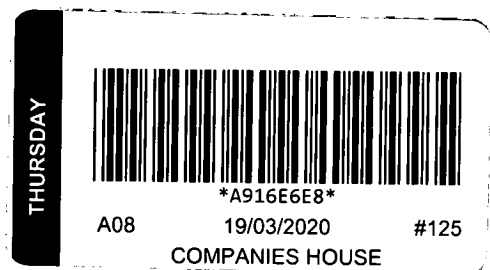


**Registered number: 09109087**

**Moda Living Limited**  
**Annual report**  
**for the year ended 31 August 2019**



# **Moda Living Limited**

## **Annual report for the year ended 31 August 2019**

### **Contents**

	Page
Directors and advisers .....	1
Strategic report for the year ended 31 August 2019.....	2
Directors' report for the year ended 31 August 2019 .....	4
Independent auditors' report to the members of Moda Living Limited.....	6
Consolidated profit and loss account for the year ended 31 August 2019 .....	9
Consolidated balance sheet as at 31 August 2019.....	10
Company balance sheet as at 31 August 2019 .....	11
Consolidated statement of changes in equity for the year ended 31 August 2019 .....	12
Company statement of changes in equity for the year ended 31 August 2019.....	13
Consolidated statement of cash flows for the year ended 31 August 2019 .....	14
Notes to the financial statements for the year ended 31 August 2019 .....	15

# **Moda Living Limited**

## **Directors and advisers**

### **Directors**

P Caddick

P A Bullers

J P Caddick

M E Hartley

A Brooks

D R Brooks

L M Savage

A S Parker

O A Brooks

### **Company Secretary**

P A Bullers

### **Registered office**

Castlegarth Grange

Scott Lane

Wetherby

West Yorkshire

LS22 6LH

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Central Square

29 Wellington Street

Leeds

LS1 4DL

# **Moda Living Limited**

## **Strategic report for the year ended 31 August 2019**

The directors present their strategic report on the group for the financial year ended 31 August 2019.

### **Principal activity**

The group's principal activity is property development activities, specialising in BTR (Build to Rent). The company is a 75:25 joint venture between Caddick Developments Limited and Generate Land Limited.

### **Results and dividends**

The group made a profit for the financial year of £4,036,870 (2018: loss of £141,409). A dividend of £Nil (2018: £400,000) was paid during the year.

The group is currently constructing residential tower blocks in Manchester (458 units), Liverpool (325 units) and Birmingham (481 units) on behalf of the property owners, each under a development agreement and joint venture agreement with the relevant Jersey based property company. The Manchester property is expected to complete in early 2020, with Liverpool and Birmingham expected to be complete in late 2021 and mid 2022 respectively.

In addition, the group has an interest, via joint venture undertakings, in further sites in Edinburgh, Birmingham, Glasgow and Hove. These are being brought through the planning and development process with the intention of constructing further high-rise BTR units under the Moda brand.

### **Future prospects**

Subsequent to the year-end a site in Leeds, owned by fellow subsidiary Quarry Hill Developments Limited, was sold to the BTR investors, with Moda signing a development agreement and joint venture agreement to construct two blocks totalling 515 units.

With eight sites secured (of which four are now on site as referred to above) with gross development value around £1.3bn and comprising in excess of 4,400 units, the group is well placed for the future.

Consequently, the directors consider the future prospects of the company to be good.

The group continues to actively look for further BTR sites throughout the UK.

### **Principal risks and uncertainties**

The management of the business and the execution of the group and company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the group are considered to relate to the availability of suitable development opportunities, yields and investment returns required by potential investors, the availability and cost of suitable finance, interest rates and the tax regime in relation to property transactions. The directors regularly review market conditions within the PRS sector and how these factors affect the business.

# **Moda Living Limited**

## **Strategic report for the year ended 31 August 2019 (continued)**

### **Financial risk management**

The group's operations expose it to a variety of financial risks that include liquidity risk and interest rate risk. In order to manage the liquidity risk and ensure stability of cash-flows the directors regularly prepare and monitor cash-flow forecasts.

### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Each individual development project is appraised on its own merits and profitability.

By order of the Board



P A Bullers  
**Company Secretary**

12 March 2020

# **Moda Living Limited**

## **Directors' report for the year ended 31 August 2019**

The directors present their report and the audited consolidated financial statements of the company and its subsidiaries for the financial year ended 31 August 2019.

