Limited Liability Partnership Registration No. SO300472 (Scotland)

Morton Fraser MacRoberts LLP
Group Financial Statements
Year Ended 30 April 2024

Morton Fraser MacRoberts LLP

For the Year Ended 30 April 2024

Designated members	Ms C Beveridge Mr J Clark Ms J Dickson Mr C Harte Mr A Kelly Mr N Kennedy Ms J McKay Mr M Ramsay
Limited Liability Partnership number	SO300472
Registered office	Fifth Floor Quartermile Two 2 Lister Square Edinburgh EH3 9GL
Auditor	RSM UK Audit LLP Chartered Accountants Third Floor 2 Semple Street Edinburgh EH3 8BL

Morton Fraser MacRoberts LLP

Members' Report

For the Year Ended 30 April 2024

The members present their report and financial statements for the year ended 30 April 2024.

Principal Activity
The principal activity of the limited liability partnership is the provision of legal services.

Review of the business
The year to 30 April 2024 has been a transformational one, following the successful merger of Morton Fraser LLP and MacRoberts LLP to create Morton Fraser MacRoberts LLP.

Having first announced the merger at the beginning of September last year, we made a conscious choice to move quickly to completion, just 8 weeks later on 1 November 2023. As a consequence, a great deal of work has been done over the second half of the year in integrating our people and our processes and we are delighted with the progress which has been made. For example, having initially occupied four offices across Edinburgh and Glasgow, we have now co-located our teams into a single office in each city and completed the disposal of the surplus properties.

Whilst these statutory accounts do not report on a full year basis for both legacy firms, we have ourselves assessed our combined revenues on a full year basis (i.e. our combined pre-merger revenues plus the 6 months' of Morton Fraser MacRoberts LLP) and these are 2% above prior year. Given that the year to 30 April 23 had (at that point) delivered the highest ever revenues of each legacy firm, to deliver an increase on that, amidst all of the change inherent in a merger process, is testament to the resolute client focus which our teams have maintained throughout.

In the 6-month period from 1 November 2023, a number of one-off costs have been incurred in delivering our integration plan, particularly in relation to combining both our offices and our IT platforms. In addition, there has been a level of duplication of costs during this period which the business will not be carrying on a continuing basis.

One of our other objectives in creating Morton Fraser MacRoberts LLP was to ensure that the business would be supported by a strong balance sheet, which would not only make our business more resilient, but also give us the resources we need to continue to invest in the firm. For a professional services business like ours, balance sheet strength is largely about our cash position and so we are particularly pleased to report that our year-end cash is up by over 60% versus the combined position of the two legacy firms as of April last year.

We are hugely appreciative of the support which the merger has received from our people and our clients and we look forward to continuing to build upon the increased breadth and quality of opportunities which the merged firm is now accessing.

Members' drawings contributions and repayments
The members' policy on drawings allows each member to draw a proportion of their profit share throughout the year after deduction of their estimated tax liability. The limited liability partnership retains a proportion of each member's profit share to settle the related tax liabilities, which the limited liability partnership pays directly to H M Revenue & Customs on behalf of the members.

The amount of capital each equity member is required to subscribe is determined by members under the limited liability partnership agreement of Morton Fraser MacRoberts LLP, a member can only withdraw capital when he or she ceases to be a member and is therefore recognised as debt.

Morton Fraser MacRoberts LLP

Members' Report (continued)

For the Year Ended 30 April 2024

Designated members
The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Ms C Beveridge	
Mr J Clark	
Ms J Dickson	
Mr C Harte	
Mr A Kelly	(Appointed 1 November 2023)
Mr N Kennedy	(Appointed 1 November 2023)
Ms J McKay	(Appointed 1 November 2023)
Mr M Ramsay	

Auditor
RSM UK Audit LLP offer themselves for appointment in accordance with section 485 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), a resolution proposing that they be re-appointed will be put at a forthcoming meeting of the members.

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

Approved by the members on 24 September 2024 and signed on behalf by:

C J Harte

Mr C Harte
Designated member

Date: 07/10/24

Morton Fraser MacRoberts LLP

Members' responsibilities statement

For the Year Ended 30 April 2024

The members are responsible for preparing the Annual 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 Accounting 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Morton Fraser MacRoberts LLP

Independent Auditor's Report to the Members of Morton Fraser MacRoberts LLP

Opinion

We have audited the financial statements of Morton Fraser MacRoberts LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 30 April 2024 which comprise the Consolidated Statement of Comprehensive Income, the Statement of Financial Position - Consolidated, the Statement of Financial Position - LLP, the Reconciliation of Members' Interests - Group, the Reconciliation of Members' Interests - LLP, the Consolidated Statement of Cash Flows, and notes to the financial statements, including 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 group's and parent limited liability partnership's affairs as at 30 April 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 group and parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including FRC's Ethical Standard, 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent Auditor's Report to the Members of Morton Fraser MacRoberts LLP (Continued)

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement set out on page 4, the members 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 members 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 members are responsible for assessing the group's and parent limited liability partnership'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 members either intend to liquidate the group or parent limited liability partnership 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Independent Auditor's Report to the Members of Morton Fraser MacRoberts LLP (Continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent limited liability partnership operates in and how the group and parent limited liability partnership is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and the LLP SORP. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Data Protection Act 2018, the Proceeds of Crime Act 2002, the Money Laundering, the Terrorist Financing and Transfer of Funds Regulations 2017, the Bribery Act 2010, employment legislation and the Law Society of Scotland Regulations. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities and undertook searches on public registers to identify any breaches of significant laws and regulations.

The group audit engagement team identified the risk of management override of controls and valuation, existence and cut-off of amounts recoverable on contracts and revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed to mitigate the risk of fraud included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. In relation to revenue recognition, among other procedures, we performed substantive testing over revenue and amounts recoverable on contracts to assess whether estimates applied in valuing revenue were reasonable, and also performed testing one month pre and post year end to ensure that revenue had been recorded in the correct period, to gain comfort over the cut off assertion.

