Financial Statements

for the Year Ended 31 July 2016

for

Merchant Homes Limited

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Merchant Homes Limited

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for the Year Ended 31 July 2016

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Company Information
for the Year Ended 31 July 2016

DIRECTORS:	Ms L Mcluskie A M Brander R Ferguson J Jack
REGISTERED OFFICE:	Merchant House Watermark Business Park 365 Govan Road Glasgow G51 2SE
REGISTERED NUMBER:	SC302421
AUDITORS:	Campbell Dallas LLP Chartered Accountants Statutory Auditors Titanium 1 King's Inch Place Renfrew PA4 8WF

Merchant Homes Limited (Registered number: SC302421)

Balance Sheet
31 July 2016

	Notes	2016 £	£	2015 £	£
FIXED ASSETS					
Tangible assets	3		-		-
Investments	4		1		1
			1		1
CURRENT ASSETS					
Stocks		2,377,003		3,078,458	
Debtors	5	504,217		520,446	
		2,881,220		3,598,904	
CREDITORS					
Amounts falling due within one year	6	2,925,658		3,699,719	
NET CURRENT LIABILITIES			(44,438)		(100,815)
TOTAL ASSETS LESS CURRENT LIABILITIES			(44,437)		(100,814)
CAPITAL AND RESERVES					
Called up share capital			7,500		7,500
Retained earnings			(51,937)		(108,314)
SHAREHOLDERS' FUNDS			(44,437)		(100,814)

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 26TH APRIL 2017 and were signed on its behalf by:

R Ferguson - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

Merchant Homes Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

At 31 July 2016 the company has net liabilities of £44,437. Financial support will be provided by the holding company to ensure the company can continue to meet its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

Significant judgements and estimates
The preparation of Financial Statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis and revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected. The following are considered to be significant judgements and estimates:

(a) Profit recognition on long term contracts is based on management's best estimate of the stage of completion of each contract. This is based on the best available information along with their experience of similar contracts. If applicable the level of loss recognised is based on forecasts, which can be determined with reasonable certainty.

Turnover
Turnover represents sales of development properties which are recognised at point of legal settlement.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.
Fixtures and fittings - 33% on cost

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2. ACCOUNTING POLICIES - continued

Stocks
Stocks are valued at lower of cost and net realisable value. Cost consists of purchase invoice costs and, where appropriate, attributable overheads. Work in progress is valued at lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Profit is taken on long term contracts when their outcome has been foreseen with reasonable certainty. In determining the amount of profit taken at the year end, the main facts considered are the experience of similar contracts and the estimated stage of completion. Anticipated losses are provided in full.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occured at that date that will result in an obligation to pay more, or a right to pay less or receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable tax profits from which the future reversal of the underlying timing differences can be deducted.

Deferred Tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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3. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 August 2015	7,640
Disposals	(7,640)
At 31 July 2016	-
DEPRECIATION	
At 1 August 2015	7,640
Eliminated on disposal	(7,640)
At 31 July 2016	-
NET BOOK VALUE	
At 31 July 2016	-
At 31 July 2015	-

4. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 August 2015 and 31 July 2016	1
NET BOOK VALUE	
At 31 July 2016	1
At 31 July 2015	1

This represents their investment within the group company Merchant Partnerships Limited.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Amounts owed by group undertakings	28,105	-
Other debtors	476,112	497,663
VAT	-	22,783
	504,217	520,446

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6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts	90,632	26,987
Other loans	300,000	300,000
Trade creditors	627,674	635,964
Amounts owed to group undertakings	-	706,928
Tax	3,311	-
Social security and other taxes	6,968	13,897
VAT	3,623	-
Other creditors	1,887,700	1,998,193
Directors' loan accounts	-	12,000
Accruals and deferred income	5,750	5,750
	2,925,658	3,699,719

7. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Greig McKnight (Senior Statutory Auditor)
for and on behalf of Campbell Dallas LLP

8. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

At the year end, Merchant Homes Limited was due £465,677 (2015 - £465,677) from Crannog Estates Limited, a company controlled by A Brander and L McLuskie.

9. ULTIMATE CONTROLLING PARTY

The company is controlled by its directors.

10. FIRST YEAR ADOPTION

For all periods up to and including the year ended 31 July 2015, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 July 2016, are the first year the Company has prepared in accordance with FRS 102. The significant accounting policies in meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company started from an opening balance sheet at the Company's date of transition to FRS 102, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 102. There has been no material impact to the Company's financial position, results or cash flows as a result of restating its financial statements.