### **Directors**

The directors of the company during the whole of the year and up to the date of signing the financial statements were as follows:

P Caddick  
P A Bullers  
M E Hartley  
J P Caddick  
A Brooks  
D R Brooks  
L M Savage  
A S Parker  
O A Brooks

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

# **Moda Living Limited**

## **Directors' report for the year ended 31 August 2019 (continued)**

### **Directors' indemnities**

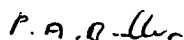
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Directors' confirmations**

In the case of each director in office at the date the Director's report is approved:

- so far as each director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



P A Bullers  
Company Secretary

12 March 2020

# **Moda Living Limited**

## **Independent auditors' report to the members of Moda Living Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Moda Living Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 August 2019 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report, which comprise: the Consolidated and Company balance sheets as at 31 August 2019; the Consolidated profit and loss account, the Consolidated statement of cash flows, the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's and company's trade, customers, suppliers and the wider economy.

#### **Reporting on other information**

The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



# **Moda Living Limited**

## **Independent auditors' report to the members of Moda Living Limited (continued)**

### **Reporting on other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 August 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# **Moda Living Limited**

## **Independent auditors' report to the members of Moda Living Limited (continued)**

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andy Ward (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

12 March 2020

# Moda Living Limited

## Consolidated profit and loss account for the year ended 31 August 2019

	Note	2019 £	2018 £
<b>Turnover</b>		<b>88,286,466</b>	39,916,906
Cost of sales		(83,838,707)	(39,515,884)
Gross profit		4,447,759	401,022
Administrative expenses		(1,259,825)	(870,864)
Operating profit / (loss)	5	3,187,934	(469,842)
Profit on disposal of investment in joint ventures		2,083,412	367,905
Share of operating loss of joint ventures		(187,831)	(153,130)
<b>Profit / (loss) before interest and taxation</b>		<b>5,083,515</b>	(255,067)
Interest receivable and similar income	7	402,918	429,427
Interest payable and similar expenses	8	(529,619)	(308,743)
<b>Profit / (loss) before taxation</b>		<b>4,956,814</b>	(134,383)
Tax on profit / (loss)	9	(919,944)	(7,026)
<b>Profit / (loss) for the financial year</b>		<b>4,036,870</b>	(141,409)

The group's results shown above all derive from continuing operations throughout the year.

The group has no comprehensive income other than that included in the profit / (loss) above, and therefore no separate statement of comprehensive income has been presented.

# Moda Living Limited

## Consolidated balance sheet as at 31 August 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	8,854	9,410
Investments	11	3,047,180	3,000,000
		<b>3,056,034</b>	<b>3,009,410</b>
<b>Current assets</b>			
Stocks	12	290,719	129,432
Debtors	13	28,443,729	17,079,207
Cash at bank and in hand		72,130	3,073,310
		<b>28,806,578</b>	<b>20,281,949</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(21,807,642)</b>	<b>(16,915,377)</b>
<b>Net current assets</b>		<b>6,998,936</b>	<b>3,366,572</b>
<b>Total assets less current liabilities</b>		<b>10,054,970</b>	<b>6,375,982</b>
<b>Provision for liabilities</b>	15	-	(357,882)
<b>Net assets</b>		<b>10,054,970</b>	<b>6,018,100</b>
<b>Capital and reserves</b>			
Called-up share capital	16	100	100
Retained earnings		10,054,870	6,018,000
<b>Total equity</b>		<b>10,054,970</b>	<b>6,018,100</b>

The notes on pages 15 to 25 are an integral part of these financial statements.

