

MODERN HOUSING LIMITED
ABBREVIATED ACCOUNTS
FOR
30 JUNE 2004



MODERN HOUSING LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2004

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MODERN HOUSING LIMITED**INDEPENDENT AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 30 June 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

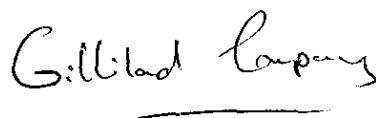
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report *did not include examining or dealing with events after the date of our report on the financial statements.*

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



GILLILAND & COMPANY
Chartered Accountants
& Registered Auditors

216 West George Street
Glasgow

G2 2PQ

6 April 2005

MODERN HOUSING LIMITED**ABBREVIATED BALANCE SHEET****30 JUNE 2004**

	Note	2004		2003	
		£	£	£	£
FIXED ASSETS	2				
Tangible assets			1,963,513		1,052,516
Investments			110		110
			<u>1,963,623</u>		<u>1,052,626</u>
CURRENT ASSETS					
Stocks		544,471		343,241	
Debtors		486,217		290,150	
Cash at bank and in hand		-		43	
		<u>1,030,688</u>		<u>633,434</u>	
CREDITORS: Amounts falling due within one year		<u>1,693,646</u>		<u>1,220,353</u>	
NET CURRENT LIABILITIES			(662,958)		(586,919)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,300,665</u>		<u>465,707</u>
CREDITORS: Amounts falling due after more than one year			<u>46,147</u>		<u>-</u>
			<u>1,254,518</u>		<u>465,707</u>
CAPITAL AND RESERVES					
Called-up equity share capital	3		100		100
Revaluation reserve			766,996		-
Profit and loss account			487,422		465,607
SHAREHOLDERS' FUNDS			<u>1,254,518</u>		<u>465,707</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 6 April 2005 and are signed on their behalf by:



MR A SMITH

MODERN HOUSING LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2004****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 25% Cost
Motor Vehicles	- 25% Cost

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

MODERN HOUSING LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2004****2. FIXED ASSETS**

	Tangible Assets £	Investments £	Total £
COST OR VALUATION			
At 1 July 2003	1,150,116	110	1,150,226
Additions	165,775	—	165,775
Revaluation	766,996	—	766,996
At 30 June 2004	<u>2,082,887</u>	<u>110</u>	<u>2,082,997</u>
DEPRECIATION			
At 1 July 2003	97,600	—	97,600
Charge for year	21,774	—	21,774
At 30 June 2004	<u>119,374</u>	<u>—</u>	<u>119,374</u>
NET BOOK VALUE			
At 30 June 2004	<u>1,963,513</u>	<u>110</u>	<u>1,963,623</u>
At 30 June 2003	<u>1,052,516</u>	<u>110</u>	<u>1,052,626</u>

The company's investment properties were valued at £1,936,296 by Whyte & Barrie, Chartered Surveyors. In accordance with Statement of Standard Accounting Practice No 19, investment properties are revalued annually on this basis, any surplus or deficit being transferred to the revaluation reserve. Accordingly, such assets are not depreciated as this would conflict in the Director's opinion, with the requirement to give a true and fair view, (see note 1). It is not possible to quantify the depreciation which would otherwise have been charged.

Had the company's investment properties not been revalued they would have been stated at cost and net book value of £1,169,300.

MODERN HOUSING LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2004****2. FIXED ASSETS** *(continued)*

The company owns 100% of the issued share capital of the companies listed below.

	2004	2003
Aggregate capital and reserves		
Modern Housing (Glasgow) Limited	67,740	27,818
Motherwell Builders Limited	(374,751)	(346,791)
Carfin Builders Limited	(222,673)	(215,562)
Modern Housing New Homes (Hamilton) Limited	(175,874)	(42,315)
Modern Retail Properties Limited	1,456,962	(3,750)
Lapday Limited	2	16,000

Profit or (loss) for the year

Modern Housing (Glasgow) Limited	39,922	(34,917)
Motherwell Builders Limited	(27,960)	(176,979)
Carfin Builders Limited	(7,112)	(7,414)
Modern Housing New Homes (Hamilton) Limited	(133,561)	(42,313)
Modern Retail Properties Limited	132,308	(3,752)
Lapday Limited	—	—

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

3. SHARE CAPITAL**Authorised share capital:**

	2004	2003
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>