McSENCE LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2026

REGISTERED NO: SC129794
CHARITY NO: SC016874

WHITELAW WELLS
CHARTERED ACCOUNTANTS

McSENCE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

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McSENCE LIMITED

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)

For the year ended 31 March 2026

The directors, who are also trustees for the purposes of charity law, have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2026, prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES & ACTIVITIES

About McSence

McSence Ltd is part of a Group of companies operating as a community business and Social Enterprise formed in 1988. The company is structured as a Company Limited by Guarantee and incorporated as a charity. It is owned by the community in which it is based and is governed by an unpaid board of Directors. It is asset locked preventing any individual financial gain for shareholders or individuals and all profits generated are reinvested in the business or in the community.

Objectives

In January 2026 the company adopted revised Articles of Association following an external governance review with the aim of modernising and updating the previous version and standardising these as far as possible across the Group. It was also intended to future proof these in terms of governance and structure. The new objectives remain broadly similar to the old, namely to;

1. prevent and relieve poverty,
2. advance education,
3. advance community development and regeneration,
4. relieve those in need by reason of age, ill health or disability,
5. advance citizenship for the community and its members,
6. support the charitable purpose of any charitable subsidiaries of the charity.

We do not make a distinction between short and long-term objectives.

McSence has a fundamental belief and expertise in the empowerment of communities to help themselves by encouraging partnerships between all aspects of those communities through self-help and increased public awareness.

Activities

We carry out these objectives by creating community wealth and promoting economic and social development through harnessing the value of commercial enterprise for the benefit of society. We do this by supporting and strengthening communities and individuals within those communities, facilitating and creating local employment opportunities, training and up-skilling to increase opportunity, promoting sustainable economic development, fostering entrepreneurial spirit and building capacity within communities.

Our main mechanism for achieving this is by running commercially focused business ventures which create employment opportunities and put money back into the community through wages paid, purchases of goods and services from other businesses and social enterprises and the distribution of our surpluses through our charity to other community organisations to allow them to thrive and grow.

Activities (Continued)

In particular, we meet our objectives by the following activities;

1. providing training activities including training for work, vocational training including upskilling and other educational programmes in order to enhance employment opportunities, encouraging ethical trade, self-employment and entrepreneurial skills,
2. working with other educational providers to promote and provide educational opportunities,
3. developing and managing community wealth in the form of land and built environment assets,
4. providing business premises to create employment opportunities for community members, businesses, the self-employed and third sector organisations,
5. operating a care at home and home help services,
6. providing direct grants to individuals and constituted community groups who are in need.

McSence Ltd has no employees and predominantly acts as a holding company for the other Group activities and a vehicle for distributing funds back to the community by way of small grants and other community support. It also holds the organisations property assets. There are three operating companies within the Group which provide a wide range of commercial and professional services to businesses, government and individuals. McSence Services Ltd provides property services including repair and maintenance and commercial cleaning, McSence Communication Ltd provides domiciliary home care and home help and companionship services to local authorities and individuals as well as training delivery in a wide range of disciplines including operating a training centre at out Mayfield premises, and McSence Workspace Ltd provides managed light industrial, commercial and retail property rental, property management and development services.

We do not utilise volunteers for any of our activities other than as Trustees which translates roughly to 0.4 full-time equivalent posts. Instead, we take the view that our aims and objectives are best exercised by creating sustainable employment in a deprived area and that if there is a job to be done, someone should be paid a living wage to do it.

ACHIEVEMENTS AND PERFORMANCE

Performance has remained steady for McSence Ltd, with net income before gains/losses on investments being £57k (2025: £57k).

This year we have continued to build community wealth by operating successful businesses to generate sustainable employment and opportunity and have continued to develop and strengthen the community assets we hold.

We have continued to provide training activities, largely through our subsidiaries McSence Workspace Ltd and McSence Communication ltd who have delivered a year of successful outcomes with our premises being used for a wide variety of vocational and educational programmes resulting in an increase in courses delivered of 3% and an increase in beneficiaries reached of 4%. There were close working relationships with other educational providers including Skills Development Scotland, Garvald Edinburgh, Midlothian Sure Start, British Red Cross, and Midlothian Council, where we provided facilities for the delivery of additional support needs to children and young people and in particular to support young people at risk of leaving education to a negative destination. All of these activities contributed to our objectives of preventing and relieving poverty and advancing education.