The financial statements on pages 9 to 25 were approved by the board of directors on 12 March 2020 and were signed on its behalf by:

*P. A. Bullers*

P A Bullers  
Director

# Moda Living Limited

## Company balance sheet as at 31 August 2019

Registered number: 09109087

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	8,854	9,410
Investments	11	13	12
		<b>8,867</b>	<b>9,422</b>
<b>Current assets</b>			
Stocks	12	15,922	61,634
Debtors	13	10,605,288	11,123,413
Cash at bank and in hand		52,873	67,104
		<b>10,674,083</b>	<b>11,252,151</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(7,976,585)</b>	<b>(7,970,379)</b>
<b>Net current assets</b>		<b>2,697,498</b>	<b>3,281,772</b>
<b>Net assets</b>		<b>2,706,365</b>	<b>3,291,194</b>
<b>Capital and reserves</b>			
Called-up share capital	16	100	100
Retained earnings			
Balance brought forward		3,291,094	3,890,530
Loss for the financial year		(584,829)	(199,436)
Dividends paid	17	-	(400,000)
		<b>2,706,265</b>	<b>3,291,094</b>
<b>Total equity</b>		<b>2,706,365</b>	<b>3,291,194</b>

The notes on pages 15 to 25 are an integral part of these financial statements.

The financial statements on pages 9 to 25 were approved by the board of directors on 12 March 2020 and were signed on its behalf by:

*P. A. Bullers*

P A Bullers  
Director

## Moda Living Limited

### Consolidated statement of changes in equity for the year ended 31 August 2019

	Called-up share capital £	Retained earnings £	Total equity £
Balance at 1 September 2017	100	6,559,409	6,559,509
Loss for the financial year	-	(141,409)	(141,409)
Total comprehensive expense for the year	-	(141,409)	(141,409)
Dividends (note 17)	-	(400,000)	(400,000)
Total transactions with owners, recognised directly in equity		(400,000)	(400,000)
Balance as at 31 August 2018	100	6,018,000	6,018,100
<b>Balance as at 1 September 2018</b>	<b>100</b>	<b>6,018,000</b>	<b>6,018,100</b>
<b>Profit for the financial year</b>	<b>-</b>	<b>4,036,870</b>	<b>4,036,870</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4,036,870</b>	<b>4,036,870</b>
<b>Balance as at 31 August 2019</b>	<b>100</b>	<b>10,054,870</b>	<b>10,054,970</b>

# Moda Living Limited

## Company statement of changes in equity for the year ended 31 August 2019

	Called-up share capital £	Retained earnings £	Total equity £
Balance at 1 September 2017	100	3,890,530	3,890,630
Loss for the financial year	-	(199,436)	(199,436)
Total comprehensive expense for the year	-	(199,436)	(199,436)
Dividends (note 17)	-	(400,000)	(400,000)
Total transactions with owners, recognised directly in equity		(400,000)	(400,000)
Balance as at 31 August 2018	100	3,291,094	3,291,194
Balance as at 1 September 2018	100	3,291,094	3,291,194
Loss for the financial year	-	(584,829)	(584,829)
Total comprehensive expense for the year	-	(584,829)	(584,829)
Balance as at 31 August 2019	100	2,706,265	2,706,365

# Moda Living Limited

## Consolidated statement of cash flows for the year ended 31 August 2019

	2019 £	2018 £
<b>Profit / (loss) for the financial year</b>	<b>4,036,870</b>	<b>(141,409)</b>
Adjustments for:		
Tax on loss	919,944	7,026
Net interest income	126,701	(120,684)
Income from interests in joint ventures	(1,895,581)	(214,775)
<b>Operating profit / (loss)</b>	<b>3,187,934</b>	<b>(469,842)</b>
Depreciation	2,974	1,598
Working capital movements:		
- Increase in inventories	(161,287)	(129,432)
- Increase in debtors	(11,364,522)	(8,826,029)
- Increase in creditors	3,983,465	12,444,145
Taxation paid	(11,144)	(18,326)
<b>Net cash (used in) / generated from operating activities</b>	<b>(4,362,580)</b>	<b>3,002,114</b>
<b>Cash flow from investing activities</b>		
Sale of interest in joint venture undertakings	1,740,520	335,000
Purchase of interest in joint venture undertakings	(250,001)	-
Purchase of tangible fixed assets (note 10)	(2,418)	(11,008)
Interest received	402,918	429,427
<b>Cash flow from financing activities</b>		
Interest paid	(529,619)	(308,743)
Dividends paid (note 17)	-	(400,000)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,001,180)</b>	<b>3,046,790</b>
Cash and cash equivalents at the beginning of the year	3,073,310	26,520
<b>Cash and cash equivalents at the end of the year</b>	<b>72,130</b>	<b>3,073,310</b>



# **Moda Living Limited**

## **Notes to the financial statements for the year ended 31 August 2019**

### **1 General information**

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Castlegarth Grange, Scott Lane, Wetherby, West Yorkshire, LS22 6LH.