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.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. 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.

Claire Monaghan

CLAIRE MONAGHAN (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Third Floor, 2 Semple Street
Edinburgh
EH3 8BL
Date 07/10/24

Morton Fraser MacRoberts LLP

Consolidated Statement of Comprehensive Income

For the Year Ended 30 April 2024

	Note	2024 £	2023 £
Turnover	3	36,423,702	25,728,565
Administrative expenses		(26,968,549)	(16,896,213)
Other operating income	3	1,002,726	407,389
Operating Profit		10,457,879	9,239,741
Interest receivable and similar income	7	1,824,793	158,202
Interest payable and similar charges	7	(924,793)	(47,598)
Profit for the year on ordinary activities before taxation and members' remuneration and profit shares		11,357,879	9,350,345
Tax on profit on ordinary activities	8	(51,336)	-
Profit for the financial year before members' remuneration and profit shares		11,306,543	9,350,345
Members' remuneration charged as an expense		(11,115,944)	(9,350,345)
Profit for the year available for discretionary division among members		190,599	-
Remeasurement (loss)/gain on defined benefit pension plan	21	(154,424)	313,000
Total comprehensive income for the year		36,175	313,000

The Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

Morton Fraser MacRoberts LLP

Statement of Financial Position - Consolidated

For the Year Ended 30 April 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Intangible assets	9		1,931,264		593,089
Tangible assets	10		1,870,118		880,774
Investments	11		79,595		46,277
			3,880,977		1,520,140
Current assets					
Debtors	13	17,502,109		10,526,267	
Cash at bank and in hand		6,954,425		3,789,345	
		24,456,534		14,315,612	
Creditors: amounts falling due within one year	14	(6,730,039)		(4,128,387)	
Net current assets			17,726,495		10,187,225
Total assets less current liabilities			21,607,472		11,707,365
Creditors: amounts falling due after more than one year	15		(62,651)		-
Provision for liabilities	17		(974,500)		(600,275)
Net assets excluding pension liability attributable to members			20,570,321		11,107,090
Defined benefit pension liability	21		-		-
Net assets attributable to members			**20,570,321**		**11,107,090**
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			8,289,113		3,046,000
Amounts due in respect of profits			13,045,056		8,479,090
			21,334,169		11,525,090
Members' other interests					
Other reserves classified as equity			(763,848)		(418,000)
			20,570,321		**11,107,090**

Morton Fraser MacRoberts LLP

Statement of Financial Position - Consolidated

For the Year Ended 30 April 2024

Total members' interests		
Loans and other debts due to members	21,334,169	11,525,090
Members' other interests	(763,848)	(418,000)
	20,570,321	11,107,090

The financial statements were approved by the members and authorised for issue on 24 September 2024 and are signed on their behalf by:

C J Harte

Mr C Harte, Designated Member

Date: 07/10/24

Morton Fraser MacRoberts LLP

Statement of Financial Position - LLP

As at 30 April 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Intangible assets	9		1,840,731		593,089
Tangible assets	10		1,861,991		880,774
Investments	11		79,595		46,277
			3,782,317		1,520,140
Current assets					
Debtors	13	17,123,883		10,526,267	
Cash at bank and in hand		6,902,237		3,789,345	
		24,026,120		14,315,612	
Creditors: amounts falling due within one year	14	(6,391,560)		(4,128,387)	
Net current assets			17,634,560		10,187,225
Total assets less current liabilities			21,416,877		11,707,365
Creditors: amounts falling due after more than one year	15		(62,651)		-
Provisions for liabilities	17		(974,500)		(600,275)
Net assets excluding pension liability attributable to members			20,379,726		11,107,090
Defined benefit pension liability	21		-		-
Net assets attributable to members			**20,379,726**		**11,107,090**
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			8,289,113		3,046,000
Amounts due in respect of profits			13,045,056		8,479,090
			21,334,169		11,525,090
Members' other interests					
Other reserves classified as equity			(954,443)		(418,000)
			20,379,726		**11,107,090**
Total members' interests					
Loans and other debts due to members			21,334,169		11,525,090
Members' other interests			(954,443)		(418,000)
			20,379,726		**11,107,090**

Morton Fraser MacRoberts LLP

Statement of Financial Position - LLP

As at 30 April 2024

The LLP has taken the exemption under section 408 of the Companies Act 2006 in relation to the presentation of an unconsolidated profit and loss account for the LLP. The profit for the year attributable to the parent LLP is £11,115,944 (2023 - £9,350,345) before members remuneration charged as an expense.

The financial statements were approved by the members and authorised for issue on 24 September 2024 and are signed on their behalf by:

C J Harte

Mr C Harte, Designated Member

Date: 07/10/24

Morton Fraser MacRoberts LLP

Reconciliation of Members' Interests
Year Ended 30 April 2024

Group	**DEBT** Loans and other debts due to members less any amounts due from members in debtors			**EQUITY** Members' other interests	**TOTAL MEMBERS' INTERESTS**
	Members' capital (classified as debt) £	**Other amounts £**	**Total debt £**	**Other reserves £**	**Total 2024 £**
Amounts due to members		8,479,090			
Members' interests at 1 May 2023	3,046,000	8,479,090	**11,525,090**	(418,000)	**11,107,090**
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	11,115,944	**11,115,944**	-	**11,115,944**
Profit for the year available for discretionary division among members	-	-	**-**	190,599	**190,599**
Members' interests after result and remuneration for the year	3,046,000	19,595,034	**22,641,034**	(227,401)	**22,413,633**
Introduced by members	2,226,644	-	**2,226,644**	-	**2,226,644**
Transfer to former partner account	(42,000)	-	**(42,000)**	-	**(42,000)**
Repayment of debt (including members' capital classified as a liability)	(207,017)	-	**(207,017)**	-	**(207,017)**
Transfer of balances on acquisition	3,265,486	5,116,098	**8,381,584**	(382,023)	**7,999,561**
Drawings	-	(11,666,076)	**(11,666,076)**	-	**(11,666,076)**
Actuarial loss on defined benefit plans	-	-	**-**	(154,424)	**(154,424)**
Members' interests at 30 April 2024	**8,289,113**	**13,045,056**	**21,334,169**	**(763,848)**	**20,570,321**