ACHIEVEMENTS AND PERFORMANCE (Continued)

Through our property estate we continue to provide and maintain community owned physical infrastructure and manage community wealth in the form of our land and building assets where facilities were made available for community use, and to advance citizenship for the community in the form of training. We continued to provide business premises throughout the year to a mix of clients comprising commercial businesses and third sector organisations which enables our tenants to create local employment opportunities and thereby support our objective of reliving poverty. Our property portfolio remained fully let for the majority of the year, supporting a total of 409 jobs, up from 360 jobs last year. This continues to support our objectives of advancing community development through regeneration of what was previously derelict land, generating a positive impact to local families in terms of the wages delivered, helping to reduce poverty and improve financial inclusion.

Our domiciliary care activities provided through the subsidiary company McSence Communication Ltd grew significantly in the year which not only delivered jobs and training opportunities but contributed greatly to our objective of relieving those in need by reason of age, ill health or disability.

McSence Ltd continued to support individuals and organisations within the community through direct grants and in the year to 31 March 2026, returned £21,537 to the local community in grants and support which is slightly down on the £22,198 in 2024-2025 as funds were preserved for larger projects coming in 2026-2027. The recipients of support this year included the local schools and library, community development trust, youth projects, the retired miner's group, children's nurseries, sports clubs, and other local voluntary groups such as musical and dance groups and arts and crafts. In addition to small grants, we continued our support for the community with contributions made to major community events such as the Children's Gala Day and the Fireworks night. All these activities contributed to the prevention of poverty, the advancement of education, the advancement of community development and the advancement of citizenship for the community and its members.

FINANCIAL REVIEW

The charity recorded a surplus for the year of £57,014 (2025: surplus of £117,186). Total income amounted to £174,818 (2025: £186,442) and total expenditure amounted to £117,804 (2025: £129,256), all of which was attributable to unrestricted funds. As at the year end, the balance on unrestricted general funds amounted to a surplus of £1,239,253 (2025: £1,182,239).

Income fell by 6.2% as there was a repayment of a historic intercompany debt in the previous year from McSence Services Ltd. Last year's net surplus further benefitted from a gain on revaluation of investment property. Bank interest fell modestly due to a reduction in interest rates. Expenditure decreased from last year by 8.9%. There were reduced costs in heat & light, bank charges, training costs and legal and professional fees. . Some additional costs were incurred in repair & maintenance, and management fees.

Cash at bank and in hand rose over the period by £81,873 to £375,398.

The Directors receive a monthly set of papers from the executive team giving in depth details of financial and other performance measures across the organisation with further papers produced on a quarterly basis. These details are reviewed against the current budget as well as previous year's performance, the Strategic Plan, and other relevant benchmarks. The Directors believe this, together with regular updates from the Chief Executive, provided a sufficient level of information for them to effectively execute their duties in the governance of the organisation.

Reserves policy

The reserve policy as agreed by the Directors is to hold reserves as unrestricted funds and cash deposited in an interest-bearing bank account for imminent new business development opportunities benefiting the local area. Reserves are required for potential investment and to cover for any likely period of revenue fall or unexpected expenditure. Given the risk profile of the company and the nature of current revenue from long term property leases, the Directors believe there is not a need for a significant reserve. The present level of cash reserves equated to around 38 months of working capital requirements which the Directors view as adequate to support the principal activities of the business. The Directors review the reserve policy quarterly.

Investment policy

Investment policy is two-fold, one to distribute funds to regenerate the community through donations and to invest in new business ideas for future surplus for the long-term benefit of the community. Under the Articles of Association, the charity has the power to make any investment which the Directors see fit.

Risk Management

The organisation maintains a detailed Group wide risk assessment which identifies the key risks to which the organisation is exposed, rates these in terms of impact and likelihood, and details mitigation strategies which is kept up to date by the executive team. The Directors monitor and review this on a quarterly basis or more regularly if deemed necessary. Systems including policies and procedures as well as financial monitoring and reporting are in place to control organisational risk and are reviewed periodically and adapted to meet changing needs.

