

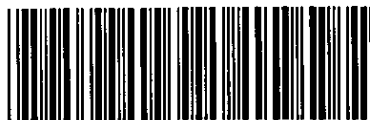
**MERCHISTON ENTERPRISES LIMITED  
(COMPANY LIMITED BY GUARANTEE)**

**REPORT AND ACCOUNTS**

**for the year ended 31 July 2010**

**Registration Number : SC 81893**

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# **MERCHISTON ENTERPRISES LIMITED**

## **DIRECTORS' REPORT** **for the year ended 31 July 2010**

The Directors present their report on the affairs of the company together with the accounts and auditors' report.

### **Activities**

The principal activity of the company is to promote the interests and welfare of Merchiston Castle School.

### **Results**

The results are set out on pages 5 to 9.

### **Directors:**

The Directors who served during the period were as follows, unless otherwise stated:

J M Gourlay BCom CA

G F Barnet LLB

D G Smith BCom CA

### **Membership**

The company is limited by guarantee and therefore has no share capital. The members of the company are obliged to guarantee payment of £1 in the event of the company going into liquidation.

### **Small Companies Exemption**

This report has been prepared taking advantage of special exemptions applicable to small companies within Part 15 of the Companies Act 2006.

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Directors are required to prepare accounts for each financial year which 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. The Directors have overall responsibility for the preparation of the accounts and are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors have the responsibility to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors 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.

**MERCHISTON ENTERPRISES LIMITED**

**DIRECTORS' REPORT (Continued)**  
**for the year ended 31 July 2010**

**Statement of Disclosure to the Auditors:**

- (a) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the Directors have taken all the steps which they ought to have taken as Directors in order to make themselves aware of any audit information and to establish that the Company's auditors are aware of that information.

By Order of the Board

A handwritten signature in black ink, appearing to read 'D G Smith', written over the printed name and title.

**D G Smith**  
Secretary

Edinburgh

8 November 2010

## **MERCHISTON ENTERPRISES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF MERCHISTON ENTERPRISES LIMITED**

We have audited the financial statements of Merchiston Enterprises Limited for the year ended 31 July 2010 set out on pages 5 to 9. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's 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 described in the Statement of Directors' Responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**MERCHISTON ENTERPRISES LIMITED**

**INDEPENDENT AUDITORS' REPORT (Continued)  
TO THE MEMBERS AND DIRECTORS OF MERCHISTON ENTERPRISES LIMITED**

**Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its profit for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006;

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report 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
- the financial statements are not in agreement with the accounting records and 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.

**David Walker (Senior Statutory Auditor)**  
**For and on behalf of Geoghegans, CA**

8 November 2010

Chartered Accountants  
Statutory Auditor

6 St Colme Street,  
Edinburgh,  
EH3 6AD

**MERCHISTON ENTERPRISES LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 July 2010

	Notes	2010	2009
Turnover –continuing operations	2	566,720	3,821,558
Cost of sales		<u>454,055</u>	<u>3,677,150</u>
<b>Gross Surplus</b>		112,665	144,408
Administration expenses		<u>94,444</u>	<u>100,336</u>
<b>Surplus on Ordinary Activities</b>	3	18,221	44,072
Charitable donation	10	<u>18,000</u>	<u>43,000</u>
<b>Surplus on Ordinary Activities before Taxation</b>		221	1,072
Taxation	4	<u>32</u>	<u>160</u>
<b>Surplus for Financial Year</b>		189	912
Retained surplus brought forward		<u>26,968</u>	<u>26,056</u>
<b>Retained Surplus Carried Forward</b>	9	<u>£ 27,157</u>	<u>£ 26,968</u>

No separate statement of recognised gains and losses has been prepared as the company had no recognised gains or losses other than those shown above.