Morton Fraser MacRoberts LLP

Reconciliation of Members' Interests
Year Ended 30 April 2024

Group	DEBT Loans and other debts due to members less any amounts due from members in debtors			EQUITY Members' other interests	TOTAL MEMBERS' INTERESTS
	Members' capital (classified as debt) £	Other amounts £	Total debt £	Other reserves £	Total 2024 £
Amounts due to members		7,453,673			
Members' interests at 1 May 2022	3,534,625	7,453,673	**10,988,298**	(731,000)	**10,257,298**
Members' remuneration charged as an expense including employment and retirement benefit costs	-	9,350,345	**9,350,345**	-	**9,350,345**
Members' interests after result and remuneration for the year	3,534,625	16,804,018	**20,338,643**	(731,000)	**19,607,643**
Introduced by members	129,875	-	**129,875**	-	**129,875**
Transfer to former partner account	(298,500)	(748,295)	**(1,046,795)**	-	**(1,046,795)**
Repayment of debt (including members' capital classified as a liability)	(320,000)	-	**(320,000)**	-	**(320,000)**
Drawings	-	(7,576,633)	**(7,576,633)**	-	**(7,576,633)**
Actuarial gains on defined benefit plans	-	-	**-**	313,000	**313,000**
Members' interests at 30 April 2023	3,046,000	8,479,090	**11,525,090**	(418,000)	**11,107,090**

Morton Fraser MacRoberts LLP

Reconciliation of Members' Interests
Year Ended 30 April 2024

LLP	DEBT			EQUITY	TOTAL
	Loans and other debts due to members less any amounts due from members in debtors			Members' other interests	MEMBERS' INTERESTS
	Members' capital (classified as debt) £	Other amounts £	Total debt £	Other reserves £	Total 2024 £
Amounts due to members		8,479,090			
Members' interests at 1 May 2023	3,046,000	8,479,090	**11,525,090**	(418,000)	**11,107,090**
Members' remuneration charged as an expense including employment and retirement benefit costs	-	11,115,944	**11,115,944**	-	**11,115,944**
Members' interests after result and remuneration for the year	3,046,000	19,595,034	**22,641,034**	(418,000)	**22,223,034**
Introduced by members	2,226,644	-	**2,226,644**	-	**2,226,644**
Transfer to former partner account	(42,000)	-	**(42,000)**	-	**(42,000)**
Repayment of debt (including members' capital classified as a liability)	(207,017)	-	**(207,017)**	-	**(207,017)**
Transfer of balances on acquisition	3,265,486	5,116,098	**8,381,584**	(382,019)	**7,999,565**
Drawings	-	(11,666,076)	**(11,666,076)**	-	**(11,666,076)**
Actuarial loss on defined benefit plans	-	-	**-**	(154,424)	**(154,424)**
Members' interests at 30 April 2024	**8,289,113**	**13,045,056**	**21,334,169**	**(954,443)**	**20,379,726**

Morton Fraser MacRoberts LLP

Reconciliation of Members' Interests
Year Ended 30 April 2024

LLP

	DEBT Loans and other debts due to members less any amounts due from members in debtors			**EQUITY** Members' other interests	**TOTAL** MEMBERS' INTERESTS
	Members' Capital (Classified as a liability) £	**Loans and other debts due to/(from) members £**	**Total £**	**Other reserves £**	**Total members' interests £**
Amounts due to members		7,453,673			
Members' interests at 1 May 2022	3,534,625	7,453,673	**10,988,298**	(731,000)	**10,257,298**
Members' remuneration charged as an expense including employment and retirement benefit costs	-	9,350,345	**9,350,345**	-	**9,350,345**
Members' interests after result and remuneration for the year	3,534,625	16,804,018	**20,338,643**	(731,000)	**19,607,643**
Introduced by members	129,875	-	**129,875**	-	**129,875**
Transfer to former partner account	(298,500)	(748,295)	**(1,046,795)**	-	**(1,046,795)**
Repayment of debt (including members' capital classified as a liability)	(320,000)	-	**(320,000)**	-	**(320,000)**
Drawings	-	(7,576,633)	**(7,576,633)**	-	**(7,576,633)**
Actuarial gains on defined benefit plans	-	-	**-**	313,000	**313,000**
Members' interests at 30 April 2023	3,046,000	8,479,090	**11,525,090**	(418,000)	**11,107,090**

Morton Fraser MacRoberts LLP

Consolidated Statement of Cash Flows

Year Ended 30 April 2024

	Note	2024 £	2023 £
Cash flow from operating activities			
Cash generated from operations	18	11,840,043	8,679,647
Interest paid		(924,793)	(36,598)
Taxation received		3,241	-
Net cash inflow from operating activities		10,918,491	8,643,049
Investing activities			
Purchase of intangible assets		(78,096)	(43,255)
Purchase of tangible assets		(458,510)	(547,463)
Cash acquired on purchase of business		615,974	-
Interest received		1,813,670	158,202
Net cash used in investing activities		1,893,038	(432,516)
Financing activities			
Transactions with members and former members:			
Capital introduced by members (classified as debt or equity)		2,226,644	129,875
Repayment of capital or debt to members		(207,017)	(320,000)
Drawings		(11,666,076)	(7,576,633)
Transactions with non-members:			
Repayment of bank loans		-	(787,562)
Net cash used in financing activities		(9,646,449)	(8,554,320)
Net increase/(decrease) in cash and cash equivalents		3,165,080	(343,787)
Cash and cash equivalents at beginning of year		3,789,345	4,133,132
Cash and cash equivalents at end of year		6,954,425	3,789,345

Morton Fraser MacRoberts LLP

Notes to the Financial Statements

Year Ended 30 April 2024

1 Summary of significant accounting policies

Limited liability partnership information
Morton Fraser MacRoberts LLP is a limited liability partnership registered and incorporated in Scotland. The registered office is Fifth Floor Quartermile Two, 2 Lister Square, Edinburgh, EH3 9GL.