Unlike many charities, McSence derives almost all of its income from trading activities and is therefore less at risk to changes in the funding environment. Our trading activities are diverse and not dependant on one sector in particular which reduces external risk in terms of revenue, and we are always looking at how we can reduce risk further by increasing and diversifying income through enhanced and expanded trading activities.

Key risks to McSence Ltd include income from property holdings and potential issues at one of the subsidiary companies. The main property holding is Mayfield House which is let in full on a long lease and we further minimise the risk by employing the services of specialist property advisors. Subsidiary companies are structured to insulate McSence Ltd from a failure of the operating business although McSence Ltd could continue to support a subsidiary if it so chose and the Directors were of the view it was in the best interests of the charity. Risks specific to the operating companies are detailed within their own individual reports.

Environmental risks posed by climate change, resource scarcity, pollution and regulatory considerations can impact on operations, finance and the reputation of the organisation. These risks are managed through our general Group wide Risk Assessment, Environmental Risk Assessment, and policies and procedures which are kept under regular review by the Directors. These procedures help inform strategic planning and operational resilience. Compliance with policies and procedures in respect of environmental issues are monitored in accordance with our general governance procedures.

Risk Management (Continued)

Cyber risks present one of the most significant threats facing the organisation. Over recent years, considerable effort and resource have been invested in strengthening our cyber resilience, working in partnership with our specialist IT support contractor. We have moved away from on-site servers in favour of secure cloud-based services, providing enhanced security, resilience and backup arrangements, and have standardised our systems using Microsoft products. We operate a comprehensive range of cyber-security measures, including network and email protection, endpoint detection and response, password management and 24/7 monitoring by our specialist IT contractor. We have also adopted strong device-management protocols and restrict access to our networks to appropriately protected devices. The organisation maintains cyber insurance and has a detailed cyber incident response procedure within its Business Continuity Plan, which is regularly reviewed and updated in conjunction with our specialist advisers.

The general economic climate presents an on-going risk to the organisation. While the risk of the UK economy going into recession remains low, if a recession did happen, it is likely to be relatively soft. Our spread of tenants from differing sectors also helps minimise our risk to an economic downturn, as does the nature and size of our units which remain in high demand.

In common with many other organisations, there are a number of general day-to-day risks that the Directors have to manage such as cash flow issues, statutory compliance, failure of a key supplier or sub-contractor, IT failure, and internal or external fraud. These and other risks are assessed and policies, procedures and where appropriate insurance cover is put in place to help mitigate these.

Grants Policy

The company maintains a Grants Policy which is reviewed annually. Each year the company uses its own funds to make small grant awards to constituted voluntary organisations within the community. These are distributed twice yearly in accordance with the written policy, with suitable organisations invited to apply by means of a standard application form. Applications are assessed and awards made by a sub-committee of the Board. A budget is set at the beginning of the financial year based on the previous year's financial performance and reviewed again by the full Board at the midpoint of the year, based on current performance at that time.

PLANS FOR THE FUTURE

The directors will continue to seek to maximise the income generated from McSence Limited in carrying out the principal activities described in the Activities section of the report.

The organisation has a Strategic Development Plan for 2025-2030 which it is implementing. This is reviewed quarterly by the Directors.

Our plans for the coming year are to do much the same as previously with support for the usual community events and to continue supporting local community organisations with small grants. In addition, we are developing a policy for larger grant giving and hope to support more significant projects within the community going forward.

PLANS FOR THE FUTURE (Continued)

We are also looking to acquire further community assets in the way of buildings that can be put to community use, and further funds have been expended this year in pursuit of this objective. One acquisition in particular is being pursues and is in an advanced stage, but there are particular legal issues currently preventing it from getting over the line. Work to resolve these continues.

The Directors anticipate income and expenditure will be around the same levels as this year subject to continuing profitability within our trading subsidiary companies, although we remain mindful of the deepening cost of living crisis, rising costs, and lack of growth within the general economy.

SUSTAINABILITY

The Directors recognise that sustainability is integral to the long-term achievement of the Charity's purposes and to maintaining the confidence of beneficiaries, clients, suppliers, supporters, subsidiary company staff, and other stakeholders. We are committed to managing our activities responsibly and to considering the environmental, social, and economic impacts of our decisions.

