Loss)/profit for the financial year		**(4,119)**	10,234

Senscot Legal Ltd

Balance sheet

as at 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	5		441		73
Investments	6		250		-
			691		73
Current assets					
Debtors	7	6,014		9,174	
Cash at bank and in hand		57		57	
		6,071		9,231	
Creditors: amounts falling due within one year	8	(22,092)		(17,876)	
Net current liabilities			(16,021)		(8,645)
Total assets less current liabilities			(15,330)		(8,572)
Creditors: amounts falling due after more than one year	9		(40,648)		(43,287)
Net liabilities			(55,978)		(51,859)
Capital and reserves					
Called up share capital	10		1		1
Profit and loss reserves			(55,979)		(51,860)
Total equity			(55,978)		(51,859)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 20 September 2019 and are signed on its behalf by:

S F Evans
Director

Company Registration No. SC392978

1 Accounting policies

Company information

Senscot Legal Ltd is a private company limited by shares incorporated in Scotland. The registered office is 24 George Square, Glasgow, Scotland, G2 1EG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company has made a loss of £2,719 in this period of trading. Although the company had net liabilities of £54,578 at 31 March 2019, £46,648 of this debt was due to the company's parent, Social Entrepreneurs Network Scotland (Senscot), a charitable company. The remaining £7,930 of debt is managed on a daily basis. Based on current projections the directors believe, that with careful management of the expenditure, the company will be able to meet its liabilities as they fall due. The directors believe that the improved trading position in the current year will continue.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures & Fittings	20% reducing balance
Computer equipment	33.33% straight line

1 Accounting policies (continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies (continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2018 - 3).

3 Interest payable and similar expenses

	2019	2018
	£	£
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	**1,400**	-

4 Taxation

The company has estimated losses of £53,023 (2018 - £48,616) available for carry forward against future trading profits.

5 Tangible fixed assets

	Fixtures & Fittings	Computer equipment	Total
	£	£	£
Cost			
At 1 April 2018	90	1,651	1,741
Additions	185	351	536
At 31 March 2019	275	2,002	2,277
Depreciation and impairment			
At 1 April 2018	18	1,650	1,668
Depreciation charged in the year	51	117	168
At 31 March 2019	69	1,767	1,836
Carrying amount			
At 31 March 2019	206	235	441
At 31 March 2018	72	1	73

6 Fixed asset investments

	2019	2018
	£	£
Investments	250	-

Movements in fixed asset investments

	Investments other than loans
	£
Cost or valuation	
At 1 April 2018	-
Additions	250
At 31 March 2019	250
Carrying amount	
At 31 March 2019	250
At 31 March 2018	-

7 Debtors

	2019	2018
Amounts falling due within one year:	**£**	£
Trade debtors	**5,845**	8,926
Other debtors	**169**	248
	6,014	9,174

8 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	**9,208**	8,106
Trade creditors	**147**	59
Amounts owed to group undertakings	**7,400**	6,000
Taxation and social security	**439**	1,158
Other creditors	**4,898**	2,553
	22,092	17,876

The bank overdraft is secured. There is a first ranking bond and floating charge over all assets and undertakings of the company.

9 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Amounts owed to group undertakings	**40,648**	43,287

10 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1	**1**	1
	1	1

11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
	4,750	651

12 Related party transactions

During the year the company was charged rent £4,800 (2018: £2,675) by the parent company Social Entrepreneurs Network Scotland (Senscot), of which £400 was outstanding at the year-end (2018: £Nil). The parent company paid a retainer fee, for legal services, of £5,000 (2018: £8,000), of which £1,000 (2018: £Nil) relates to the next financial year and so was deferred at the year-end. Payments and advanced sums of £2,661 (2018: £1,627) were made by the parent company to, or on behalf of, Sensot Legal Limited, of which £2,461 was outstanding at the year-end (2018: £Nil). Expenses of £Nil (2018: £843) were recharged to the parent company, of which £Nil was outstanding at the year-end (2018: £225). Repayments of £5,500 (2018: £3,590) were made to Senscot during the year. The inter-company loan is subject to interest at 3% and is included within creditors.

At 31 March 2019, the company owed £48,048 (2018: £49,287) to Senscot, of which £7,400 (2018: £6,000) is due within 1 year.

13 Parent company

The company is controlled by Social Entrepreneurs Network Scotland, a charitable company (company number SC278156) which owns 100% of the share capital. The registered office of Social Entrepreneurs Network Scotland is 21 Walker Street, Edinburgh, EH3 7HX.

Copies of the consolidated accounts are available from Companies House.

14 Non-audit services provided by auditor

In common with many businesses of a similar size, the company uses its auditor to assist in the preparation of its financial statements.