The limited liability partnership's principal activities and nature of its operations are disclosed in the Members' Report.

Accounting convention
The financial statements have been prepared under the historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published December 2021).

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

The financial statements have been prepared under the historical cost convention and assets and liabilities acquired have been fair valued as at the date of acquisition. The principal accounting policies adopted are set out below.

Basis of consolidation
The consolidated statement of comprehensive income and balance sheet include the financial statements of the LLP and its active subsidiary undertakings using the acquisition accounting method. All financial statements are made up to 30 April 2024.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra group transactions, balances and unrealised gains on transaction between group entities are eliminated on consolidation.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Going concern
On 1 November 2023, Morton Fraser LLP merged with MacRoberts LLP. The combined firm delivered profits for the year which were 4% higher than our projections for the merged entity, an encouraging outcome. The balance sheet was even more robust including a strong cash position and accordingly, there are no liquidity issues. The cash balance closed at £7.0m, a notable result during a transitional phase involving integration and restructure costs.

As part of the members' consideration of the appropriateness of adopting the going concern basis in preparing the financial statements, we modelled our P&L and cashflow profile forwards for the next 12 months post sign off of these financial statements using prudent assumptions and taking account of market conditions. This includes the impact on cash of the change in tax rules under basis period reform whereby the taxation of trading profits moves from a current year basis to a tax year basis. It also takes account of our planned office move this year from our current Edinburgh premises to our new office location at Haymarket.

1 Summary of significant accounting policies (continued)

The modelling demonstrates that the limited liability partnership remains profitable and liquid. The firm continues to review and monitor the financial outlook through a series of P&L and cashflow forecasts enabling timely decision making.

On the basis of the above the members consider it appropriate for the going concern basis to be adopted.

Turnover
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the limited liability partnership and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, net of value added tax.

Rendering of services
Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the limited liability partnership will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and the costs incurred and the costs to complete the contract can be measured reliably.

If, at the Balance Sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the limited liability partnership), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the Balance Sheet date are carried forward as amounts recoverable on contracts.

Other income

Rental income
Rental income on assets leased under operating leases is recognised on a straight-line basis over the lease term and is presented within other operating income.

Other income
Non-trading contractual receipts are recognised as other income.

Intangible fixed assets - goodwill
Goodwill represents the excess of the fair value of net assets acquired on business combination. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

Intangible fixed assets other than goodwill
Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Software	10%-25% straight line

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.

1 Summary of significant accounting policies (continued)

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:

Leasehold land and buildings improvements	Period of lease
Furniture & Equipment	25% straight line
Computer Equipment	33% straight line

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.

Leasehold improvements in the course of construction and not yet in use are carried at cost, less any identified impairment loss. Depreciation commences when the leasehold is ready for its intended use.

Fixed asset investments
Investments are measured at cost less accumulated impairment.

Cash and cash equivalents
Cash and cash equivalents are basic financial instruments 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.

Financial instruments
The limited liability partnership 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 limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other 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 financial asset 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.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

1 Summary of significant accounting policies (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 limited liability partnership after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables 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.

Derecognition of financial liabilities
Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

Provisions
Provisions are recognised when the limited liability partnership has a legal or constructive present obligation because of a past event, it is probable that the limited liability partnership will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1 Summary of significant accounting policies (continued)

Members' remuneration
Profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. A member's share in the profit or loss for the year is accounted for as a division of profits (before allowances made for actuarial gains/losses on the defined benefit pension scheme). Profits are shared among the members at the end of the year in accordance with agreed profit sharing arrangements and fixed remuneration payments. Members are required to make their own provision for pension from their profit shares. Unallocated profits and losses, which stem from pensions adjustments posted to other comprehensive income, are included within 'other reserves'.

Profits are divided in full and are recognised within Members' remuneration charged as an expense in arriving at the relevant year's result. The full amount is classified as liabilities and presented within 'Loans and other debts due to members'. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Retirement benefits and post retirement payments to members
The limited liability partnership operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the limited liability partnership pays fixed contributions into a separate entity. Once the contributions have been paid the limited liability partnership has no further repayment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the limited liability partnership in independently administered funds.

Defined benefit pension schemes
The limited liability partnership is also responsible for two defined benefit schemes. The Morton Fraser Retirement Benefit Scheme is subject, in part, to an underpin of providing a pension benefit of at least the amount of the member's Guaranteed Minimum Pension (GMP) relating to the contracted out services before April 1997. The scheme is funded by payment of contributions to a separately administered trust fund. The scheme closed to new entrants in May 2004. The contributions to the scheme are determined in accordance with the advice of an independent qualified actuary.

The limited liability partnership is also a participating employer in the Scottish Solicitors Staff Pension Fund, a multi-employer defined benefit scheme which is closed to new entrants and ongoing benefit accrual. During the year, Morton Fraser MacRoberts LLP was admitted to the Fund as a participating employer and assumed the LLP's liabilities under and funding obligations in favour of the Fund, as part of the business merger. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. The trustees of the pension fund take the advice of actuaries to estimate these factors so as to determine the net pension obligation in the balance sheet, and management rely on these estimates in preparing these financial statements. The assumptions reflect historical experience and current trends.

See note 21 for the disclosures relating to the defined benefit pension schemes.

1 Summary of significant accounting policies (continued)

Leases
Operating leases: the limited liability partnership as lessor

Rentals income from operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable is an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the lease asset is diminished.

