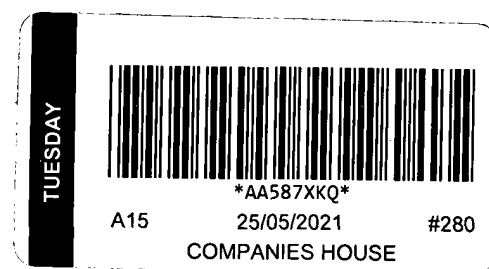


Registered number: 09109087

Moda Living Limited
Annual report
for the year ended 31 August 2020



Moda Living Limited

Annual report for the year ended 31 August 2020

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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 2020

The directors present their strategic report on the group for the financial year ended 31 August 2020.

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 £2,493,792 (2019: £4,036,870). A dividend of £Nil (2019: £Nil) was paid during the year.

The group completed the 458 unit residential tower block in Manchester in August 2020

The group is currently constructing further residential tower blocks in Liverpool (325 units), Birmingham (481 units), Leeds (515 units) and Edinburgh (337 units) on behalf of the property owners, each under a development agreement and joint venture agreement with the relevant Jersey based property company. These projects are expected to be completed between late 2021 and the end of 2022.

A further project in Glasgow (433 units) commenced construction works in early 2021, expected to complete in mid-2023. In addition, the group has an interest, via joint venture undertakings, in further sites in Birmingham, Hove and York. 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

With nine sites secured (of which one is completed and five are 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. The group continues to actively look for further BTR sites throughout the UK.

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

Going concern

The group has completed a rigorous review of its going concern assessment in light of the COVID-19 pandemic. This comprised of:

- preparing cashflow forecasts for the group, looking ahead for the next 18 months;
- stress testing those cashflows by considering 'worse-case' potential downside scenarios;
- reviewing the group's robust policy towards liquidity and cash flow management and the policy of forward funding / selling development projects.

Specific actions taken by the group during the year to mitigate the financial impact of COVID-19 included temporary reductions in pay for all staff.

The results of the review and actions taken mean that the group is well placed to meet any challenges as a result of COVID-19 and any other economic issues in the forthcoming year and that it is appropriate to prepare financial statements on a going concern basis.

Moda Living Limited

Strategic report for the year ended 31 August 2020 (continued)

Statement under section 172(1) of the Companies Act

Each of the directors acknowledges their responsibility to promote the success of the company for its shareholders, having due regard (amongst other matters) to:

- the likely consequences of any decisions on the long-term;
- the interests of the group and company's employees;
- the need to foster the group and company's business relationships with supplier, customers, lenders, joint venture partners and others;
- the impact of the group and company's operations on the community and environment;
- the desirability of the group and company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the group and company.

The Board comprises the Chairman (and founder of the ultimate parent undertaking business some 40 years ago), the Group Finance Director and a mix of directors from the two parent companies, Caddick Developments and Generate Land. Regular board meetings are held at covering strategic and tactical decisions, financial performance (both actual and forecast), staff matters, health & safety etc... all of which have a bearing on the long-term impact and success of the business.

The group attaches great importance to fostering good relationships with its employees, suppliers, customers, funders, joint venture partners and other stakeholders. It acknowledges that the long-term success of the company is dependent on the way it works with the various stakeholders and the group is committed to acting professionally and with integrity in all business relationships, including in relation to anti-bribery and modern slavery.

Our employees are the foundation of the group's success and in return we offer attractive jobs and comprehensive opportunities for personal development. The group takes pride in having a long serving workforce with low staff turnover. Engagement with employees takes many forms including formal and informal meetings, annual staff appraisals and regular e-mail communications.

The group recognises that it must act responsibly towards the environment and continues to implement policies and procedures to minimise damage caused to the environment. The group promotes energy efficiency. On property developments the group applies BREEAM where appropriate and the majority of building sites are registered with the Considerate Constructors Scheme, committing the group to being good neighbours and environmentally aware.

Further details of the Group's approach to Environmental, Social and Governance matters can be found in the Group ESG report, available from the Registered Office.

Moda Living Limited

Strategic report for the year ended 31 August 2020 (continued)

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 BTR sector and how these factors affect the business.

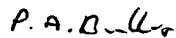
Financial risk management

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

19 May 2021

Moda Living Limited

Directors' report for the year ended 31 August 2020

The directors present their report and the audited consolidated financial statements of the company and its subsidiaries for the financial year ended 31 August 2020.

