REGISTERED NUMBER: SC302421 (Scotland)

MERCHANT HOMES LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2023

Whitelaw Wells
Chartered Accountants
9 Royal Crescent
Glasgow
G3 7SP

MERCHANT HOMES LIMITED (REGISTERED NUMBER: SC302421)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	4

MERCHANT HOMES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2023

DIRECTORS:	Alan Martin Brander Ms Linda McLuskie John Jack
REGISTERED OFFICE:	Merchant House Watermark Business Park 365 Govan Road Govan Glasgow G51 2SE
REGISTERED NUMBER:	SC302421 (Scotland)
ACCOUNTANTS:	Whitelaw Wells Chartered Accountants 9 Royal Crescent Glasgow G3 7SP

BALANCE SHEET
31 JANUARY 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Investments	3		1		1
CURRENT ASSETS					
Debtors	4	-		465,677	
Cash at bank		125,396		17	
		125,396		465,694	
CREDITORS					
Amounts falling due within one year	5	124,895		716,332	
NET CURRENT ASSETS/(LIABILITIES)			501		(250,638)
TOTAL ASSETS LESS CURRENT LIABILITIES			502		(250,637)
CAPITAL AND RESERVES					
Called up share capital			7,500		7,500
Retained earnings			(6,998)		(258,137)
			502		(250,637)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 January 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

continued...

BALANCE SHEET - continued
31 JANUARY 2023

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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 and authorised for issue on 25 October 2023 and were signed on its behalf by:

Alan Martin Brander - Director

The notes form part of these financial statements

1. ACCOUNTING POLICIES

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

Significant judgements and estimates
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements:-
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Profit recognition on long term contracts:-
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 is based on forecasts, which can be determined with reasonable certainty.

Turnover and revenue recognition
Where the company is engaged in construction contracts turnover represents the value of work done during the year ascertained by reference to contract measurement.

On the balance sheet a contract represents an asset where the gross value of work done exceeds payments to account on that contract. These are disclosed within debtors as amounts recoverable on contract.

Where the company develops and sell properties turnover represents the sales value of the properties and is recognised at the point of legal completion

Investments in subsidiaries
Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

continued...

1. **ACCOUNTING POLICIES - continued**

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents :-
Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets:-
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities:-
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities:-
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

continued...

1. **ACCOUNTING POLICIES - continued**

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.

Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

Financial support will be provided by the holding company to ensure that the company can continue to meet its liabilities as they fall due.

2. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was NIL (2022 - NIL).

3. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 February 2022 and 31 January 2023	1
NET BOOK VALUE	
At 31 January 2023	1
At 31 January 2022	1

This represents their fully owned subsidiary, Merchant Partnerships Limited, which is a dormant company registered in Scotland.

continued...

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other debtors	-	465,677

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	-	16,941
Social security and other taxes	-	985
Other creditors	-	1,000
Amount owed to group undertakings	124,395	691,665
Accrued expenses	500	5,741
	124,895	716,332

6. RELATED PARTY DISCLOSURES

At the year end £124,395 (2022 £691,665) was due to other group companies.

7. ULTIMATE CONTROLLING PARTY

The company's parent undertaking at the balance sheet date was Merchant Homes Partnerships Limited.

Mr A Brander and Ms L McLuskie are the ultimate controlling parties by means of their equal ownership of the company's parent company; Merchant Homes Partnerships Limited, registered in Scotland.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.