Operating leases: the limited liability partnership as lessee

An asset and corresponding liability are recognised for leasing agreements that transfer to the LLP substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit and loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Taxation
The tax expense represents the sum of current tax and deferred tax incurred by subsidiary companies. The limited liability partnership is not, itself, subject to corporation tax.

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

2 Judgements and key sources of estimation uncertainty (continued)

Amounts recoverable on contracts
As part of the valuation of the closing value of amounts recoverable on contracts, the LLP is required to determine the extent to which amounts recoverable on contracts are recoverable, taking into consideration the stage of completion of the contract.

Where probability of receipt is uncertain, and dependent on factors outwith the control of the LLP, which is common in litigation work, no revenue is recognised until the probability of receipt on the case matter is virtually certain.

Key sources of estimation uncertainty

Assumptions in deriving the gross pension liability
As part of the valuation of the defined benefit liability; the LLP is required to make assumptions to underpin the calculation of the liability. Detail of the assumptions adopted are included in note 21.

Provisions for claims
Recognition of provisions for claims is made when it is probable that a claim will result in an economic outflow. Where a claim is judged to require recognition, estimates are made in respect of these claims having due consideration to the nature of the case, potential exposure and self-insured limits available on professional indemnity insurance.

Provisions for dilapidations
The LLP is required to make estimates in relation to the expected future outflow on dilapidations costs at the conclusion of its lease terms, having consideration to correspondence with landlords and other expert advice in relation to the valuation of these provisions.

3 Turnover

Turnover analysed by class of business

	2024 Group £	2023 Group £
Rendering of services	36,423,702	25,728,565

	2024 Group £	2023 Group £
Other operating income		
Rents receivable	549,316	406,286
Other income	453,410	1,103

Morton Fraser MacRoberts LLP

Notes to the Financial Statements

Year Ended 30 April 2024

4 Operating profit

Operating profit for the year is stated after charging:

	2024 Group £	2023 Group £
Fees payable to the LLP's auditor for the audit of the LLP's financial statements	103,850	26,450
Depreciation of owned tangible fixed assets	379,920	186,290
Loss on disposal of tangible fixed assets	-	571
Amortisation of intangible assets	267,378	187,170
Operating lease charges	1,813,371	1;276,979

5 Members' remuneration

	2024 Number	2023 Number
Average number of members during the year	59	40

	2024 £	2023 £
Profit attributable to the member with the highest entitlement	339,631	399,440

6 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2024 Group £	2024 LLP £	2023 Group £	2023 LLP £
Office and management	360	345	216	216
	360	345	216	216

6 Employees (continued)

Their aggregate remuneration comprised:

	2024 Group £	2024 LLP £	2023 Group £	2023 LLP £
Wages and salaries	13,493,868	13,251,975	8,683,895	8,683,895
Social security	1,299,430	1,277,578	915,186	915,186
Other pension costs	789,702	783,773	541,742	541,742
	15,583,000	15,313,326	10,140,823	10,140,823

The total remuneration received by key management personnel during the year was £2,254,007 (2023: £2,866,589). Key management personnel are considered to be the members of the limited liability partnership's Executive Committee and Managing Board.

7 Interest and other finance income and charges

a) Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	1,813,670	158,202
Net interest on net defined benefit pension asset	11,123	-
Total income	1,824,793	158,202

b) Interest payable and similar charges

	2024 £	2023 £
Interest on bank overdrafts and loans	896	36,598
Net interest on the net defined benefit liability	-	11,000
Other interest on financial liabilities	923,897	-
Total finance costs	924,793	47,598

Morton Fraser MacRoberts LLP

Notes to the Financial Statements

Year Ended 30 April 2024

8 Taxation

	2024	2023
	£	£
Current tax		
UK Corporation tax on profits for the current period	58,731	-
Adjustment in respect of prior periods	(3,251)	-
Deferred tax		
Origination and reversal of timing differences	(4,144)	-
Total tax charge	51,336	-

The total tax charge for the year included in the profit and loss accounts can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2024	2023
Profit before tax and members' remuneration charged as an expense	11,357,879	9,350,345
Less: profit relating to LLPs in the group	(11,115,944)	(9,350,345)
Group profit on ordinary activities before taxation subject to corporation tax	241,935	-
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25% (2023: 19.5%)	60,484	-
Effects of:		
Expenses not deductible for tax purposes	162	
Marginal relief	(213)	
Adjustments to tax charge in respect of previous periods	(3,251)	-
Movement in deferred tax not recognised	(1,420)	
Other movement	(4,426)	-
	51,336	-

Morton Fraser MacRoberts LLP

Notes to the Financial Statements

Year Ended 30 April 2024

9 Intangible fixed assets

Group	Goodwill	Software	Total
	£	£	£
Cost			
At 1 May 2023	-	1,333,838	1,333,838
Additions – separately acquired	-	78,096	78,096
Additions – business combinations	966,361	561,096	1,527,457
At 30 April 2024	**966,361**	**1,973,030**	**2,939,391**
Amortisation			
At 1 May 2023	-	740,749	740,749
Amortisation charge for the year	47,921	219,457	267,378
At 30 April 2024	**47,921**	**960,206**	**1,008,127**
Carrying amount			
At 30 April 2024	**918,440**	**1,012,824**	**1,931,264**
At 30 April 2023	-	593,089	593,089

The profit and loss charge for amortisation on intangible fixed assets is included within administrative expenses.

