

Registered Number SC106918

MODERN HOUSING LIMITED

Abbreviated Accounts

31 January 2016

Abbreviated Balance Sheet as at 31 January 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	2	4,127,176	4,128,046
Investments	3	1,002	1,002
		<u>4,128,178</u>	<u>4,129,048</u>
Current assets			
Stocks		20,000	20,000
Debtors		498,080	1,008,470
Cash at bank and in hand		7,857	15,299
		<u>525,937</u>	<u>1,043,769</u>
Creditors: amounts falling due within one year		<u>(403,943)</u>	<u>(136,766)</u>
Net current assets (liabilities)		<u>121,994</u>	<u>907,003</u>
Total assets less current liabilities		<u>4,250,172</u>	<u>5,036,051</u>
Creditors: amounts falling due after more than one year		<u>(2,486,165)</u>	<u>(3,191,389)</u>
Total net assets (liabilities)		<u>1,764,007</u>	<u>1,844,662</u>
Capital and reserves			
Called up share capital	4	100	100
Revaluation reserve		1,609,093	1,609,093
Profit and loss account		154,814	235,469
Shareholders' funds		<u>1,764,007</u>	<u>1,844,662</u>

- For the year ending 31 January 2016 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 31 October 2016

And signed on their behalf by:

Mr A Smith, Director

Notes to the Abbreviated Accounts for the period ended 31 January 2016**1 Accounting Policies****Basis of measurement and preparation of accounts**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities effective January 2015.

Turnover policy

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.

Tangible assets depreciation policy

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

Other accounting policies

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.

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.

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.

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 from the Directors at 31st January 2016 amounted to £726 (2015: £832). Dividends of £106,000 (2015: £115,000) were paid to the directors during the year.

£468,356 (2015: £716,288) is due to the company from Modern Housing New Homes Limited as at 31st January 2016. This company is a fully owned subsidiary of Modern Housing Limited.

£198,988 (2015: (£249,448)) was owed from the company to Lapday Limited. Lapday Limited is also a fully owned subsidiary of Modern Housing Limited.

£8,360 (2015: £nil) is owed to Modern Housing Pension Scheme as at 31st January 2016.

£2,066 (2015: £(1,124)) is due from the company to New Homes Developments Limited. Mrs D Smith is also a director in that company.

2 Tangible fixed assets

	£
Cost	
At 1 February 2015	4,204,472
Additions	-
Disposals	-
Revaluations	-
Transfers	-
At 31 January 2016	<u>4,204,472</u>
Depreciation	
At 1 February 2015	76,426
Charge for the year	870
On disposals	-
At 31 January 2016	<u>77,296</u>
Net book values	
At 31 January 2016	<u>4,127,176</u>
At 31 January 2015	<u>4,128,046</u>

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

3 Fixed assets Investments

The company owns 100% of the issued share capital of the Lapday Limited and Modern Housing New Homes Limited. Lapday Limited has net assets of £413,561 (2015: £325,941) and profit of £87,621 (2015: £9,994) for the year ended 31st January 2016 and Modern Housing New Homes Limited has net assets of £1,112,031 (2015: £168,815) and a profit of £973,216 (2015: £167,086) for the year ended 31st January 2016.

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.

4 Called Up Share Capital

Allotted, called up and fully paid:

	2016	2015
	£	£
100 Ordinary shares of £1 each	100	100

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