THE MERCHANTS' HALL LIMITED
Registered Number: SC 193385

Annual Report and Accounts

For the Year Ended 31 July 2012

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THE MERCHANTS' HALL LIMITED

Annual Report and Accounts

For the Year Ended 31 July 2012

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Directors

Brian Adair
Alan Hartley

Secretary

Nigel D Fairhead until 30 September 2011
Alistair N W Bettie from 1 October 2011

Registered number

SC 193385

Registered office

The Merchants' Hall
22 Hanover Street
Edinburgh
EH2 2EP

Auditors

Henderson Loggie
34 Melville Street
Edinburgh
EH3 7HA

Solicitors

Morton Fraser
Quartermile Two
2 Lister Square
Edinburgh EH3 9GL

Principal bankers

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

The Directors present the annual report with the financial statement of the company for the year ended 31 July 2012.

Principal Activities
The principal activity of the company in the year under review was to provide facilities for corporate entertaining and private events.

Review of the Business
The net loss after providing for taxation amounted to £29,596 (2011 £36,008). The level of lettings activity continues to reflect the difficult economic environment but the costs have been reduced by a further 10% (2011 by 31%). The volume of viewings is being maintained and the level of confirmed future bookings has increased. The Directors are satisfied with this situation.

Directors and their Interests
The Directors in office during the year were as follows:

Brian Adair
Alan J Hartley

The Directors had no beneficial interests in the company at the balance sheet date.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors
Henderson Loggie were appointed auditors to the company and in accordance with Section 485 of the Companies Act 2006 are willing to be re-appointed.

Approval of the Directors' annual report
So far as each Director is aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken the appropriate steps as a Trustee to make themselves aware of such information and to establish that the auditors are aware of it.

The above report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board:

A J H Stley

Alan J Hartley
Director

4 October 2012

THE MERCHANTS' HALL LIMITED

Independent Auditors' Report to the Members

For the Year Ended 31 July 2012

We have audited the financial statements of The Merchants' Hall Limited for the year ended 31 July 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors
As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for auditors.

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

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2012 and of the loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the directors' report.

Janet Stevenson

Janet Stevenson (Senior Statutory Auditor)
For and on behalf of Henderson Loggie Statutory Auditors
34 Melville Street
Edinburgh
EH3 7HA

THE MERCHANTS' HALL LIMITED

Profit and loss account

For the Year ended 31 July 2012

	Notes	2012 £	2011 £
Turnover	1	81,650	86,568
Administrative expenses		(111,246)	(124,453)
Operating loss on ordinary activities		(29,596)	(37,885)
Tax on loss on ordinary activities	4	-	1,877
Loss on ordinary activities after taxation		(29,596)	(36,008)

The notes on pages 5 to 8 form part of these financial statements.

THE MERCHANTS' HALL LIMITED

Balance Sheet

As At 31 July 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	5	3,494	5,401
Current assets			
Debtors	6	28,761	24,356
Creditors: amounts falling due within one year	7	(249,308)	(217,214)
Net current liabilities		(220,547)	(192,858)
Total assets less current liabilities		(217,053)	(187,457)
Creditors: amounts falling due after more than one year	8	(171,150)	(171,150)
Net liabilities		(388,203)	(358,607)
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	(388,303)	(358,707)
Total shareholders' deficit on funds		(388,203)	(358,607)

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008) and were approved and authorised for issue by the board of directors on 4 October 2012 and signed on its behalf by:



Alan J Hartley
Director

Registered company number: SC 193385

The notes on pages 5 to 8 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 July 2012

1 Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

They have been prepared on the going concern basis, which assumes that the company will continue to trade. The validity of this assumption is dependent on the ability of the company to trade profitably and the support of the parent company, The Edinburgh Merchant Company. If the company were unable to trade, adjustments would have to be made to reduce the value of assets to their recoverable amount to provide for any further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Turnover

Turnover represents the total invoice value, excluding value added tax, of services rendered during the year.

Depreciation of Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Leasehold improvements	Over the life of the lease
Furniture and fittings	10% straight line
Computer equipment	33% straight line

Deferred taxation

Deferred taxation is provided in respect of the tax effect of all timing differences in accordance with the Financial Reporting Standard for Smaller Entities.

2 Operating loss

Operating loss is stated after charging:	**2012**	**2011**
	£	**£**
Depreciation of fixed assets	1,907	14,277
Auditors' remuneration	1,560	1,515
Operating lease rentals:		
Land and buildings	6,250	6,250

3 Directors' remuneration

The Directors did not receive any remuneration during the period.

4 Taxation

Analysis of charge in period	2012 £	2011 £
UK corporation tax		
Corporation Tax for the year	-	-
Deferred tax	-	(1,877)
	-	(1,877)

The company has an unprovided deferred tax asset of £574 *(2011: £498)*. The asset has not been recognised as there is uncertainty over the point at which the company will be able to use the asset.

The elements of deferred tax asset not provided are as follows:

	2012 £	2011 £
Deferred tax liability		
Difference between accumulated depreciation and capital allowances	574	498

The movement on the deferred tax asset in the year was as follows:

	£
At 1 August 2011	498
Movement in the year	76
At 31 July 2012	574

5 Tangible Fixed Assets

	Leasehold Improvements £	Furniture and Fittings £	Computer Equipment £	Total £
Cost:				
At 1 August 2011	134,491	32,787	17,768	185,046
Additions	-	-	-	-
Disposal	(134,491)	-	-	(134,491)
At 31 July 2012	-	32,787	17,768	50,555
Depreciation:				
At 1 August 2011	134,491	28,734	16,420	179,645
Charge for year	-	852	1,055	1,907
Disposal	(134,491)	-	-	(134,491)
At 31 July 2012	-	29,586	17,475	47,061
Net Book Value:				
At 31 July 2012	**-**	**3,201**	**293**	**3,494**
At 31 July 2011	-	4,053	1,348	5,401

6 Debtors

	2012 £	2011 £
Trade debtors	28,761	24,356

7 Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest:	223,523	186,283
Social security and other taxes	4,090	5,967
Accruals	21,695	24,964
	249,308	217,214

8 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to group undertakings	171,150	171,150

The Merchant Company has confirmed that it will continue to provide such financial assistance as may be required to allow Merchants' Hall Limited to trade for at least the next twelve months.

9 Share Capital

	2012 £	2011 £
Authorised Equity interests:		
Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid:		
Equity interests:		
Ordinary shares of £1 each	100	100

10 Profit and loss account

	2012 £	2011 £
At beginning of year	(358,707)	(322,699)
Loss for the year	(29,596)	(36,008)
At end of year	(388,303)	(358,707)

11 Related party transactions

The Merchants' Hall Limited uses accommodation provided by its parent, The Merchant Company. In addition some expenses are met by The Merchant Company and recharged to The Merchants' Hall Limited. The Merchant Company operates both a current account and a loan account with The Merchants' Hall Limited.

During the year £6,250 was paid for the use of accommodation and £105,489 for expenses. At the year end a total of £223,523 was due to The Merchant Company.

Amounts falling due after more than one year have remained unchanged.

12 Ultimate parent company

The ultimate parent company is The Merchant Company of the City of Edinburgh, a company incorporated under Royal Charter in the United Kingdom.