LLP	Goodwill	Software	Total
	£	£	£
Cost			
At 1 May 2023	-	1,333,838	1,333,838
Additions – separately acquired	-	78,096	78,096
Additions – business combinations	871,105	561,096	1,432,201
At 30 April 2024	**871,105**	**1,973,030**	**2,844,135**
Amortisation			
At 1 May 2023	-	740,749	740,749
Amortisation charge for the year	43,197	219,458	262,655
At 30 April 2024	**43,197**	**960,207**	**1,003,404**
Carrying amount			
At 30 April 2024	**827,908**	**1,012,823**	**1,840,731**
At 30 April 2023	-	593,089	593,089

Morton Fraser MacRoberts LLP

Notes to the Financial Statements

Year Ended 30 April 2024

10 Tangible fixed assets

Group

	Leasehold Improvements £	Office Equipment £	Computer Equipment £	Total £
Cost				
At 1 May 2023	3,066,731	463,849	735,861	4,266,441
Additions – separately acquired	319,749	3,114	135,647	458,510
Additions – business combinations	504,225	304,352	102,177	910,754
Disposals	-	(51,644)	-	(51,644)
At 30 April 2024	**3,890,705**	**719,671**	**973,685**	**5,584,061**
Depreciation				
At 1 May 2023	2,324,454	457,070	604,143	3,385,667
Depreciation charge for the year	262,412	3,011	114,497	379,920
Eliminated in respect of disposals	-	(51,644)	-	(51,644)
At 30 April 2024	**2,586,866**	**408,437**	**718,640**	**3,713,943**
Carrying amount				
At 30 April 2024	**1,303,839**	**311,234**	**255,045**	**1,870,118**
At 30 April 2023	742,277	6,779	131,718	880,774

LLP

	Leasehold Improvements £	Office Equipment £	Computer Equipment £	Total £
Cost				
At 1 May 2023	3,066,731	463,849	735,861	4,266,441
Additions – separately acquired	319,749	3,114	135,647	458,510
Additions – business combinations	504,225	304,352	91,002	899,579
Disposals	-	(51,644)	-	(51,644)
At 30 April 2024	**3,890,705**	**719,671**	**962,510**	**5,572,886**
Depreciation				
At 1 May 2023	2,324,454	457,070	604,143	3,385,667
Depreciation charge for the year	262,412	3,011	111,449	376,872
Eliminated in respect of disposals	-	(51,644)	-	(51,644)
At 30 April 2024	**2,586,866**	**408,437**	**715,592**	**3,710,895**
Carrying amount				
At 30 April 2024	**1,303,839**	**311,234**	**246,918**	**1,861,991**
At 30 April 2023	742,277	6,779	131,718	880,774

11 Fixed asset investments

Group and LLP	2024 £	2023 £
Unlisted investments	79,595	46,277
	79,595	46,277

Movements in fixed asset investments

	Total £
Cost	
At 1 May 2023	46,277
Acquired on business combination	33,318
At 30 April 2024	79,595
Carrying amount:	
At 30 April 2024	**79,595**
At 30 April 2023	46,277

As at 30 April 2024, Morton Fraser MacRoberts LLP held investments in subsidiary undertakings and participating interests as follows:

Subsidiary Undertakings	Registered Office	Proportion of ordinary shares held directly	Country of incorporation	Nature of business
Yuill & Kyle Limited	1	100%	Scotland	Legal services
Murray Snell LLP	2	N/A	Scotland	Dormant
MacRoberts Corporate Services Limited	1	29%	Scotland	Dormant
The Shareholding & Investment (Property) Ltd	1	67%	Scotland	Dormant
The Shareholding & Investment Trust Limited	1	67%	Scotland	Dormant
MacRoberts Trustees Limited	1	67%	Scotland	Dormant
Morton Fraser Nominees Limited	2	N/A	Scotland	Dormant

1. Capella Building (10th Floor), 60 York Street, Glasgow, G2 8JX
2. 5th Floor Quartermile Two, 2 Lister Square, Edinburgh, Midlothian, EH3 9GL

Yuill & Kyle Limited is the only subsidiary included in these consolidated accounts and has claimed exemption from audit of their individual accounts under section 479a of the Companies Act 2006. By virtue of Section 480 of the Companies Act 2006, as the remaining subsidiary undertakings are dormant, they have not been audited.

12 Business Combination

On 1 November 2023, Morton Fraser MacRoberts LLP (formerly Morton Fraser LLP) merged with MacRoberts LLP to create a new, top-tier independent firm. At the time of merger, Morton Fraser MacRoberts LLP acquired 100% of the share capital in MacRoberts LLP's subsidiary investments. MacRoberts LLP and its subsidiaries are incorporated in the United Kingdom (see note 11). On the date of merger, the trade and assets of MacRoberts LLP were transferred to Morton Fraser Macroberts LLP. Only one of the subsidiaries acquired, Yuill & Kyle Limited, has been consolidated in these financial statements as the remaining subsidiaries are dormant.

Group

	Initial book value	Fair value adjustment	Fair value at date of acquisition
Intangible fixed assets	852,920	(291,824)	561,096
Tangible fixed assets	910,754	-	910,754
Fixed asset investments	612,599	(579,281)	33,318
Trade debtors	4,124,352	-	4,124,352
Amounts recoverable on contracts with customers	2,979,349	-	2,979,349
Other debtors	162,489	-	162,489
Prepayments	798,725	-	798,725
Cash at bank	646,400	-	646,400
Total assets	**11,087,588**	**(871,105)**	**10,216,483**
Bank overdrafts	(30,426)	-	(30,426)
Trade creditors	(877,800)	-	(877,800)
Other creditors	(877,652)	-	(877,652)
Accruals	(865,538)	-	(865,538)
Amounts due to former partners	(318,688)	-	(318,688)
Provisions:			
- Pensions	(9,076)	-	(9,076)
- Taxation	(24,103)	-	(24,103)
- Claims and dilapidations	(180,000)	-	(180,000)
Members' capital classified as a liability	(3,265,486)	-	(3,265,486)
Amounts due in respect of profits	(5,116,098)	-	(5,116,098)
Total liabilities	**(11,564,867)**	**-**	**(11,564,867)**
Other reserves classified as equity	382,023	-	382,023
Total identifiable net liabilities	**(95,256)**	**(871,105)**	**(966,361)**
Goodwill			966,361
Total consideration			-

12 Business Combination (continued)

The goodwill arising on acquisition of MacRoberts LLP of £871,105 and Yuill & Kyle of £95,256 is considered to have a useful life of 10 years.

