

MODERN HOUSING LIMITED
UNAUDITED ABBREVIATED ACCOUNTS
FOR
31 JANUARY 2015

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MODERN HOUSING LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2015

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MODERN HOUSING LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS OF MODERN HOUSING LIMITED

YEAR ENDED 31 JANUARY 2015

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared the financial statements of the company on pages 2 to 6 from the accounting records and information and explanations supplied to us.

This report is made to the Company's Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the financial statements on behalf of the Company's Directors 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 Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of financial statements.

You have acknowledged on the balance sheet as at 31 January 2015 your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



GILLILAND & COMPANY
Chartered Accountants

216 West George Street
Glasgow
G2 2PQ

28 October 2015

MODERN HOUSING LIMITED

ABBREVIATED BALANCE SHEET

31 JANUARY 2015

	Note	2015 £	2014 £
FIXED ASSETS	2		
Tangible assets		4,128,046	3,875,001
Investments		1,002	1,102
		<u>4,129,048</u>	<u>3,876,103</u>
CURRENT ASSETS			
Stocks		20,000	20,000
Debtors		1,008,470	2,384,793
Cash at bank and in hand		15,299	1,380
		<u>1,043,769</u>	<u>2,406,173</u>
CREDITORS: Amounts falling due within one year		<u>136,766</u>	<u>1,300,348</u>
NET CURRENT ASSETS		<u>907,003</u>	<u>1,105,825</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,036,051</u>	<u>4,981,928</u>
CREDITORS: Amounts falling due after more than one year		<u>3,191,389</u>	<u>3,194,722</u>
		<u>1,844,662</u>	<u>1,787,206</u>
CAPITAL AND RESERVES			
Called up equity share capital	4	100	100
Revaluation reserve		1,609,093	1,784,093
Profit and loss account		235,469	3,013
SHAREHOLDERS' FUNDS		<u>1,844,662</u>	<u>1,787,206</u>

For the year ended 31 January 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

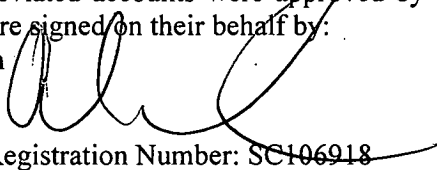
Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These abbreviated accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

These abbreviated accounts were approved by the directors and authorised for issue on 28 October 2015, and are signed on their behalf by:

Mr A Smith



Director

Company Registration Number: SC106918

The notes on pages 3 to 6 form part of these abbreviated accounts.

MODERN HOUSING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2015

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:

Plant & Machinery	- 25% Cost
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 2015

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 FRSSE 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.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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 2015

2. FIXED ASSETS

	Tangible Assets £	Investments £	Total £
COST OR VALUATION			
At 1 February 2014	3,950,992	1,102	3,952,094
Additions	428,480	–	428,480
Revaluation	(175,000)	–	(175,000)
At 31 January 2015	<u>4,204,472</u>	<u>1,102</u>	<u>4,205,574</u>
DEPRECIATION AND AMOUNTS WRITTEN OFF			
At 1 February 2014	75,991	–	75,991
Charge for year	435	100	535
At 31 January 2015	<u>76,426</u>	<u>100</u>	<u>76,526</u>
NET BOOK VALUE			
At 31 January 2015	<u>4,128,046</u>	<u>1,002</u>	<u>4,129,048</u>
At 31 January 2014	<u>3,875,001</u>	<u>1,102</u>	<u>3,876,103</u>

The company's investment properties were valued at £4,125,000 by Shepherd, Chartered Surveyors and DM Hall, Chartered Surveyors during the period.

In accordance with FRSSE, 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 £2,515,907.

The company owns 100% of the issued share capital of the Lapday Limited and Modern Housing New Homes Limited (formerly Dryburgh Garden Developments Limited). Lapday Limited has net assets of £325,941 (2014: £2,749) and profit of £9,994 (2014: £11,828) for the year ended 31st January 2015 and Modern Housing New Homes Limited (formerly Dryburgh Garden Developments Limited) has net assets of £168,815 (2014: £1,729) and a profit of £167,086 (2014: £35,729) for the year ended 31st January 2015.

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.

MODERN HOUSING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2015

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 2015 amounted to £832 (2014: £nil).

£716,288 (2014: 1,540,717) is due to the company from Modern Housing New Homes Limited as at 31st January 2015. This company is a fully owned subsidiary of Modern Housing Limited.

£249,448 (2014: £825,236) was owed to the company from Lapday Limited. Lapday Limited is also a fully owned subsidiary of Modern Housing Limited.

£nil (2014: £1,169,868) is owed to Modern Housing Pension Scheme as at 31st January 2015.

£1,124 (2014: £nil) is due to the company from New Homes Developments Limited and £14,011 (2014: £nil) from Design & Build as at 31st January 2015.

4. SHARE CAPITAL

Authorised share capital:

	2015	2014
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>