MCET LIMITED
Registered Number: SC 215839

Annual Report and Accounts

For the year ended 31 July 2015

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MCET LIMITED

Annual Report and Accounts

For the year ended 31 July 2015

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MCET LIMITED

Company Information

as at 31 July 2015

Directors

Alan J Hartley
Brian Adair

Secretary

Gregor Murray

Registered number

SC 215839

Registered address

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

MCET LIMITED

Directors' Report

For the year ended 31 July 2015

The Directors present the annual report with the financial statements of the company for the year ended 31 July 2015.

Principal activities

The principal activity of the company in the period under review was to own and provide property for rent.

Directors

The directors in office during the period were as follows

Alan J Hartley
Brian Adair

Directors' responsibilities

The Directors are responsible for preparing the annual report and 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). The financial statements are required by law to 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;
- 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 maintaining proper 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.

Auditors

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

Approval of the Directors' 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 Director to make themselves aware of such information and to establish that the auditors are aware of it.

The Directors' report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board:

Alan Hartley
Director

9 December 2015

MCET LIMITED

Independent Auditors' Report to the Shareholders

For the year ended 31 July 2015

We have audited the financial statements of MCET Limited for the year ended 31 July 2015 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 Sections 495 and 496 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 auditors' 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 2, 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 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 misstatement, 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 misstatements of inconsistencies we consider the implications for our report.

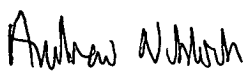
Opinion on financial statements
In our opinion the financial statements:

- give a true a fair view of the state of the company's affairs as at 31 July 2015 and of its 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 or 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



Andrew Niblock (Senior Statutory Auditor) **9 December 2015**
For an on behalf of Henderson Loggie, Statutory Auditors
34 Melville Street
Edinburgh
EH3 7HA

MCET LIMITED

Profit and Loss Account

For the year ended 31 July 2015

	Notes	2015 £	2014 £
Turnover – Property rent	1	**367,700**	367,700
Gross profit		**367,700**	367,700
Administrative expenses		**(367,795)**	(367,784)
Operating loss	2	**(95)**	(84)
Interest received		**95**	84
Loss on ordinary activities before taxation		**-**	-
Taxation	4	**-**	-
Profit/(loss) for the year	9	**-**	-

Statement of Total Recognised Gains and Losses

For the year ended 31 July 2015

	2015 £	2014 £
Profit/(Loss) for the year	**-**	-
Unrealised gain/(loss) on revaluation of investment properties	**1,735,000**	(100,000)
Total recognised losses for the year	**1,735,000**	(100,000)

The notes on pages 6 to 8 form part of these financial statements.

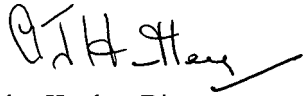
MCET LIMITED

Balance Sheet

As at 31 July 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Investment property	5		**4,610,000**		2,875,000
Current assets					
Debtors	6	**1,680**		68	
Cash at bank and in hand		**93,880**		116,820	
		95,560		116,888	
Creditors: amounts falling due within one year	7	**(248,317)**		(269,645)	
Net current liabilities			**(152,757)**		(152,757)
Net assets			**4,457,243**		2,722,243
Capital and reserves					
Called up share capital	8		**4,129,207**		4,129,207
Investment property revaluation reserve	9		**510,000**		(1,225,000)
Profit and loss account	9		**(181,964)**		(181,964)
Total shareholders' funds			**4,457,243**		2,722,243

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and were approved by the Board of Directors on 9 December 2015 and signed on its behalf by:



Alan Hartley, Director

The notes on pages 6 to 8 form part of these financial statements.

1 Statement of accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of the revaluation of investment properties as allowed under the Financial Reporting Standard for Smaller Entities (effective April 2008) and in accordance with applicable accounting standards.

As recommended by the Financial Reporting Council, the directors have considered the company's trading prospects over the next 12 months. On the basis of the budgets prepared and having considered the company's cashflow and asset position, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

Turnover

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

Investment properties

In accordance with Financial Reporting Standard for Smaller Entities:

- Investment properties are revalued annually and surpluses or deficits are transferred to a revaluation reserve unless a deficit on an individual property is considered permanent. In this case the deficit is charged to the profit and loss account and any subsequent reversal is credited to the profit and loss account in the period in which it arises; and

- No depreciation is provided in respect of freehold investment properties or leasehold interests with an unexpired term of more than 20 years.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Independent professional valuations for investment properties are obtained by directors periodically.

Taxation

Provision is made for corporation tax payable at current rates on profits adjusted for tax purposes. Full provision for deferred tax on timing differences is made (without discounting) in accordance with the Financial Reporting Standard for Smaller Entities, at rates in force at the balance sheet date except in the cases specified in the FRSSE, most notably timing differences relating to revaluation of investment properties for which there is no binding sale agreement.

2 Operating loss

Operating loss is stated after charging:	**2015** **£**	2014 £
Charitable donations	**318,905**	353,270
Auditors' remuneration	**1,430**	1,400

3 Remuneration of Directors

No Director received any remuneration during either period nor are any retirement benefits accruing.

4 Taxation

	2015	2014
	£	£
Current tax on income for the period	-	-

5 Investments

Investment Properties

	Albany House 2015	Hillside Street 2015	Total Heritable Property 2015	Total Heritable Property 2014
	£	£	£	£
Valuation				
At beginning	**2,775,000**	**100,000**	**2,875,000**	2,975,000
Revaluation gains/(loss) during the year	**1,725,000**	**10,000**	**1,735,000**	(100,000)
Valuation at 31 July 2015	**4,500,000**	**110,000**	**4,610,000**	2,875,000

The property (Albany House) was valued on 28 September 2006 by Ryden LLP, Property Consultants. The Directors consider the current values shown above are representative of the market value at 31.7.15 of their investment properties.

6 Debtors

	2015	2014
	£	£
Prepayments	**1,680**	68

7 Creditors: amounts falling due within one year

	2015	2014
	£	£
Amounts due to Merchant Company Endowments Trust	**107,175**	123,270
Social security and other taxation	**12,661**	17,928
Accruals and deferred income	**27,953**	27,919
Inter-company control account – Endowments Trust	**100,528**	100,528
	248,317	269,645

8 Share capital

	2015 £	2014 £
Authorised equity interests:		
Ordinary shares of £1 each	**4,250,000**	4,250,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	**4,129,207**	4,129,207

9 Reserves

	Investment property revaluation reserve 2015	Profit and loss account 2015	Investment property revaluation reserve 2014	Profit and loss account 2014
At start of year	**(1,225,000)**	**(181,964)**	(1,125,000)	(181,964)
Unrealised gain/(loss) on revaluation of investment properties	**1,735,000**	-	(100,000)	-
At end of year	**510,000**	**(181,964)**	(1,225,000)	(181,964)

10 Related party transactions

Some of the staff and overhead expenses of the company are met by the Edinburgh Merchant Company, a connected entity, and are recharged to the company. The value of the recharge this year was £10,500.

The company made a donation of £318,905 to its ultimate parent, the Merchant Company Endowments Trust, during the year. The amount due to the Trust at the year end and included within creditors was £207,703.

11 Ultimate parent undertaking and controlling party

The ultimate parent undertaking is The Merchant Company Endowments Trust, a charitable trust registered in Scotland. Copies of the group financial statements are available from the Merchants' Hall, 22 Hanover Street, Edinburgh, EH2 2EP.