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 2020 (continued)

Directors' indemnities

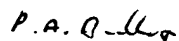
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also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

19 May 2021

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 2020 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 2020; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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 2020 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, 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. 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

19 May 2021

Moda Living Limited

Consolidated profit and loss account for the year ended 31 August 2020

	Note	2020 £	2019 £
Turnover		119,906,468	88,286,466
Cost of sales		(114,689,575)	(83,838,707)
Gross profit		5,216,893	4,447,759
Administrative expenses		(1,660,057)	(1,259,825)
Operating profit	5	3,556,836	3,187,934
Profit on disposal of investment in joint ventures		-	2,083,412
Share of operating loss of joint ventures	11	(309,342)	(187,831)
Profit before interest and taxation		3,247,494	5,083,515
Interest receivable and similar income	7	674,333	402,918
Interest payable and similar expenses	8	(767,269)	(529,619)
Profit before taxation		3,154,558	4,956,814
Tax on profit	9	(660,766)	(919,944)
Profit for the financial year		2,493,792	4,036,870
Profit attributable to:			
Owners of the parent		2,666,310	4,036,870
Non-controlling interests		(172,518)	-
Profit for the financial year		2,493,792	4,036,870

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 above, and therefore no separate statement of comprehensive income has been presented.

Moda Living Limited

Consolidated balance sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	7,338	8,854
Investments	11	3,000,000	3,047,180
		3,007,338	3,056,034
Current assets			
Stocks	12	20,974	290,719
Debtors	13	41,362,062	28,443,729
Cash at bank and in hand		381,513	72,130
		41,764,549	28,806,578
Creditors: amounts falling due within one year	14	(31,960,930)	(21,807,642)
Net current assets		9,803,619	6,998,936
Total assets less current liabilities		12,810,957	10,054,970
Provision for liabilities	15	(262,162)	-
Net assets		12,548,795	10,054,970
Capital and reserves			
Called-up share capital	16	100	100
Retained earnings		12,721,180	10,054,870
Equity attributable to owners of the parent		12,721,280	10,054,870
Non-controlling interests		(172,485)	-
Total equity		12,548,795	10,054,970

The notes on pages 16 to 26 are an integral part of these financial statements.

The financial statements on pages 10 to 26 were approved by the board of directors on 19 May 2021 and were signed on its behalf by:

P.A.D. - U

P A Bullers
Director

Moda Living Limited

Company balance sheet as at 31 August 2020

Registered number: 09109087

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	7,338	8,854
Investments	11	13	13
		7,351	8,867
Current assets			
Stocks	12	20,974	15,922
Debtors	13	13,202,144	10,605,288
Cash at bank and in hand		51,686	52,873
		13,274,804	10,674,083
Creditors: amounts falling due within one year	14	(11,614,734)	(7,976,585)
Net current assets		1,660,070	2,697,498
Net assets		1,667,421	2,706,365
Capital and reserves			
Called-up share capital	16	100	100
Retained earnings			
Balance brought forward		2,706,265	3,291,094
Loss for the financial year		(1,038,944)	(584,829)
		1,667,321	2,706,265
Total equity		1,667,421	2,706,365

The notes on pages 16 to 26 are an integral part of these financial statements.

The financial statements on pages 10 to 26 were approved by the board of directors on 19 May 2021 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 2020

	Called-up share capital £	Retained earnings £	Total £	Non- controlling interest £	Total equity £
Balance at 1 September 2018	100	6,018,000	6,018,100	-	6,018,100
Profit for the financial year	-	4,036,870	4,036,870	-	4,036,870
Total comprehensive income for the year	-	4,036,870	4,036,870	-	4,036,870
Balance as at 31 August 2019	100	10,054,870	10,054,970	-	10,054,970
Balance as at 1 September 2019	100	10,054,870	10,054,970	-	10,054,970
Profit for the financial year	-	2,666,310	2,666,310	(172,518)	2,512,631
Total comprehensive income for the year	-	2,666,310	2,666,310	(172,518)	2,512,631
Issue of shares in subsidiary undertaking to minority interest		-	-	33	33
Balance as at 31 August 2020	100	12,721,180	12,721,280	(173,485)	12,548,795