During the year, the Charity continued to embed sustainable practices within its operations and service delivery. This included seeking to reduce waste, improve resource efficiency, increase the use of digital technologies, and consider environmental factors when procuring goods and services where practical and proportionate to our size and resources.

The Directors also recognise their wider social responsibilities. We are committed to operating in a manner that promotes equality, diversity, inclusion, subsidiary company staff wellbeing, and fair treatment of all those with whom we interact. We seek to ensure that our activities create positive outcomes for beneficiaries and communities while maintaining high standards of governance and ethical conduct. In this regard we have created a new post this year for a Head of Governance and Compliance and are continuing to implement the recommendations from our recent external governance review.

The Directors consider sustainability risks and opportunities as part of the Charity's strategic planning and risk management processes. While balancing environmental considerations with the efficient use of charitable funds, the Directors aim to ensure that the Charity remains financially resilient and capable of delivering public benefit both now and in the future.

The Charity will continue to review its sustainability performance and identify proportionate measures to reduce its environmental impact while supporting the effective delivery of its charitable objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and organisational structure

The charity is constituted as a company with a share capital and is therefore governed by Articles of Association.

Governing document and organisational structure (Continued)

In accordance with good charitable governance, the Trustees commissioned an external governance review which reported in the 2025-2026 year. We are currently working through the recommendation of the review and are making good progress with changes made to a number of Policies & Procedures and working practices including Conflict of Interest Policy and Directors Code of Conduct. This may lead to further potential changes in structure and governance being recommended to the shareholders.

Recruitment and Appointment of Directors

As part of the external governance review, new and revised Board policies have been introduced for Board Recruitment & Succession Planning including a significant revision to our Director Recruitment Pack.

In general, vacant Director posts are advertised on an as required basis through Volunteer Midlothian and other relevant platforms. In addition, potential Directors may make direct contact with the organisation or often come to the attention of the present Directors by recognition of their business acumen, honesty, hard work and respect in the community. Prospective candidates are required to compete an application form which is assessed by a subgroup of the Board comprising the Chairman and the Chief Executive prior to the candidate attending a formal interview. Successful candidates are then invited to participate in a number of Board meetings as an observer so they can get a feel of whether the role is for them, and current Directors can assess their suitability. At the end of this process, if all are in agreement, the individual is co-opted onto the Board for confirmation at the next available AGM by the general membership, all in accordance with the Articles of Association.

Directors must retire at each AGM after three years continuous service, but can stand for re-appointment, passed by simple majority of the full membership at the AGM.

Directors' Induction and Training

As part of the governance review, our Directors Induction Pack has been revised for issue to all new Directors, and a Director Development programme is currently being prepared for implementation in 2026-2027. Induction training is provided prior to commencing appointment to the Board. Potential candidates have a skills assessment as part of the recruitment process which is reviewed for all existing Directors every three years, from which a skills matrix is maintained. From this base line, training needs are assessment for all Board members which is then implemented using internal, and where necessary, external training resources.

Organisation structure

McSence Ltd acts as a holding company for the other companies within the Group. Each company has the same Board of Directors and Board meetings are held concurrently for all organisations in the Group. Full Board meetings are held quarterly with a monthly briefing and financial review meeting which Directors may also chose to attend.

The Board supervises the work of the senior executive team who have day to day responsibility for managing the organisation, led by the Chief Executive. All the senior team are employed by McSence Services Ltd, and a management charge is made to McSence Ltd to cover the cost.

Each of the subsidiary companies has its own management team overseen by the same senior executive team and Board.

McSENCE LIMITED

REPORT OF THE TRUSTEES
(incorporating the Director's Report)

For the year ended 31 March 2026

REFERENCE AND ADMINISTRATIVE DETAILS

Directors:	Barry Cassells	
	Sharon Hill	
	Michael Hogg	
	Robert Hogg	
	Stuart MacArthur	Appointed 24th February 2026
	Theresa Morrison	
	Christopher Olley	
	Scott Paterson	
	Barbara Ramsay	
	John Paterson	Resigned 10th January 2026
Registered Office and Operating Address:	McSence Business Enterprise Park 32 Sycamore Road Mayfield Dalkeith EH22 5TA	
Registered Number:	SC129794	
Charity Number:	SC016874	
Chief Executive:	David Maxwell	
Secretary:	Scott Paterson	
Senior Statutory Auditor:	Kevin Cattanach	
Independent Auditors:	Whitelaw Wells Statutory Auditors 9 Ainslie Place Edinburgh EH3 6AT	
Bankers:	The Royal Bank of Scotland 63 High Street Dalkeith EH22 1JA	
Solicitors:	BTO 48 St Vincent Street Glasgow G2 5HS	

