

COMPANY REGISTRATION NUMBER: SC106918

Modern Housing Limited

Filleted Unaudited Financial Statements

31 January 2018

Modern Housing Limited

Financial Statements

Year ended 31 January 2018

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Modern Housing Limited

Chartered Accountants Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Modern Housing Limited

Year ended 31 January 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Modern Housing Limited for the year ended 31 January 2018, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us. As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at www.icas.com/accountspreparationguidance. This report is made solely to the Board of Directors of Modern Housing Limited, as a body. Our work has been undertaken solely to prepare for your approval the financial statements of Modern Housing Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with the requirements of ICAS as detailed at www.icas.com/accountspreparationguidance. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Modern Housing Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Modern Housing Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Modern Housing Limited. You consider that Modern Housing Limited is exempt from the statutory audit requirement for the year. We have not been instructed to carry out an audit or a review of the financial statements of Modern Housing Limited. 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 statutory financial statements.

GILLILAND & COMPANY Chartered Accountants

216 West George Street Glasgow G2 2PQ

11 October 2018

Modern Housing Limited

Statement of Financial Position

31 January 2018

		2018	2017
	Note	£	£
Fixed assets			
Tangible assets	4	5,451,981	4,126,306
Investments	5	1,206	1,102
		<u>5,453,187</u>	<u>4,127,408</u>
Current assets			
Debtors	6	276,992	444,228
Cash at bank and in hand		17,254	63,472
		<u>294,246</u>	<u>507,700</u>
Creditors: amounts falling due within one year	7	1,528,280	476,134
Net current (liabilities)/assets		<u>(1,234,034)</u>	<u>31,566</u>
Total assets less current liabilities		4,219,153	4,158,974
Creditors: amounts falling due after more than one year	8	2,351,281	2,417,542
Provisions			
Taxation including deferred tax		57,489	57,489
Net assets		<u>1,810,383</u>	<u>1,683,943</u>

Modern Housing Limited

Statement of Financial Position *(continued)*

31 January 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital		100	100
Non distributable reserve		1,551,604	1,551,604
Profit and loss account		258,679	132,239
		-----	-----
Shareholders funds		1,810,383	1,683,943
		-----	-----

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

For the year ending 31 January 2018 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 financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 11 October 2018 , and are signed on behalf of the board by:

Mr A Smith

Director

Company registration number: SC106918

Modern Housing Limited

Notes to the Financial Statements

Year ended 31 January 2018

1. General information

The company is a private company limited by shares, registered in SCOTLAND. The address of the registered office is 216 West George Street, Glasgow, G2 2PQ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change of value.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

Provision is made for deferred taxation arising from timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

Tangible 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 or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	25% straight line
Fixtures and fittings	-	25% straight line
Equipment	-	25% straight line

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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.

4. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 February 2017	4,125,000	3,480	73,420	2,572	4,204,472
Additions	1,326,545	—	—	—	1,326,545
At 31 January 2018	5,451,545	3,480	73,420	2,572	5,531,017
Depreciation					
At 1 February 2017	—	2,175	73,419	2,572	78,166
Charge for the year	—	870	—	—	870
At 31 January 2018	—	3,045	73,419	2,572	79,036
Carrying amount					
At 31 January 2018	5,451,545	435	1	—	5,451,981
At 31 January 2017	4,125,000	1,305	1	—	4,126,306

The company's existing investment properties were valued at £4,125,000 by Shepherd, Chartered Surveyors and DM Hall, Chartered Surveyors during the previous period and the directors consider that the valuations are accurate as at 31st January 2018. Properties additions in the year are included at costs which is also considered the accurate value at 31st January 2018.

5. Investments

	Shares in group undertakings £
Cost	
At 1 February 2017	1,202
Additions	104
At 31 January 2018	1,306
Impairment	
At 1 February 2017 and 31 January 2018	100
Carrying amount	
At 31 January 2018	1,206
At 31 January 2017	1,102

The company owns 100% of the issued share capital of the Lapday Limited, Modern Housing New Homes Limited, Mayberry Properties Limited and Modern Housing New Homes Contracts Limited. Lapday Limited has net assets of £442,217 (2017: £374,976) and profit of £67,241 (2017: (£1,122)) for the year ended 31st January 2018, Modern Housing New Homes Limited has net assets of £1,708,760 (2017: £1,565,564) and profit of £143,196 (2017: £525,533) for the year ended 31st January 2018, Mayberry Properties Limited has net assets of £100 (2017: £144,829) and profit of £19,736 (2017: £132,164) for the year ended 31st January 2018 and Modern Housing New Homes Contracts Limited has net assets of £508,899 (2017: £193,551) and a profit of £315,448 (2017: £193,451) for the year ended 31st January 2018.

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.

6. Debtors

	2018 £	2017 £
Trade debtors	18,605	19,359
Amounts owed by group undertakings and undertakings in which the company has a participating interest	253,870	422,518
Other debtors	4,517	2,351
	276,992	444,228

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	69,738	68,602
Trade creditors	20,772	9,425
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,302,166	250,911
Corporation tax	15,399	23,454
Other creditors	40,798	36,598
Other creditors	79,407	87,144
	1,528,280	476,134

The bank borrowings are secured by a standard security and a bond and floating charge over the assets of the company and by inter-company guarantees and by a guarantee from the directors of £500,000.

8. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	2,351,281	2,417,542

The bank borrowings are secured by a standard security and a bond and floating charge over the assets of the company and by inter-company guarantees and by a guarantee from the directors of £500,000.

9. Directors' advances, credits and guarantees

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 2018 amounted to £226 (2017: £314).

10. Related party transactions

£253,870 (2017: £422,518) is due to the company from Modern Housing New Homes Limited as at 31st January 2018. £7,216 (2017 : £nil) is also owed to Modern Housing New Homes Contracts Limited as at 31st January 2018. Both companies are fully owned subsidiaries of Modern Housing Limited . £1,294,950 (2017: £250,907) was owed from the company to Lapday Limited which is a fully owned subsidiary of Modern Housing Limited . £7,682 (2017: £7,444) is owed to Modern Housing Pension Scheme as at 31st January 2018.

11. Controlling party

The company was under the joint control of Mr A Smith and Mrs D Smith throughout the current and previous year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.