Consolidated turnover and consolidated profit after tax comprise turnover of £714,061 and profit after tax of £246,659 contributed by Yuill & Kyle Ltd between the date of its acquisition and 30 April 2024.

LLP

	Initial book value	**Fair value adjustment**	**Fair value at date of acquisition**
Intangible fixed assets	852,920	(291,824)	561,096
Tangible fixed assets	899,579	-	899,579
Fixed asset investments	612,599	(579,281)	33,318
Trade debtors	4,004,615	-	4,004,615
Amounts recoverable on contracts with customers	2,979,349	-	2,979,349
Other debtors	57,088	-	57,088
Prepayments	773,112	-	773,112
Cash at bank	645,011	-	645,011
Total assets	**10,824,273**	**(871,105)**	**9,953,168**
Trade creditors	(652,558)	-	(652,558)
Other creditors	(814,501)	-	(814,501)
Accruals	(858,965)	-	(858,965)
Amounts due to former partners	(318,688)	-	(318,688)
Provisions:			
- Claims and dilapidations	(180,000)	-	(180,000)
Members' capital classified as a liability	(3,265,486)	-	(3,265,486)
Amounts due in respect of profits	(5,116,098)	-	(5,116,098)
Total liabilities	**(11,206,296)**	**-**	**(11,206,296)**
Other reserves classified as equity	382,023	-	382,023
Total identifiable net assets	**-**	**(871,105)**	**(871,105)**
Goodwill			871,105
Total consideration			-

Morton Fraser MacRoberts LLP

Notes to the Financial Statements

Year Ended 30 April 2024

13 Debtors

	2024 Group £	2024 LLP £	2023 Group £	2023 LLP £
Trade debtors	8,292,481	7,946,021	4,281,605	4,281,605
Amounts recoverable on contracts	7,081,338	7,078,568	4,861,341	4,861,341
Other debtors	551,431	544,711	455,616	455,616
Prepayments and accrued income	1,572,715	1,554,583	927,705	927,705
	17,497,965	17,123,883	10,526,267	10,526,267
Deferred tax asset	4,144	-	-	-
	17,502,109	17,123,883	10,526,267	10,526,267

14 Creditors: amounts falling due within one year

	2024 Group £	2024 LLP £	2023 Group £	2023 LLP £
Trade creditors	1,512,615	1,281,380	459,018	459,018
Other taxation and social security	1,950,936	1,917,250	956,837	956,837
Corporation tax	58,721	-	-	-
Other creditors	283,835	281,133	1,181,383	1,181,383
Accruals and deferred income	2,923,932	2,911,797	1,531,149	1,531,149
	6,730,039	6,391,560	4,128,387	4,128,387

15 Creditors: amounts falling due after more than one year

	2024 Group £	2024 LLP £	2023 Group £	2023 LLP £
Accruals and deferred income	62,651	62,651	-	-

16 Operating lease commitments

Lessee:

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 Group £	2024 LLP £	2023 Group £	2023 LLP £
Within one year	713,506	713,506	1,383,632	1,383,632
Between one and five years	374,681	374,681	1,111,403	1,111,403
Later than five years	3,454	3,454	-	-
	1,091,641	1,091,641	2,495,035	2,495,035

Lessor

At the reporting end date the limited liability partnership had contracted with tenants for the following minimum lease payments:

	2024 Group £	2024 LLP £	2023 Group £	2023 LLP £
Within one year	408,389	408,389	459,577	459,577
Between one and five years	1,051,744	1,051,744	229,788	229,788
	1,460,133	1,460,133	689,365	689,365

The operating lease represents three sub leases of sections of an office to a third party. The remaining leases are negotiated over a term of 6 months, 2 years and 4 months, and 5 years and 6 months. (2023: one sub lease negotiated over a term of 1 year and 6 months) and rentals are fixed for the duration of this period. There is no option in place for either party to extend the lease terms.

17 Provisions for liabilities

Group and LLP

	2024	2023 £
Claims and dilapidations	974,500	600,275

17 Provisions for liabilities (continued)

Movements on provisions:

	Claims and Dilapidations £
At 1 May 2023	600,275
Additional provisions in the year	365,500
Reversal of provision	(84,909)
Utilisation of provision	(86,366)
Provisions acquired on business combination	180,000
At 30 April 2024	974,500

The claims provisions are recognised to provide for when a client submits a complaint and for potential financial compensation. The uncertainty of the provision is that it may turn out not to be founded or the timing of when it will resolve may not be able to be measured accurately.

The dilapidations provisions are to provide for when the limited liability partnership will exit its rented buildings, and the related costs to bring them back to their original condition. The uncertainty of the provision is impacted by the final assessment carried out at the point of ending a lease, which could vary from the amounts estimated.

18 Cash generated from operations

	2024 £	2023 £
Profit for the year	11,306,543	9,350,345
Adjustments for:		
Tax expense	51,336	-
Investment income recognised in profit or loss	(1,824,793)	(158,202)
Finance costs recognised in profit or loss	924,793	47,598
Depreciation of tangible fixed assets	379,920	186,290
Amortisation of intangible fixed assets	267,378	187,170
Loss on disposal of tangible fixed assets	-	571
Pension scheme non-cash movement	(143,301)	(88,000)
Increase/(decrease) in provisions	194,225	(187,742)
Movements in working capital:		
Increase in debtors	1,093,217	(211,547)
Decrease in creditors	(409,275)	(446,836)
Cash generated from operations	11,840,043	8,679,647

19 Analysis of changes in net funds

	As at 1 May 2023 £	Cash movements £	Non-cash movements £	As at 30 April 2024 £
Cash at bank and in hand	3,789,345	3,165,080	-	6,954,425
Balances before members' debt	3,789,345	3,165,080	-	6,954,425
Loans and other debts due to members:				
- Members' capital	(3,046,000)	(2,019,627)	(3,223,486)	(8,289,113)
- Other amounts due to members	(8,479,090)	11,666,076	(16,232,041)	(13,045,055)
Balances including members' debts	(7,735,745)	12,811,529	(19,455,527)	(14,379,743)

20 Deferred taxation

Group

	Assets 2024 £	Assets 2023 £
Balances:		
Fixed asset timing differences	2,465	-
Short term timing differences	1,679	-
	4,144	-

Movements in the year:

	2024 £
Asset at 1 May 2024	-
Charge to profit or loss	4,144
Asset at 30 April 2024	4,144

21 Pensions and other post-retirement benefits

Defined contribution schemes

The limited liability partnership operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the limited liability partnership in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £789,702 (2023: £541,742). At 30 April 2024 contributions amounting to £145,787 (2023: £76,421) were payable to the fund and were included in other creditors.

