

NEWS RELEASE

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Scott-Moncrieff Maintains Financial Position

Scott-Moncrieff, one of Scotland's leading independent accountancy and professional services firms, has reported overall revenues for the financial year 2008-09 of £13.1m, in line with the previous financial period.

The firm has experienced continued steady growth in its principle service lines, Audit and Accounting and Tax, up 2% and 4% respectively on the previous twelve months in spite of the recession, although the difficult trading environment has impacted on its Corporate Finance business as a result of a significant decline in deal-related activity.

Nick Bennett, Scott-Moncrieff managing partner, comments:

“Scott-Moncrieff has been around since 1792 and we estimate that the firm has been through approximately 30 major economic crises since our inception, so challenging and changing times are not something new for us.

“Our performance remained strong during the first half of the financial year. However, as has been reflected by the experience reported by many of our peers in the Top 50 UK accountancy firms, we noticed a significant turning point at the beginning of 2009 when the downturn really began to affect many of our clients. This has, inevitably, impacted on us. That said, to achieve turnover of £13.1m again this year is testament to the calibre and commitment of our partners and staff in providing proactive and innovative practical solutions which have helped our clients tackle the exceptional challenges of the last year.

“Our core Audit and Tax service teams have returned sound growth figures in what has been a very challenging marketplace, with Audit and Accounting up by 2% to £6.64m and Tax up 4% to £2.4m. Moreover, some of our specialist teams returned very impressive growth rates; for example, our VAT team saw revenues rise by 22% and our Business and Technology Consulting team recorded a 13% increase. However, Advisory Services, which includes Corporate Finance, saw an 8% decrease in turnover, reflecting the impacts of the credit crunch and the lack of liquidity and transactional activity. Commendably, despite an extremely turbulent period for the markets and the loss of investor confidence, our Wealth Management business has maintained its turnover at £1.65m.

“Importantly, we will continue to invest in the development of our staff and partners, indeed, over the past year we have recruited a number of senior people in our Business Advisory, Tax and Wealth Management teams, and we will continue to seek opportunities to recruit specialist staff where we have identified a requirement for their skills.”

Outlook

“Although I fully expect the tougher trading conditions to continue for at least the next 12-18 months, we remain confident that our breadth and depth of services, the strength of our client relationships and market profile and our well-balanced client portfolio will enable us to continue to develop our business. We are experiencing rising demand for services that improve performance and reduce operational costs as our clients focus on

identifying efficiencies, managing their key risks and capitalising on opportunities which the current economic situation is creating.

“We will continue to make long term investment decisions to deliver our strategy of becoming the business adviser of first choice to businesses, public sector bodies, charitable organisations and high net worth individuals, as well as creating a stimulating environment in which our staff can progress and develop their careers.

“Later this year we will relocate our Edinburgh office to the new development at Exchange Place. We have been looking to overcome the constraints of our current premises for some time and the move will enable us to consolidate our resources into a single building.

“As a firm we are committed to minimising the impact of our activities on the environment, not only to meet the expectations of our clients, potential clients and our staff, but simply because it is the right thing to do. Exchange Place has been highly acclaimed as one of the most environmentally advanced and cost effective office buildings in Scotland and I am confident that our staff will benefit from an improved working environment and facilities, which will enable us to achieve further efficiencies and to provide high quality services and support for our clients.

“Whilst the recession is likely to be followed by a slow and protracted recovery, like other good businesses, we are prepared to adapt and review our processes in order to ensure that we continue to deliver high quality services and remain one of Scotland’s longest standing and distinctive professional firms.”

ENDS

Editor’s Note:

Scott-Moncrieff (www.scott-moncrieff.com), one of Scotland’s leading independent professional services firms, provides audit, tax, wealth management, business advisory and corporate consulting services to commercial, public sector, not-for-profit and private clients. The firm operates from two offices in Edinburgh and Glasgow and has 18 partners and over 180 staff.

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