Moda Living Limited

Company statement of changes in equity for the year ended 31 August 2020

	Called-up share capital £	Retained earnings £	Total equity £
Balance 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
Balance as at 1 September 2019	100	2,706,265	2,706,365
Loss for the financial year	-	(1,038,944)	(1,038,944)
Total comprehensive expense for the year	-	(1,038,944)	(1,038,944)
Balance as at 31 August 2020	100	1,667,321	1,667,421

Moda Living Limited

Consolidated statement of cash flows for the year ended 31 August 2020

	2020 £	2019 £
Profit for the financial year	2,493,792	4,036,870
Adjustments for:		
Tax on loss	660,766	919,944
Net interest expense	92,936	126,701
Loss / (income) from interests in joint ventures	309,342	(1,895,581)
Operating profit	3,556,836	3,187,934
Depreciation	3,868	2,974
Working capital movements:		
- Decrease / (increase) in stocks	269,745	(161,287)
- Increase in debtors	(12,918,333)	(11,364,522)
- Increase in creditors	10,393,888	3,983,465
Taxation paid	(901,366)	(11,144)
Net cash generated from / (used in) operating activities	404,638	(4,362,580)
Cash flow from investing activities		
Sale of interest in joint venture undertakings	-	1,740,520
Sale of minority interest in subsidiary undertakings	33	-
Purchase of interest in joint venture undertakings	-	(250,001)
Purchase of tangible fixed assets (note 10)	(2,352)	(2,418)
Interest received	674,333	402,918
Cash flow from financing activities		
Interest paid	(767,269)	(529,619)
Net increase / (decrease) in cash and cash equivalents	309,383	(3,001,180)
Cash and cash equivalents at the beginning of the year	72,130	3,073,310
Cash and cash equivalents at the end of the year	381,513	72,130

Moda Living Limited

Notes to the financial statements for the year ended 31 August 2020

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 2020 (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. All turnover arises in the United Kingdom.

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 2020 (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 of 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 2020 (continued)

5 Operating profit

Group operating profit is stated after charging the following:	2020 £	2019 £
Remuneration of auditors for audit work	39,500	25,000
Remuneration of auditors for non-audit work	21,500	16,000

The group audit fee disclosed above includes £8,000 (2019: £6,500) in respect of the parent company.

6 Directors and employees

	2020 £	2019 £
Staff costs comprise:		
Wages and salaries	599,680	221,977
Social security costs	66,798	25,061
Other pension costs	20,715	8,653
	687,193	255,691

The average monthly number of employees during the year was 17 (2019:5).

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

	2020 £	2019 £
Interest on loans to joint venture undertaking	670,490	402,918
Other interest receivable	3,843	-
	674,333	402,918

Moda Living Limited

Notes to the financial statements for the year ended 31 August 2020 (continued)

8 Interest payable and similar expenses

	2020 £	2019 £
Bank overdraft interest	-	9
Other interest	2,269	10
Group interest	765,000	529,600
	767,269	529,619

9 Tax on profit

	2020 £	2019 £
Current tax:		
UK corporation tax on profit of the year at 19% (2019: 19%)	679,700	920,400
Adjustment in respect of previous years	(18,934)	(456)
Tax charge on profit	660,766	919,944

The corporation tax charge on the profit before taxation differs from the standard UK rate of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	3,154,558	4,956,814
Profit multiplied by the standard rate of corporation tax in the UK at 19% (2019: 19%).	599,366	941,795
Effects of:		
Losses / (profits) of joint venture undertakings not deductible for tax purposes	58,775	(29,469)
Expenses not deductible for tax purposes	22,585	8,114
Rounding and other adjustments	(1,026)	(40)
Adjustment in respect of previous years	(18,934)	(456)
Tax charge on profit	660,766	919,944

The company has no liability for deferred taxation at 31 August 2019 and 31 August 2020.

Moda Living Limited

Notes to the financial statements for the year ended 31 August 2020 (continued)

10 Tangible assets

Group and parent	Office Equipment £	Total £
Cost		
At 1 September 2019	13,426	13,426
Additions	2,352	2,352
At 31 August 2020	15,778	15,778
Accumulated depreciation		
At 1 September 2019	4,572	4,572
Charge for the year	3,868	3,868
At 31 August 2020	8,440	8,440
Net book amount		
At 31 August 2020	7,338	7,338
At 31 August 2019	8,854	8,854

11 Investments

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Shares in subsidiary undertakings at cost	-	-	13	13
Share of net assets of joint venture	-	47,180	-	-
Other investment	3,000,000	3,000,000	-	-
	3,000,000	3,047,180	13	13

