

COMPANY REGISTRATION NUMBER: SC106918

Modern Housing Limited

Filleted Unaudited Financial Statements

31 July 2023

Modern Housing Limited

Financial Statements

Year ended 31 July 2023

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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 July 2023

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 July 2023, 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 March 2024

Modern Housing Limited

Statement of Financial Position

31 July 2023

		2023	2022
	Note	£	£
Fixed assets			
Tangible assets	4	12,032,666	8,427,468
Investments	5	1,102	1,106
		<u>12,033,768</u>	<u>8,428,574</u>
Current assets			
Debtors	6	761,445	1,560,970
Cash at bank and in hand		209,807	479,104
		<u>971,252</u>	<u>2,040,074</u>
Creditors: amounts falling due within one year	7	1,663,934	2,223,009
Net current liabilities		<u>692,682</u>	<u>182,935</u>
Total assets less current liabilities		<u>11,341,086</u>	<u>8,245,639</u>
Creditors: amounts falling due after more than one year	8	4,790,841	4,322,411
Provisions			
Taxation including deferred tax		670,877	57,489
Net assets		<u>5,879,368</u>	<u>3,865,739</u>

Modern Housing Limited

Statement of Financial Position *(continued)*

31 July 2023

	Note	2023 £	2022 £
Capital and reserves			
Called up share capital		100	100
Non distributable reserve		3,288,025	1,551,604
Profit and loss account		2,591,243	2,314,035
		-----	-----
Shareholders funds		5,879,368	3,865,739
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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 Section 1A of 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 statement of comprehensive income has not been delivered.

For the year ending 31 July 2023 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 March 2024 , 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 July 2023

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 or valuation					
At 1 August 2022	8,427,140	3,480	73,420	3,880	8,507,920
Additions	1,255,716	—	—	—	1,255,716
Revaluations	2,349,809	—	—	—	2,349,809
At 31 July 2023	12,032,665	3,480	73,420	3,880	12,113,445
Depreciation					
At 1 August 2022	—	3,480	73,419	3,553	80,452
Charge for the year	—	—	—	327	327
At 31 July 2023	—	3,480	73,419	3,880	80,779
Carrying amount					
At 31 July 2023	12,032,665	—	1	—	12,032,666
At 31 July 2022	8,427,140	—	1	327	8,427,468

The company's existing investment properties were valued at £12,032,665 by Shepherd, Chartered Surveyors and DM Hall, Chartered Surveyors during the year. Properties additions in the year are included at costs which is also considered the accurate value at 31st July 2023.

5. Investments

	Shares in group undertakings £
Cost	
At 1 August 2022	1,106
Other movements	(4)
At 31 July 2023	1,102
Impairment	
At 1 August 2022 and 31 July 2023	—
Carrying amount	
At 31 July 2023	1,102
At 31 July 2022	1,106

The company owns 100% of the issued share capital of the Lapday Limited, Modern Housing New Homes Limited and Modern Housing New Homes Contracts Limited. There were 2 non trading subsidiaries that were dissolved during the year, High Street Developers Limited and Modern High Street Investments Limited.

Lapday Limited has net assets of £441,980 (2022: £441,980) and profit of £nil (2022: £nil) for the year ended 31st July 2023, Modern Housing New Homes Limited has net assets of £175,496 (2022: £120,140) and profit of £55,356 (2022: £47,733) for the year ended 31st July 2023. Modern Housing New Homes Contracts Limited has net assets of £712,101 (2022: £716,865) and a loss of £4,764 (2022: (£43)) for the year ended 31st July 2023.

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

	2023 £	2022 £
Trade debtors	1,900	30,361
Amounts owed by group undertakings and undertakings in which the company has a participating interest	636,577	1,333,494
Other debtors	122,968	197,115
	761,445	1,560,970

7. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	46,473	175,079
Trade creditors	8,839	21,091
Amounts owed to group undertakings and undertakings in which the company has a participating interest	868,872	1,639,965
Corporation tax	221,957	129,734
Other creditors	63,834	59,698
Other creditors	453,959	197,442
	1,663,934	2,223,009

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

	2023	2022
	£	£
Bank loans and overdrafts	32,408	4,322,411
Other creditors	4,758,433	—
	<u>4,790,841</u>	<u>4,322,411</u>

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. Analysis of other comprehensive income

	Non distributable reserve	Profit and loss account	Total
	£	£	£
Year ended 31 July 2023			
Revaluation of tangible assets	1,736,421	—	1,736,421
Reclassification from revaluation reserve to profit and loss account	—	(1,736,421)	(1,736,421)
	<u>1,736,421</u>	<u>(1,736,421)</u>	<u>—</u>

10. 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 from the Directors at 31st July 2023 amounted to £75,773 (2022: (£177)). This balance was paid in full after the year-end.

11. Related party transactions

£636,577 (2022: £1,332,536) is due to the company from Modern Housing New Homes Limited as at 31st July 2023. £339,241 (2022 : £329,181) is also owed to Modern Housing New Homes Contracts Limited as at 31st July 2023. Both companies are fully owned subsidiaries of Modern Housing Limited . £404,219 (2022: £1,185,372) was owed from the company to Lapday Limited which is a fully owned subsidiary of Modern Housing Limited . £14,586 (2022: £26,432) is owed to Modern Housing Pension Scheme as at 31st July 2023.

12. 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.