### **2 Statement of compliance**

The group and individual financial statements of Moda Living Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

#### **Basis of preparation**

These consolidated and separate financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### **Basis of consolidation**

The financial statements of the group comprise a consolidation of the financial statements of the parent company and its subsidiaries, all of which are prepared up to 31 August. The results of subsidiary undertakings are consolidated from the date on which control passes. Intra-group sales and profits are eliminated fully on consolidation. The difference between the consideration paid for the acquisition of subsidiary undertakings and the fair value of the net assets acquired have been capitalised and amortised through the profit and loss account over the estimated useful life.

The financial statements include the group's share of the results and net assets of associated and joint venture undertakings, under the equity method of accounting, where those results and net assets are material. Results are based on interim accounts where the associated undertaking prepares statutory financial statements to a different year-end to the group. Dividends received from associated undertakings are accounted for when received.

#### **Investments**

Investments are recorded at cost less provisions for any impairment in value.

# **Moda Living Limited**

## **Notes to the financial statements for the year ended 31 August 2019 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the assets and the costs attributable to bringing the assets into working condition for its intended use.

Tangible fixed assets are depreciated at rates estimated to write them off over their expected useful lives.

Depreciation is provided on a reducing balance basis on plant, machinery and office equipment at the rate of 25% per annum.

#### **Stocks**

Development properties are included in the financial statements at the lower of cost and net realisable value. Cost includes interest attributable to individual projects, where appropriate.

#### **Taxation**

The charge for taxation is based on the result for the year. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

#### **Turnover**

Turnover includes the value of work done on construction contracts and the invoiced value of other sales, excluding Value Added Tax.

#### **Accounting for contracts**

Attributable profits are calculated based on the estimated total forecast result on each contract and the stage of completion on the contract. Attributable profits are not recognised until the point at which the outcome of the contract can be assessed with reasonable certainty. Provision is made for losses on all contracts as soon as such losses become apparent.

#### **Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are also made to the personal plans of certain employees.

The expenditure is charged to the profit and loss account in the year to which it relates.

# **Moda Living Limited**

## **Notes to the financial statements for the year ended 31 August 2019 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **Financial instruments**

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial instruments, including trade and other receivables, cash and bank balances and listed investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss, being the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate, is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed and is recognised in the profit and loss account.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### **4 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key accounting estimates and assumptions that have a significant risk if causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below :

#### **Debtor recoverability**

The company makes an estimate of the recoverable value of trade and other debtors, which includes contract costs recharged under the development agreement and accrued profits due on that project. When assessing whether any impairment of trade and other debtors is required, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience.

# Moda Living Limited

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 5 Operating profit / (loss)

Group operating profit / (loss) is stated after charging the following:	<b>2019</b> £	2018 £
Remuneration of auditors for audit work	<b>25,000</b>	20,000
Remuneration of auditors for non-audit work	<b>16,000</b>	15,000

### 6 Directors and employees

	<b>2019</b> £	2018 £
<b>Staff costs comprise:</b>		
Wages and salaries	<b>221,977</b>	82,249
Social security costs	<b>25,061</b>	9,527
Other pension costs	<b>8,653</b>	7,427
	<b>255,691</b>	99,203

The average monthly number of employees during the year was 5 (2018:2).

None of the directors received any emoluments in respect of their services to the company

Staff are principally provided by the shareholders, Caddick Developments Limited and Generate Land Limited, for which they are paid a management charge (note 19).

### 7 Interest receivable and similar income

	<b>2019</b> £	2018 £
Interest on loans to joint venture undertaking	<b>402,918</b>	429,427

# Moda Living Limited

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 8 Interest payable and similar expenses

	2019 £	2018 £
Bank overdraft interest	9	-
Other interest	10	743
Group interest	529,600	308,000
	529,619	308,743

### 9 Tax on profit / (loss)

	2019 £	2018 £
<b>Current tax:</b>		
UK corporation tax on profit / (loss) of the year at 19% (2018: 19%)	920,400	14,100
Adjustment in respect of previous years	(456)	(7,074)
Tax charge on profit / (loss)	919,944	7,026

The company has no liability for deferred taxation at 31 August 2018 and 31 August 2019.

