

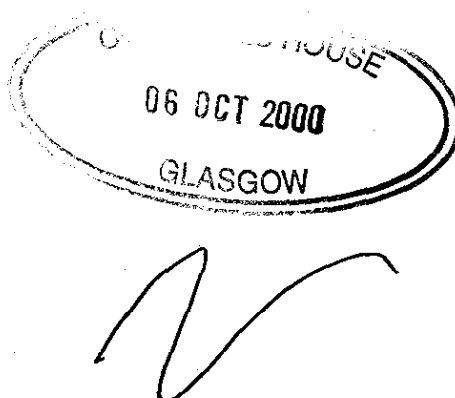
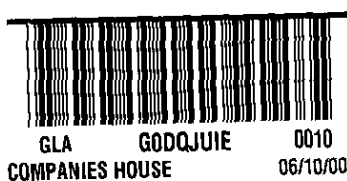
REGISTRAR'S
COPY

MODERN HOUSING LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 1999**

REGISTERED NUMBER: SC106918



**BANNERMAN
JOHNSTONE
MACLAY**

CHARTERED ACCOUNTANTS

MODERN HOUSING LIMITED

BANNERMAN JOHNSTONE MACLAY

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999**

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**COMPANY INFORMATION
AT 30 JUNE 1999**

DIRECTORS

Alexander Smith
Doreen Smith

SECRETARY

Doreen Smith

REGISTERED OFFICE

Pomphreys
79 Quarry Street
Hamilton ML3 7AG

AUDITORS

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

SOLICITORS

Pomphreys
76 Quarry Street
Hamilton ML3 7AG

PRINCIPAL BANKERS

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

MODERN HOUSING LIMITED

BANNERMAN JOHNSTONE MACLAY

**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 1999.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

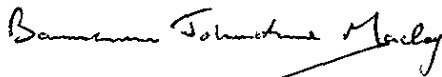
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of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

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: 5 October 2000

MODERN HOUSING LIMITED

BANNERMAN JOHNSTONE MACLAY

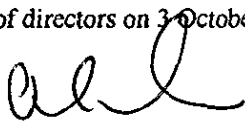
**ABBREVIATED BALANCE SHEET
AT 30 JUNE 1999**

	Notes	£	1999 £	£	1998 £
FIXED ASSETS	2				
Tangible assets			1,016,737		651,200
Investments			100		100
			<u>1,016,837</u>		<u>651,300</u>
CURRENT ASSETS					
Stocks		92,969		14,469	
Debtors		341		341	
Cash at bank and in hand		-		<u>228,389</u>	
		<u>93,310</u>		<u>243,199</u>	
CREDITORS: amounts falling due within one year					
		<u>(657,574)</u>		<u>(466,119)</u>	
NET CURRENT LIABILITIES			<u>(564,264)</u>		<u>(222,920)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>452,573</u>		<u>428,380</u>
CREDITORS: amounts falling due after more than one year					
			<u>(341,333)</u>		<u>(376,281)</u>
NET ASSETS			<u><u>111,240</u></u>		<u><u>52,099</u></u>
CAPITAL AND RESERVES					
Called up share capital	4		100		100
Profit and loss account			<u>111,140</u>		<u>51,999</u>
TOTAL SHAREHOLDERS' FUNDS			<u><u>111,240</u></u>		<u><u>52,099</u></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.

Approved by the board of directors on 3 October 2000 and signed on its behalf by the following directors:

Alexander Smith:



)

Doreen Smith:



)

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 1999**

1. STATEMENT OF ACCOUNTING POLICIES

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

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1: "Cash flow statements".

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

Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

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 credited to the profit and loss account when received.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999**

2. FIXED ASSETS

	Tangible assets	Investments	Total
	£	£	£
Cost:			
At 1 July 1998	694,320	100	694,420
Additions	476,732	-	476,732
Disposals	(100,350)	-	(100,350)
At 30 June 1999	<u>1,070,702</u>	<u>100</u>	<u>1,070,802</u>
Depreciation:			
At 1 July 1998	43,120	-	43,120
Charge for year	10,845	-	10,845
At 30 June 1999	<u>53,965</u>	<u>-</u>	<u>53,965</u>
Net book value:			
At 30 June 1999	<u>1,016,737</u>	<u>100</u>	<u>1,016,837</u>
At 30 June 1998	<u>651,200</u>	<u>100</u>	<u>651,300</u>

3. BORROWINGS

	1999	1998
	£	£
The company's borrowings are repayable as follows		
Up to one year and on demand	106,040	137,784
Between one and two years	43,919	43,919
Between two and five years	131,757	131,757
After five years	165,657	200,605
	<u>447,373</u>	<u>514,065</u>
 Wholly repayable within five years	 <u>281,716</u>	 <u>313,460</u>
 Included in current liabilities	 <u>106,040</u>	 <u>137,784</u>

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.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999**

4. SHARE CAPITAL

	1999 £	1998 £
Authorised:		
Equity interests:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Equity interests:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

5. 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. Grants of £326,728 were received 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. At the balance sheet date the amount so guaranteed was £1,175,976.

6. CONTROL

The company is under the control of Mr. A. Smith and Mrs. D. Smith, who are also directors of the company.