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. Subsequent to the year-end, on 10 February 2021, this contribution together with the development profit accrued of £4,000,000 included within prepayments (note 13) was 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 2020 (continued)

11 Investments (continued)

The company has a 100% interest in each of the following companies unless otherwise stated, 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 Living (Heworth Green) Limited	- property development company
Moda Living (Springside Block E) Limited	- property development company
Moda Life Limited	- property management company
Moda Life Management Limited (67% owned)	- 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 :

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

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 2020 (continued)

11 Investments (continued)

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

	Group	
	2020	2019
	£	£
Operating loss	(309,342)	(187,831)
Loss before taxation	(309,342)	(187,831)
Fixed assets	12,699,266	11,276,330
Current assets	1,225,548	149,459
Gross assets	13,924,814	11,425,789
Liabilities due within one year	(14,186,976)	(11,378,609)
Gross liabilities	(14,186,976)	(11,378,609)
Net (liabilities) (note 15) / assets	(262,162)	47,180

12 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Development properties				
Cost	20,974	290,719	20,974	15,922
	20,974	290,719	20,974	15,922

Moda Living Limited

Notes to the financial statements for the year ended 31 August 2020 (continued)

13 Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,632,488	5,096,205	106,368	41,956
Amounts recoverable on contracts	13,577,027	8,987,966	-	-
Amounts owed by group undertakings	-	-	12,712,572	10,239,712
Amounts owed by associated and joint venture	8,337,804	6,452,878	-	-
Loan to associated undertakings	2,907,300	-	-	-
Corporation tax recoverable	24,372	-	-	-
Group relief receivable	-	-	157,900	132,500
Other debtors	483,246	1,513,574	34,818	83,014
Prepayments and accrued income	12,399,825	6,393,106	190,486	108,106
	41,362,062	28,443,729	13,202,144	10,605,288

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	
	2020	2019	2020	2019
	£	£	£	£
Holland Street Property Company Limited	2,559,649	2,061,113	-	-
Sackville Street Property Company Limited	2,947,696	2,195,600	-	-
Heworth Green Property Company Limited	400,559	389,448	-	-
Great Charles Street Property Company Limited	2,429,900	1,806,717	-	-
	8,337,804	6,452,878	-	-

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

The loan to associated undertakings is an amount owed by Angel Gardens Property Company Limited, is secured by a second charge on that company's investment property, bears interest at 12.5% and is repayable by March 2021.

Moda Living Limited

Notes to the financial statements for the year ended 31 August 2020 (continued)

14 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	9,755,281	7,583,540	161,724	163,138
Amounts owed to group undertakings	14,398,998	8,075,628	11,106,585	7,723,422
Amounts owed by related undertakings	199,095	-	-	-
Corporation tax	682,300	922,900	-	-
Other taxes and social security	28,013	47,609	18,375	13,051
Accruals and deferred income	6,897,243	5,177,965	328,050	76,974
	31,960,930	21,807,642	11,614,734	7,976,585

The amounts owed to group undertakings are unsecured, repayable on demand and bear interest at between 5% and 12.5% (2019: 8%) (note 8).

15 Provisions for liabilities

	Group		Company	
	2020	2019	2019	2017
	£	£	£	£
Share of net liabilities of joint venture undertakings (note 11)	262,162	-	-	-

16 Called-up share capital

	2020	2019
	£	£
Allotted and fully paid		
75 (2019: 75) "A" ordinary share of £1	75	75
25 (2019: 25) "B" ordinary share of £1	25	25
	100	100

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 2020 (continued)

17 Ultimate parent company and ultimate controlling party

The company's immediate parent undertaking is Caddick (JPC 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, in his capacity as Trustee of the Paul Caddick Accumulation and Maintenance Settlement.

18 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 £13,638,142 (2019: £7,100,604) a loan which was unsecured, repayable on demand and bears interest at between 5% and 12.5% (2019: 8%). Group interest charged on this balance amounted to £765,000 (2019: £529,600) (note 8).

During the financial year the company's subsidiaries incurred charges totalling £2,864,478 (2019: £1,966,573) 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 £1,660,032 (2019: £1,003,697) in respect of development management services from Caddick Developments Limited, a 75% shareholder in the company.

During the financial year the company's subsidiaries incurred charges totalling £17,742,733 (2019: £6,819,356) in respect of construction services from Caddick Construction Limited, a fellow subsidiary company.

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