The corporation tax charge on the profit / (loss) before taxation differs from the standard UK rate of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
<b>Profit / (loss) before tax</b>	<b>4,956,814</b>	<b>(134,383)</b>
Profit / (loss) multiplied by the standard rate of corporation tax in the UK at 19% (2018: 19%).	941,795	(25,532)
<b>Effects of:</b>		
(Profits) / losses of joint venture undertakings not deductible for tax purposes	(29,469)	22,843
Expenses not deductible for tax purposes	8,114	16,503
Rounding and other adjustments	(40)	286
Adjustment in respect of previous years	(456)	(7,074)
Tax charge on profit / (loss)	919,944	7,026

# Moda Living Limited

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 10 Tangible assets

	Office Equipment £	Total £
<b>Cost</b>		
At 1 September 2018	11,008	11,008
Additions	2,418	2,418
<b>At 31 August 2019</b>	<b>13,426</b>	<b>13,426</b>
<b>Accumulated depreciation</b>		
At 1 September 2018	1,598	1,598
Charge for the year	2,974	2,974
<b>At 31 August 2019</b>	<b>4,572</b>	<b>4,572</b>
<b>Net book amount</b>		
<b>At 31 August 2019</b>	<b>8,854</b>	<b>8,854</b>
At 31 August 2018	9,410	9,410

### 11 Investments

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Shares in subsidiary undertakings at cost	-	-	13	12
Share of net assets of joint venture	47,180	-	-	-
Other investment	3,000,000	3,000,000	-	-
	<b>3,047,180</b>	<b>3,000,000</b>	<b>13</b>	<b>12</b>

The other investment represents an equity contribution to the funding of the Angel Gardens project from the land sale proceeds received during a prior year. On Practical Completion of the development this contribution, together with the development profit, will be converted to a minority shareholding in the parent undertaking of the company which owns the completed property.

# **Moda Living Limited**

## **Notes to the financial statements for the year ended 31 August 2019 (continued)**

### **11 Investments (continued)**

The company has a 100% interest in each of the following companies, all of which are registered in England and Wales, with registered office at Castlegarth Grange, Scott Lane, Wetherby, LS22 6LH :

Moda Living (Angel Gardens) Limited	- property development company
Moda Living (Princes Dock) Limited	- property development company
Moda Living (Broad Street) Limited	- property development company
Moda Living (Holland Street) Limited	- property development company
Moda Living (Springside) Limited	- property development company
Moda Living (Great Charles Street) Limited	- property development company
Moda Living (Sackville Road) Limited	- property development company
Moda Living (Soyo) Limited	- property development company
Moda Living (Woking Gateway) Limited	- property development company
Moda Living (Ilford Island) Limited	- property development company
Moda Life Limited	- property management company
Moda Works Limited	- dormant

The company has an interest in each of the following companies, all of which are registered in Jersey, with registered office at 47 Esplanade, St. Helier, Jersey, JE1 0BD :

SoYo Property Company Limited (50% owned)	- property investment company
Holland Street Property Company Limited (50% owned)	- property investment company
Great Charles Street JV Company Limited (50% owned)	- property investment company
Sackville Street Property Company Limited (50% owned)	- property investment company
Heworth Green Property Company Limited (50% owned)	- property investment company

During the year the group disposed of its interests in Tower One Property Company Limited and Broad Street Property Company Limited.

The directors believe that the value of the investments is not less than the amount at which they are stated in the balance sheet.

# Moda Living Limited

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 11 Investments (continued)

The group's share of associates and joint ventures can be summarised as follows:

	Group	
	2019 £	2018 £
Operating loss	(187,831)	(153,130)
<b>Loss before taxation</b>	<b>(187,831)</b>	<b>(153,130)</b>
Fixed assets	11,276,330	11,818,739
Current assets	149,459	252,055
<b>Gross assets</b>	<b>11,425,789</b>	<b>12,070,794</b>
Liabilities due within one year	(11,378,609)	(12,428,676)
Liabilities due after one year	-	-
<b>Gross liabilities</b>	<b>(11,378,609)</b>	<b>(12,428,676)</b>
<b>Net assets / (liabilities) (note 15)</b>	<b>47,180</b>	<b>(357,882)</b>

