Financial Statements

for the Year Ended 31 July 2017

for

Merchant Homes Limited

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Merchant Homes Limited

Contents of the Financial Statements
for the Year Ended 31 July 2017

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Merchant Homes Limited

Company Information
for the Year Ended 31 July 2017

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 (Scotland)
AUDITORS:	Campbell Dallas Audit Services Accountants Statutory Auditors Titanium 1 King's Inch Place Renfrew PA4 8WF

Merchant Homes Limited (Registered number: SC302421)

Balance Sheet
31 July 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Investments	3		1		1
CURRENT ASSETS					
Stocks		515,902		2,377,003	
Debtors	4	624,128		504,217	
Cash at bank		30,708		-	
		1,170,738		2,881,220	
CREDITORS					
Amounts falling due within one year	5	1,215,758		2,925,658	
NET CURRENT LIABILITIES			(45,020)		(44,438)
TOTAL ASSETS LESS CURRENT LIABILITIES			(45,019)		(44,437)
CAPITAL AND RESERVES					
Called up share capital			7,500		7,500
Retained earnings			(52,519)		(51,937)
SHAREHOLDERS' FUNDS			(45,019)		(44,437)

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 2018 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 2017 the company has net liabilities of £45,019. 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.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at 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.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 August 2016 and 31 July 2017	1
NET BOOK VALUE	
At 31 July 2017	1
At 31 July 2016	1

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

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Amounts owed by group undertakings	-	28,105
Other debtors	623,727	476,112
VAT	401	-
	624,128	504,217

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts	-	90,632
Other loans	80,000	300,000
Trade creditors	107,972	627,674
Amounts owed to group undertakings	382,879	-
Tax	1,024	3,311
Social security and other taxes	985	6,968
VAT	-	3,623
Other creditors	637,148	1,887,700
Accruals and deferred income	5,750	5,750
	1,215,758	2,925,658

6. 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 Audit Services

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7. 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 £496,677 (2016 - £465,677) from Crannog Estates Limited, a company controlled by A Brander and L McLuskie.

At the balance sheet date, £6,526 (2016 - £6,526) was due to Merchant Homes Regeneration Limited, a company controlled by A Brander and L McLuskie.

At the balance sheet date, £126,000 (2016 - nil) was due from Green Deal Scotland Limited, a company controlled by A Brander and L McLuskie.

8. ULTIMATE CONTROLLING PARTY

The company is controlled by its directors.