

MELFORD DEVELOPMENTS LTD
FILLETED UNAUDITED FINANCIAL STATEMENTS
31 DECEMBER 2016

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COMPANIES HOUSE

DBFM
Chartered accountant
3 Walker Street
Edinburgh
EH3 7JY

MELFORD DEVELOPMENTS LTD

FINANCIAL STATEMENTS

Year Ended 31 December 2016

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MELFORD DEVELOPMENTS LTD

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr A Peters
Mr S Peters

Registered office

3 Walker Street
Edinburgh
EH3 7JY

Accountants

DBFM
Chartered accountant
3 Walker Street
Edinburgh
EH3 7JY

Bankers

Bank of Scotland
38 St Andrew Square
Edinburgh
EH2 2YR

Solicitors

HBJ Gateley Wareing
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

MELFORD DEVELOPMENTS LTD

REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MELFORD DEVELOPMENTS LTD

Year Ended 31 December 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Melford Developments Ltd for the year ended 31 December 2016, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at www.icas.com/accountspreparationguidance.

This report is made solely to the Board of Directors of Melford Developments Ltd, as a body, in accordance with the terms of our engagement letter dated 9 December 2003. Our work has been undertaken solely to prepare for your approval the financial statements of Melford Developments Ltd and state those matters that we have agreed to state to you, as a body, in this report in accordance with the requirements of ICAS as detailed at www.icas.com/accountspreparationguidance. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Melford Developments Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Melford Developments Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Melford Developments Ltd. You consider that Melford Developments Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Melford Developments Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



DBFM
Chartered accountant

3 Walker Street
Edinburgh
EH3 7JY

20 September 2017

MELFORD DEVELOPMENTS LTD**STATEMENT OF FINANCIAL POSITION****31 December 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	59,615	36,538
Investments	6	85	85
		<u>59,700</u>	<u>36,623</u>
Current assets			
Debtors	7	660,976	514,627
Cash at bank and in hand		30,800	8,243
		<u>691,776</u>	<u>522,870</u>
Creditors: amounts falling due within one year	8	<u>208,934</u>	<u>455,425</u>
Net current assets		<u>482,842</u>	<u>67,445</u>
Total assets less current liabilities		<u>542,542</u>	<u>104,068</u>
Creditors: amounts falling due after more than one year	9	<u>37,361</u>	<u>22,997</u>
Net assets		<u><u>505,181</u></u>	<u><u>81,071</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>505,081</u>	<u>80,971</u>
Members funds		<u><u>505,181</u></u>	<u><u>81,071</u></u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

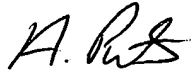
The notes on pages 5 to 11 form part of these financial statements.

MELFORD DEVELOPMENTS LTD

STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2016

These financial statements were approved by the board of directors and authorised for issue on 20 September 2017, and are signed on behalf of the board by:



Mr A Peters
Director

Company registration number: SC213974

The notes on pages 5 to 11 form part of these financial statements.

MELFORD DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 3 Walker Street, Edinburgh, EH3 7JY.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

3.2 Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

3.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.4 Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

No income is included within the financial statements in connection with fees, due for development and other services provided by Melford Developments Limited to the joint venture companies, until agreement has been reached with the joint venture companies. This agreement will only be given when the funds are available following the completed sale of properties.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

3.5 Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

3.6 Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

MELFORD DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year Ended 31 December 2016

3. Accounting policies *(continued)*

3.7 Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 10% straight line
Motor vehicles	- 25% straight line
Equipment	- 20% straight line

3.8 Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

3.9 Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

3.10 Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

3. Accounting policies *(continued)*

3.11 Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

3.12 Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

3.13 Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 6 (2015: 6).

MELFORD DEVELOPMENTS LTD
NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2016
5. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 January 2016	45,393	44,433	21,533	111,359
Additions	727	40,055	12,798	53,580
Disposals	—	(23,046)	—	(23,046)
At 31 December 2016	<u>46,120</u>	<u>61,442</u>	<u>34,331</u>	<u>141,893</u>
Depreciation				
At 1 January 2016	45,286	10,009	19,526	74,821
Charge for the year	61	8,685	1,592	10,338
Disposals	—	(2,881)	—	(2,881)
At 31 December 2016	<u>45,347</u>	<u>15,813</u>	<u>21,118</u>	<u>82,278</u>
Carrying amount				
At 31 December 2016	<u>773</u>	<u>45,629</u>	<u>13,213</u>	<u>59,615</u>
At 31 December 2015	<u>107</u>	<u>34,424</u>	<u>2,007</u>	<u>36,538</u>

6. Investments

	Shares in participatin g interests £
Cost	
At 1 January 2016 and 31 December 2016	<u>85</u>
Impairment	
At 1 January 2016 and 31 December 2016	<u>—</u>
Carrying amount	
At 31 December 2016	<u>85</u>

7. Debtors

	2016 £	2015 £
Trade debtors	22,188	93,864
Other debtors	638,788	420,763
	<u>660,976</u>	<u>514,627</u>

MELFORD DEVELOPMENTS LTD**NOTES TO THE FINANCIAL STATEMENTS (continued)****Year Ended 31 December 2016****8. Creditors: amounts falling due within one year**

	2016	2015
	£	£
Trade creditors	10,896	261,925
Corporation tax	134,685	20,410
Social security and other taxes	1,152	305
Company Credit Cards	5,708	–
Other creditors	56,493	172,785
	<u>208,934</u>	<u>455,425</u>

9. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Other creditors	<u>37,361</u>	<u>22,997</u>

10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr A Peters	(3,866)	49,105	3,866	49,105
Mr S Peters	(37,231)	27,000	37,231	27,000
	<u>(41,097)</u>	<u>76,105</u>	<u>41,097</u>	<u>76,105</u>

	2015			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr A Peters	(3,903)	–	37	(3,866)
Mr S Peters	(41,742)	–	4,511	(37,231)
	<u>(45,645)</u>	<u>–</u>	<u>4,548</u>	<u>(41,097)</u>

MELFORD DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year Ended 31 December 2016

11. Related party transactions

Melford Estates Limited, a company owned by the directors of Melford Developments Limited provided services to the company including rent of office space, utilities, and estate management services during the year totalling £23,555 (2015: £24,825). In addition Melford Developments Limited settled liabilities due by Melford Estates Limited of £53,014. At the year end there was a balance due from Melford Estates Limited of £100,522 (2015: £47,508) included in other debtors.

Peters International, a partnership in which A Peters and I Peters are partners received £60,849 from Melford Developments Limited, leaving a balance due of £418,195 (2015: £357,346) which is included within other debtors.

HB Real Estate Limited, a company partly owned by the directors of Melford Developments Limited has received further loans of £10,201 from the company during the year leaving a balance of £41,378 (2015: £31,177) in other debtors.