REPORT OF THE TRUSTEES (INCORPORATING THE DIRECTORS' REPORT)

For the year ended 31 March 2026

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The directors are responsible for preparing the report of the directors and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, for the financial period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities & Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the provision of Part 15 of the Companies Act 2006 applicable to small companies.

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed.

This report was approved by the board on 27 October 2026 and signed on its behalf by:

Robert Hogg

Robert Hogg
Director

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2026

Opinion

We have audited the financial statements of McSence Limited (the 'charitable company') for the year ended 31 March 2026, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure 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 FRS102 '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 2026 and of its surplus 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 we have fulfilled our 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 trustees' (who are also directors of the company for company law purposes) 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Other information (cont)
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.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included in the report of the trustees'.

We have nothing to report in respect of the following matters in relation to which the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' annual report;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page 10, the directors (who are also trustees of the charitable company for the purposes of charity law) 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 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Auditor's responsibilities for the audit of the financial statements (cont)

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried income testing and expenditure testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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

Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland)



Kevin Cattanach (Senior Statutory Auditor)
For and on behalf of Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh, Midlothian, EH3 6AT

27 October 2026

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

McSENCE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2026

	Note	Unrestricted Funds £	Restricted Funds £	Total 2026 £	Total 2025 £
Income and endowments from:					
Donations and legacies					
Gift aided profits from subsidiary undertakings		92,816	-	92,816	87,411
Charitable activities					
Distribution received from related parties	8	-	-	-	20,431
Other income		46	-	46	36
Investments					
Rents & related income		78,517	-	78,517	74,733
Bank interest receivable		3,439	-	3,439	3,831
Total income		174,818	-	174,818	186,442
Expenditure on:					
Direct charitable expenditure	5	21,537	-	21,537	22,198
Raising funds	**5**	96,267	-	96,267	107,058
Total expenditure	5	117,804	-	117,804	129,256
Net income before gains/losses on investment		57,014	-	57,014	57,186
Gain on revaluation of Investment Property		-	-	-	60,000
Net income and movement in funds for the year	3	57,014	-	57,014	117,186
Reconciliation of funds:					
Total funds at 1 April 2025	11	1,182,239	-	1,182,239	1,065,053
Total funds at 31 March 2026	11	1,239,253	-	1,239,253	1,182,239

The company has no recognised gains or losses other than the results for the year as set out above.
All activities are classed as continuing.

The notes on pages 17 to 24 form part of the financial statements.

McSENCE LIMITED

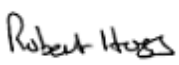
BALANCE SHEET

As at 31 March 2026

	Notes	£	2026 £	£	2025 £
Fixed assets					
Tangible assets	6		180,712		180,712
Investment property	7		1,085,000		1,085,000
Investments	8		20,700		20,700
			1,286,412		1,286,412
Current assets					
Debtors	9	85,347		103,463	
Cash at bank and in hand		375,398		293,525	
		460,745		396,988	
Creditors: amounts falling due within one year	10	(507,904)		(501,161)	
Net current liabilities			(47,159)		(104,173)
Net assets			1,239,253		1,182,239
Capital and reserves					
General fund	11		1,239,253		1,182,239
Total funds			1,239,253		1,182,239

These accounts are prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on 27 October 2026 and were signed on its behalf by:



Robert Hogg, Director

The notes on pages 17 to 24 form part of the financial statements.

1. Accounting Policies

Basis of preparation
The financial statements of the charity have been prepared under the historical cost convention and are in accordance the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The charity has taken advantage of the exemption from the requirement to prepare a Statement of Cash Flows as permitted under FRS 102 and the Charities FRS 102 SORP.

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

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern
The Trustees are of the opinion that the charity can continue to meet its obligations as they fall due for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements, and have therefore prepared the financial statements on the going concern basis.