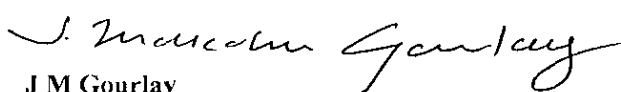
**MERCHISTON ENTERPRISES LIMITED**

**BALANCE SHEET**  
as at 31 July 2010

	Notes	2010	2009
<b>Fixed Assets</b>			
Tangible assets	5	<u>2,164</u>	<u>3,060</u>
<b>Current Assets</b>			
Stock	6	98,842	1,958
Debtors	7	127,169	132,561
Cash at bank		<u>35,601</u>	<u>25,106</u>
		261,612	159,625
<b>Creditors: amounts falling due within one year</b>	8	<u>236,619</u>	<u>135,717</u>
Net current assets		<u>24,993</u>	<u>23,908</u>
<b>Net Assets</b>		<u>£ 27,157</u>	<u>£ 26,968</u>
<b>Capital and Reserves</b>			
Profit and loss account	9	<u>£ 27,157</u>	<u>£ 26,968</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These accounts were approved by the directors and authorised for issue on 8 November 2010.



**J M Gourlay**  
Director

Company Registration Number: SC 81893

# MERCHISTON ENTERPRISES LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 July 2010

### 1 Accounting Policies

#### *Accounting Convention*

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

#### *Cash Flow Statement*

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### *Depreciation*

Depreciation is provided at rates calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis as follows:

Fixtures and fittings	20% per annum
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### 2 Turnover

Turnover represents the total of amounts invoiced for residential lets, functions and sporting facilities and the design and build contract and exclude value added tax.

3	<b>Profit on Ordinary Activities before Taxation</b>	2010	2009
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This is stated after charging:

Auditors' remuneration	1,000	1,500
Depreciation	<u>896</u>	<u>896</u>

### 4 Tax on Surplus on Ordinary Activities

Current tax charge	<u>£ 32</u>	<u>£ 160</u>
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MERCHISTON ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS (Continued)  
for the year ended 31 July 2010

5	<b>Tangible Fixed Assets</b>		Fixtures & Fittings
	<i>Cost</i>		
	At 31 July 2009		4,479
	Additions		-
	Disposals		-
			<hr/>
	At 31 July 2010		4,479
	<i>Aggregate Depreciation</i>		
	At 31 July 2009		1,419
	Charge for year		896
	Depreciation on disposals		-
			<hr/>
	At 31 July 2010		2,315
	<i>Net Book Value</i>		
	At 31 July 2010		<u>£ 2,164</u>
	At 31 July 2009		<u>£ 3,060</u>
6	<b>Stock</b>	2010	2009
	Stock	98,842	1,958
		<hr/>	<hr/>
		£ 98,842	£ 1,958
7	<b>Debtors</b>	2010	2009
	Trade debtors	99,901	130,678
	Prepayments and accrued income	1,935	68
	VAT	25,333	1,815
		<hr/>	<hr/>
		£ 127,169	£ 132,561
8	<b>Creditors: amounts falling due within one year</b>	2010	2009
	Trade creditors	20,957	1,265
	Corporation tax	32	147
	Merchiston Castle School	206,267	121,041
	Other creditors	7,162	10,786
	Accrued expenses	2,201	2,478
		<hr/>	<hr/>
		£236,619	£135,717

# MERCHISTON ENTERPRISES LIMITED

## NOTES TO THE ACCOUNTS (Continued) for the year ended 31 July 2010

9	<b>Statement of Movement on Reserves</b>	2010	2009
	Opening balance	26,968	26,056
	Retained profit for the year	<u>189</u>	<u>912</u>
	Closing balance	<u>£ 27,157</u>	<u>£ 26,968</u>

### 10 Related Party Transaction

The Company has a connected undertaking, Merchiston Castle School (a company limited by guarantee) and utilises the facilities owned by that Company for letting and promotional events. During the year the Company was charged rent of £81,581 (2009 - £79,663) for the use of the facilities and has provided for a gift aid donation of £18,000 (2009 - £43,000) to Merchiston Castle School.

The amount due to the School, including amounts mentioned above, at 31 July 2010 was £206,267 (2009 - £121,041) and is included at note 8.

### 11 Control

In the opinion of the directors the ultimate controlling party is Merchiston Castle School.