

COMPANY REGISTRATION NUMBER SC106918

MODERN HOUSING LIMITED
UNAUDITED ABBREVIATED ACCOUNTS
FOR
31 JANUARY 2013



MODERN HOUSING LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2013

CONTENTS	PAGE
Abbreviated balance sheet	1
Notes to the abbreviated accounts	2

MODERN HOUSING LIMITED
ABBREVIATED BALANCE SHEET
31 JANUARY 2013

	Note	2013 £	2012 £
FIXED ASSETS	2		
Tangible assets		4,415,070	4,430,514
Investments		1,102	102
		<u>4,416,172</u>	<u>4,430,616</u>
CURRENT ASSETS			
Stocks		71,857	269,857
Debtors		1,076,884	589,274
Cash at bank and in hand		3,007	52,168
		<u>1,151,748</u>	<u>911,299</u>
CREDITORS: Amounts falling due within one year		<u>3,575,744</u>	<u>3,322,067</u>
NET CURRENT LIABILITIES		(2,423,996)	(2,410,768)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,992,176</u>	<u>2,019,848</u>
CAPITAL AND RESERVES			
Called-up equity share capital	4	100	100
Revaluation reserve		1,946,263	1,946,263
Profit and loss account		45,813	73,485
SHAREHOLDERS' FUNDS		<u>1,992,176</u>	<u>2,019,848</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These abbreviated accounts were approved by the directors and authorised for issue on 22 November 2013, and are signed on their behalf by:

Mr A Smith

Director

Company Registration Number: SC106918

The notes on pages 2 to 5 form part of these abbreviated accounts.

MODERN HOUSING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2013

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 April 2008).

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

Turnover

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost. Costs of refurbishment of properties is based on costs specific to each property together with costs allocated to each property by the directors in line with professionally costed bill of quantities.

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
Equipment	- 25% Cost

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

MODERN HOUSING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2013

1. ACCOUNTING POLICIES *(continued)*

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 FRSSSE which, unlike the Companies Act 2006, 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.

Properties are valued a minimum of every 3 years by professionally qualified property experts. In the intervening years the directors assess the value of the properties.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises purchase price of properties including all associated fees and duties, together with all attributable direct costs incurred to date as identified by the directors.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a small self-administered pension scheme for its directors and other nominated employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

MODERN HOUSING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2013

2. FIXED ASSETS

	Tangible Assets £	Investments £	Total £
COST OR VALUATION			
At 1 February 2012	4,505,992	102	4,506,094
Additions	—	1,000	1,000
Revaluation	(15,000)	—	(15,000)
At 31 January 2013	<u>4,490,992</u>	<u>1,102</u>	<u>4,492,094</u>
 DEPRECIATION			
At 1 February 2012	75,478	—	75,478
Charge for year	444	—	444
At 31 January 2013	<u>75,922</u>	<u>—</u>	<u>75,922</u>
 NET BOOK VALUE			
At 31 January 2013	<u>4,415,070</u>	<u>1,102</u>	<u>4,416,172</u>
At 31 January 2012	<u>4,430,514</u>	<u>102</u>	<u>4,430,616</u>

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.

The investment properties were revalued by various firms of chartered surveyors during August 2012.

Had the company's investment properties not been revalued they would have been stated at cost and net book value of £2,483,737.

The company owns 100% of the issued share capital of the following companies, Lapday Limited, Somerset Limited and Modern Housing New Homes Limited (formerly Dryburgh Garden Developments Limited). Lapday Limited has issued share capital of £2, Somerset Limited has issued share capital of £100 and Modern Housing New Homes Limited (formerly Dryburgh Garden Developments Limited) has net assets of £1,000 and is a non trading company.

Under the provision of the Companies Act 2006 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. RELATED PARTY TRANSACTIONS

The company was under the joint control of Mr A Smith and Mrs D Smith throughout the current and previous year. The balance owed to the Directors at 31st January 2013 amounted to £300 (2012 : £4,870). This loan is interest free and has no fixed date for repayment.

MODERN HOUSING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2013

4. SHARE CAPITAL

Authorised share capital:

	2013	2012
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>