Income
All income is included in the Statement of Financial Activities (SOFA) in the year in which they are receivable. Grants, including grants for the purchase of fixed assets, are recognised in full in the SOFA in the year in which they are receivable. Rental income is recognised when it becomes due.

Expenditure
All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Expenditure includes any VAT which cannot be fully recovered.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. including governance costs.

Governance costs are those costs associated with meeting constitutional and statutory requirements, including audit fees and costs linked to the strategic management of the charity.

Fund Accounting
Funds held by the charity are either in an unrestricted general fund, which can be used in accordance with the charitable objectives, or in a restricted fund. Restrictions arise when specified by the donor.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand. In the cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

Intangible fixed assets
Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

1. **Accounting Policies (cont)**

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Assets costing in excess of £500 are capitalised. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:-

Land and property	not depreciated

Investment in subsidiaries
The Directors are of the opinion that investments in subsidiaries should continue to be carried at cost.

Investment property
In accordance with FRS102, investment property is stated at fair value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities, along with any realised gains or losses on disposals in the year. This treatment is a departure from the requirements of the Companies Act, which requires that fixed assets to be depreciated. However, the property is not held primarily for investment and, in the opinion of the directors, depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view.

Financial instruments
Financial instruments comprise financial assets and financial liabilities which are recognised when the charity becomes a party to the contractual provisions of the instrument. They are classified as "basic" in accordance with FRS102 and are accounted for at the settlement amount due which equates to the cost or amount prepaid. Financial assets comprise cash, grants receivable and other debtors, and financial liabilities comprise accruals and other creditors.

Debtors
Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transactions costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors
Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation
The company is a registered charity and therefore no tax provision is required.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Bad debts are not provided for until they can be reliably estimated.

3. Net income for the year

	2026	2025
	£	£
This is stated after charging:		
Auditors remuneration – audit fee	4,400	4,000
Auditors remuneration – non-audit services	3,500	3,000
Auditors remuneration – consultancy	-	13,775
Operating Lease Rentals	15,516	-

4. Trustees' remuneration

No Trustees were remunerated and none reimbursed for any expenses. McSence Limited paid £1,952 for the purchase of indemnity insurance to protect the charity from loss arising from the neglect or default of its Trustees, employees or other officers (2025: £1,547).

5. Expenditure

	2026 Total	2025 Total
	£	£
Costs directly allocated to activities		
Repairs and maintenance	1,763	1,003
Rent	15,516	15,516
Heat & light	2,508	2,969
Insurance	7,335	6,921
Bank charges	2,371	3,104
Sundry costs	882	1,751
Management fees	32,983	31,944
Printing, post & stationery	115	613
Grants and Donations – Gifts to the community	21,537	22,198
Legal and professional fees	24,894	28,020
Training costs	-	8,217
Governance costs		
Audit	7,900	7,000
Total expenditure	117,804	129,256

Further analysis of the charitable activities is not provided as the directors believe the charity only has one main activity.

6. **Tangible fixed assets**

	Land £	Total £
Cost		
At 1 April 2025	180,712	180,712
At 31 March 2026	180,712	180,712
Depreciation		
At 1 April 2025	-	-
At 31 March 2026	-	-
Net book value		
At 31 March 2026	180,712	180,712
At 31 March 2025	180,712	180,712

7. **Investment property**

	2026 £
Valuation	
At 1 April 2025	1,085,000
Revaluation	-
At 31 March 2026	1,085,000
Depreciation	
At 1 April 2025	-
At 31 March 2026	-
Carrying value	
At 31 March 2026	1,085,000
At 31 March 2025	1,085,000
Historical cost	904,665

Investment property consists of Mayfield House, 19 and 20 London Road and 2B Bogwood Road.

The properties reflect fair value. The properties were revalued in September 2024 by a qualified valuer (RICS: Royal Institute of Chartered Surveyors) on behalf of Andrew Reilly Associates Ltd.
The board has reviewed the valuations in the current year and agree that they remain reasonable and appropriate valuations as at 31 March 2026.

