

Registrar's copy.

MODERN HOUSING LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 1998**



REGISTERED NUMBER: SC106918



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**BANNERMAN
JOHNSTONE
MACLAY**

CHARTERED ACCOUNTANTS

Handwritten number 1

MODERN HOUSING LIMITED

BANNERMAN JOHNSTONE MACLAY

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998**

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**COMPANY INFORMATION
AS AT 30 JUNE 1998**

DIRECTORS

Alexander Smith
Doreen Smith

SECRETARY

Doreen Smith

REGISTERED OFFICE

Pomphreys
79 Quarry Street
Hamilton

AUDITORS

Bannerman Johnstone Maclay
Chartered Accountants
Tara House
46 Bath Street
Glasgow G2 1HG

SOLICITORS

Pomphreys
79 Quarry Street
Hamilton

PRINCIPAL BANKERS

The Royal Bank of Scotland plc
98 Buchanan Street
Glasgow G63 0TQ

**AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 30 June 1998.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with those provisions.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with those provisions.



**Bannerman Johnstone MacLay
Chartered Accountants
and Registered Auditor
Tara House
46 Bath Street
Glasgow G2 1HG**

Date: 24 May 1999

MODERN HOUSING LIMITED

BANNERMAN JOHNSTONE MACLAY

**ABBREVIATED BALANCE SHEET
AT 30 JUNE 1998**

	Notes	£	1998 £	£	1997 £
FIXED ASSETS	2				
Tangible assets			651,200		535,215
Investments			100		100
			<u>651,300</u>		<u>535,315</u>
CURRENT ASSETS					
Stocks		14,469		47,595	
Debtors		341		146,096	
Cash at bank and in hand		228,389		7,316	
		<u>243,199</u>		<u>201,007</u>	
CREDITORS: amounts falling due within one year	3	(466,119)		(268,788)	
NET CURRENT LIABILITIES			<u>(222,920)</u>		<u>(67,781)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			428,380		467,534
CREDITORS: amounts falling due after more than one year	4		(376,281)		(407,297)
NET ASSETS			<u>52,099</u>		<u>60,237</u>
CAPITAL AND RESERVES					
Called up share capital	5		100		100
Profit and loss account			51,999		60,137
TOTAL SHAREHOLDERS' FUNDS			<u>52,099</u>		<u>60,237</u>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Approved by the board of directors on 21 May 1999 and signed on its behalf by:

Alexander Smith

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Directors

Doreen Smith

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The notes on pages 4 to 6 form part of these financial statements.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998**

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

Turnover

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

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Fixtures and fittings	20%/25% on cost
Motor vehicles	25% on cost

Where zero depreciation of freehold buildings is appropriate

Land and buildings are stated at cost less grants directly attributable to their acquisition and development. Where properties are held and maintained as investment properties no depreciation charge is applied.

Grants

Improvement grants are credited to the cost of refurbishment of the properties to which they relate.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998****2. FIXED ASSETS**

	Tangible assets	Investments	Total
	£	£	£
Cost:			
At 1 July 1997	564,970	100	565,070
Additions	129,350	-	129,350
At 30 June 1998	694,320	100	694,420
Depreciation:			
At 1 July 1997	29,755	-	29,755
Charge for year	13,365	-	13,365
At 30 June 1998	43,120	-	43,120
Net book value:			
At 30 June 1998	651,200	100	651,300
At 30 June 1997	535,215	100	535,315

3. CREDITORS: amounts falling due within one year

Included in creditors are bank loans and overdrafts payable within one year amounting to £137,784 (1997 £160,702) which are secured.

4. CREDITORS: amounts falling due after more than one year

Total bank borrowings are secured by a bond and floating charge over the entire assets of the company together with standard securities over the company's properties at 491/517 Merry Street, Motherwell.

5. SHARE CAPITAL

	1998	1997
	£	£
Authorised:		
Equity interests:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Equity interests:		
100 Ordinary shares of £1 each	100	100

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1998**

6. CONTINGENT LIABILITIES

The company has contingent liabilities in respect of grants received from Scottish Homes for its development at Merry Street, Motherwell. These grants are repayable in certain circumstances, principally the disposal of the properties. At 30 June 1998 grants of £326,728 had been received or credited in respect of these properties. Scottish Homes holds a second ranking standard security over the company's property at 495-517 Merry Street, Motherwell, in respect of these sums.

The company also guarantees under a cross guarantee agreement the bank borrowings of its subsidiary company, Modern Housing (Contracts) Limited.