### 12 Stocks

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
<b>Development properties</b>				
Cost	290,719	129,432	15,922	61,634
	<b>290,719</b>	<b>129,432</b>	<b>15,922</b>	<b>61,634</b>



# Moda Living Limited

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 13 Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	5,096,205	131,456	41,956	-
Amounts recoverable on contracts	8,987,966	5,897,849	-	-
Amounts owed by group undertakings	-	-	10,239,712	11,031,342
Amounts owed by joint venture undertakings	6,452,878	8,049,321	-	-
Group relief receivable	-	-	132,500	34,700
Other debtors	1,513,574	1,072,747	83,014	29,537
Prepayments and accrued income	6,393,106	1,927,834	108,106	27,834
	<b>28,443,729</b>	<b>17,079,207</b>	<b>10,605,288</b>	<b>11,123,413</b>

The amounts owed by group undertakings are unsecured, repayable on demand and bear interest at market rates.

Amounts owed by joint venture undertakings comprises :

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Tower One Property Company Limited	-	2,611,533	-	-
Broad Street Property Company Limited	-	3,380,560	-	-
Holland Street Property Company Limited	2,061,113	928,449	-	-
Sackville Street Property Company Limited	2,195,600	709,487	-	-
Heworth Green Property Company Limited	389,448	-	-	-
Great Charles Street Property Company Limited	1,806,717	419,292	-	-
	<b>6,452,878</b>	<b>8,049,321</b>	<b>-</b>	<b>-</b>

The amounts owed by joint venture undertakings are unsecured, repayable in less than one year and bear interest at 8%.

# Moda Living Limited

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 14 Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	7,583,540	5,661,077	163,138	122,734
Amounts owed to group undertakings	8,075,628	7,776,320	7,723,422	7,835,741
Corporation tax	922,900	14,100	-	-
Other taxes and social security	47,609	3,888	13,051	3,888
Accruals and deferred income	5,177,965	3,459,992	76,974	8,016
	<b>21,807,642</b>	<b>16,915,377</b>	<b>7,976,585</b>	<b>7,970,379</b>

The amounts owed to group undertakings are unsecured, repayable on demand and bear interest at 8% (2018: 8%) (note 8).

### 15 Provisions for liabilities

	Group		Company	
	2019	2018	2018	2017
	£	£	£	£
Share of net liabilities of joint venture undertakings (note 11)	-	357,882	-	-

### 16 Called-up share capital

	2019	2018
	£	£
<b>Allotted and fully paid</b>		
75 (2018: 75) "A" ordinary share of £1	75	75
25 (2018: 25) "B" ordinary share of £1	25	25
	<b>100</b>	<b>100</b>

The "A" ordinary and "B" ordinary shares rank pari passu in all material respects.

# Moda Living Limited

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 17 Dividends

	2019 £	2018 £
Interim "A" dividend : £Nil (2018: £4,000) per "A" ordinary share	-	300,000
Interim "B" dividend : £Nil (2018: £4,000) per "B" ordinary share	-	100,000
	-	400,000

### 18 Ultimate parent company and ultimate controlling party

The company's immediate parent undertaking is Caddick Developments Limited.

The company's ultimate parent company and parent undertaking of the smallest and largest group to consolidate these financial statements is Caddick Group PLC. Copies of the group financial statements may be obtained from the company secretary at the address shown on page 1.

The company's ultimate controlling party is Mr P Caddick.

### 19 Related party transactions

Included in creditors (note 14), within amounts owed to group undertakings, is a balance owed to the parent undertaking Caddick Developments Limited amounting to £7,100,604 (2018: £7,708,372) a loan which was unsecured, repayable on demand and bears interest at 8% (2018: 8%). Group interest charged on this balance amounted to £529,600 (2018: £308,000) (note 8).

During the financial year the company's subsidiaries incurred charges totalling £1,966,573 (2018: £1,776,456) in respect of development management services from Generate Land Limited, a 25% shareholder in the company.

During the financial year the company's subsidiaries incurred charges totalling £1,003,697 (2018: £887,478) in respect of development management services from Caddick Developments Limited, a 75% shareholder in the company.

Amounts owed by joint venture undertakings are disclosed in note 13.