8. **Investments in subsidiaries**

	McSence Services Ltd & McSence Workspace Ltd	Total
	£	£
Cost		
At 31 March 2025 and 31 March 2026	20,700	20,700

The company owns 20% or more of the following companies:

	Company No.	Charity No.	Turnover	Expenditure	Surplus	Capital & Reserves
McSence Services Ltd	SC136387	N/A	1,075,525	1,003,843	71,682	218,214
McSence Workspace Ltd	SC193543	SC030513	292,253	210,615	81,638	2,345,593
McSence Communication Ltd	SC293560	SC037156	8,171,458	6,986,144	1,185,314	3,116,499

West Harbour Road LLP entered liquidation on 4 March 2022 and was dissolved on 15 July 2025. A final distribution of £20,431 was made in the previous financial year, with no further activity since.

9. **Debtors**

	2026	2025
	£	£
Trade debtors	-	3,473
Amounts owed by group undertakings	74,990	93,294
VAT	3,860	1,669
Prepayments	5,730	4,720
Other debtors	767	307
	85,347	103,463

10. **Creditors: amounts falling due within one year**

	2026	2025
	£	£
Trade creditors	7,720	-
Amounts owed to group undertakings	433,452	433,541
Deferred income	57,582	57,484
Accruals	9,150	10,136
	507,904	501,161

10. **Creditors: amounts falling due within one year (cont)**

	2026 £	2025 £
Deferred income		
At 1 April 2025	57,484	55,169
Released to Statement of Financial Activities in year	(2,315)	-
Received and deferred in year	2,413	2,315
	57,582	57,484

Deferred income comprises rent paid in advance of commencement of the new accounting year.

11. **Funds**

	Balance at 1 April 2025 £	Income £	Expenditure £	Transfer between reserves £	Balance at 31 March 2026 £
Unrestricted funds					
General Fund	1,182,239	174,818	(117,804)	-	1,239,253
	1,182,239	174,818	(117,804)	-	1,239,253

Funds

	Balance at 1 April 2024	Income	Expenditure	Transfer between reserves	Balance at 31 March 2025
Unrestricted funds					
General Fund	1,065,053	246,442	(129,256)	-	1,182,239
	1,065,053	246,442	(129,256)	-	1,182,239

12. Analysis of net assets between funds

In the current and previous year, all assets and liabilities of the charitable company are included in unrestricted general funds.

13. Related parties and ultimate controlling party

During the year McSence Limited recharged expenses of £Nil (2025: £nil) to McSence Communication Limited. During the year McSence Communication Limited recharged expenses of £Nil (2025: £Nil) to McSence Limited. At the year end £433,106 (2025: £433,106) was due from McSence Limited to McSence Communication Limited.

During the year McSence Limited recharged expenses of £Nil (2025: £nil) to McSence Services Limited. During the year McSence Services Limited recharged expenses of £33,575 (2025: £33,067) to McSence Limited. At the year end £74,990 (2025: £93,294) was due to McSence Limited from McSence Services Limited.

During the year McSence Limited recharged expenses of £Nil (2025: £nil) to McSence Workspace Limited. During the year McSence Workspace Limited recharged expenses of £18,416 (2025: £18,548) to McSence Limited. At the year end £346 (2025: £435) was due from McSence Limited to McSence Workspace Limited.

Robert Hogg and Michael Hogg are board members of Mayfield and Easthouses Community Association. £24,161 (2025: £Nil) was paid to Mayfield and Easthouses Community Association during the year.

No other transactions with related parties were undertaken in either the current or previous year such as are required to be disclosed under FRS102.

No one individual had control over McSence Limited during either the current or previous year.

14. Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	2026 £	2025 £
Falling due:		
within 1 year	1,293	-
	1,293	-

15. **Operating Leases – Company as Lessor**

McSence Limited leases out investment properties under operating leases.

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2026	2025
	£	£
Not later than one year	76,976	76,976
Later than one year and not later than two years	76,975	76,976
Later than two years and not later than five years	67,016	83,808
Later than 5 years	-	708
Total	220,967	238,468

16. **Contingent liability**

The charity has given guarantees of £1,200,000 to Triodos Bank as security for a loan in McSence Workspace Limited, a subsidiary undertaking.

17. **Capital Commitments**

During the prior year, an offer to purchase the church hall in Mayfield was accepted. The legal process to complete this purchase remains ongoing, with no material progress made during the current year.