21 Pensions and other post-retirement benefits (continued)

Defined benefit schemes

Valuation
The limited liability partnership is also responsible for two defined benefit pension schemes.

Morton Fraser Retirement Benefit Scheme (MFRBS)

Part of this pension scheme is subject to underpin of providing a pension benefit of at least the amount of the member's Guaranteed Minimum Pension (GMP) relating to the contracted out services before April 1997.

The scheme is funded by payment of contributions to a separately administered trust fund. The scheme closed to new entrants in May 2004. The contributions to the schemes are determined in accordance with the advice of an independent qualified actuary.

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out at 30 April 2021.

The return on assets is based on the long-term future expected investment return for each asset class as at 30 April 2024.

Key assumptions

	2024	2023
	%	%
Discount rate	5.1	5.0
Expected rate of increase of pensions in payment	2.3	2.2
Expected rate of salary increases	3.2	3.2

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2024	2023
	Years	Years
Retiring today		
- Males	20.9	21.4
- Females	22.8	23.2
Retiring in 20 years		
- Males	22.2	22.7
- Females	24.2	24.7

Scottish Solicitors Staff Pension Fund (SSSPF)

As a result of the business merger, the limited liability partnership is now a participating employer in the Scottish Solicitors Staff Pension Fund, which is closed to new entrants and ongoing benefit accrual. The Fund is funded by the payment of contributions and assets of the Fund were held in a separately administered fund. On and with effect from 1 November 2023, Morton Fraser MacRoberts LLP was admitted to the Fund as a participating employer and assumed the liabilities under and funding obligations in favour of the Fund, as part of the business merger.

The most recent comprehensive actuarial valuation of Fund assets and the present value of the defined benefit obligation were carried out at 1 April 2020.

21 Pensions and other post-retirement benefits (continued)

Key assumptions

	2024 %
Discount rate	5.3
Expected rate of increase of pensions in payment	3.6
Expected rate of salary increases	3.4

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2024 Years
Retiring today	
- Males	22.1
- Females	24.3
Retiring in 20 years	
- Males	23.8
- Females	25.8

Consolidated defined benefit schemes

Amounts recognised in the income statement:

	2024 £	2023 £
Net interest on net defined benefit liability/(asset) (note 7)	(11,123)	11,000
Administrative expenses	100,027	-
	88,904	11,000

Amounts taken to other comprehensive income:

	2024 £	2023 £
Actual return on scheme assets	(432,256)	156,000
Less: calculated interest element	158,455	40,000
Return on scheme assets excluding interest income	(273,801)	196,000
Actuarial changes related to obligations	148,991	(623,000)
Experience gains and (losses) arising on the Scheme's liabilities	10,060	-
Net asset ceiling	269,174	114,000
Total expense/(income)	154,424	(313,000)

21 Pensions and other post-retirement benefits (continued)

The amounts included in the statement of financial position arising from the limited liability partnership's obligations in respect of defined benefit plans are as follows:

	2024 £	2023 £
Present value of defined benefit obligations	4,694,158	1,053,000
Fair value of plan assets	(4,694,158)	(1,053,000)
Deficit in scheme	-	-

Movements in the present value of defined benefit obligations:

	MFRBS 2024 £	SSSPF 2024 £	Total 2024 £
Liabilities at 1 May 2023	1,053,000	-	1,053,000
Liabilities assumed in a business combination	-	3,420,802	3,420,802
Benefits paid	(28,000)	(58,027)	(86,027)
Actuarial gains and losses	(144,000)	303,051	159,051
Interest cost	52,000	95,332	147,332
At 30 April 2024	933,000	3,761,158	4,694,158

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	MFRBS 2024 £	SSSPF 2024 £	Total 2024 £
Fair value of assets at 1 May 2023	1,167,000	-	1,167,000
Asset ceiling at 1 May 2023	(114,000)	-	(114,000)
	1,053,000	-	1,053,000
Assets assumed in a business combination	-	3,505,951	3,505,951
Asset ceiling on business combination	-	(85,149)	(85,149)
	1,053,000	3,420,802	4,473,802
Administration costs	-	(100,027)	(100,027)
Interest income	60,000	98,455	158,455
Return on plan assets (excluding amounts included on net interest)	(58,000)	331,801	273,801
Benefits paid	(28,000)	(58,027)	(86,027)
Contributions by employer	91,000	152,328	243,328
Net current asset ceiling	(185,000)	(84,174)	(269,174)
At 30 April 2024	933,000	3,761,158	4,694,158

21 Pensions and other post-retirement benefits (continued)

The analysis of the scheme assets at the reporting date were as follows:

	2024 £	2023 £
Equity instruments	1,213,000	1,100,000
Debt instruments	884,993	367,000
Cash	142,000	183,000
Money purchase benefits (including AVCs)	(419,000)	(483,000)
Other assets	3,341,488	
	5,162,481	1,167,000
Net asset ceiling	(468,323)	(114,000)
	4,694,158	1,053,000

22 Financial commitments

As at 30 April 2024, the LLP had contracted to purchase leasehold equipment regarding the Haymarket lease property fit out of £1,341,645. The LLP also contracted to lease £479,569 of computer equipment.

23 Ultimate controlling party

There is no individual controlling party.