

Company registration number 12808875 (England and Wales)

MODNARWAY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023
PAGES FOR FILING WITH REGISTRAR

MODNARWAY LIMITED

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MODNARWAY LIMITED

BALANCE SHEET

AS AT 31 JULY 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		4,418,687		-
Investment property	4		351,191		351,191
Investments	5		70,501		70,501
			<u>4,840,379</u>		<u>421,692</u>
Current assets					
Debtors	6	2,483,466		2,012,100	
Cash at bank and in hand		8,853		659	
		<u>2,492,319</u>		<u>2,012,759</u>	
Creditors: amounts falling due within one year	7	<u>(2,798,812)</u>		<u>(1,030,251)</u>	
Net current (liabilities)/assets			<u>(306,493)</u>		<u>982,508</u>
Total assets less current liabilities			<u>4,533,886</u>		<u>1,404,200</u>
Creditors: amounts falling due after more than one year	8		<u>(4,878,798)</u>		<u>(1,498,699)</u>
Net liabilities			<u><u>(344,912)</u></u>		<u><u>(94,499)</u></u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss reserves			<u>(345,012)</u>		<u>(94,599)</u>
Total equity			<u><u>(344,912)</u></u>		<u><u>(94,499)</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 July 2023 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

MODNARWAY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2023

The financial statements were approved and signed by the director and authorised for issue on 30 April 2024

D Fisher
Director

Company registration number 12808875 (England and Wales)

MODNARWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Company information

Modnarway Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Apartment Group, 1st Floor, Two, Jesmond Three Sixty, Newcastle upon Tyne, NE2 1DB.

1.1 Reporting period

Last year the company's reporting period end was changed to July to be consistent with other related companies, therefore as a result last year was a shortened period of 11 months, therefore as a result the comparative figures are not entirely comparable.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Group company exemption

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The turnover of the hotel is derived primarily from the hire of rooms, weddings and functions, and food and beverage sales. Turnover is recognised when services have been rendered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	
Plant and equipment	10% reducing balance
Fixtures and fittings	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

In accordance with the true and fair principle, there was no depreciation charge for freehold land and buildings in the year. The director believes that this represents a more accurate view of the value of these tangible fixed assets.

MODNARWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

MODNARWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	1	1
	==	==

MODNARWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

3 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 August 2022	-	-	-	-
Additions	4,407,901	1,250	9,802	4,418,953
	<u>4,407,901</u>	<u>1,250</u>	<u>9,802</u>	<u>4,418,953</u>
At 31 July 2023	4,407,901	1,250	9,802	4,418,953
	<u>4,407,901</u>	<u>1,250</u>	<u>9,802</u>	<u>4,418,953</u>
Depreciation and impairment				
At 1 August 2022	-	-	-	-
Depreciation charged in the year	-	10	256	266
	<u>-</u>	<u>10</u>	<u>256</u>	<u>266</u>
At 31 July 2023	-	10	256	266
	<u>-</u>	<u>10</u>	<u>256</u>	<u>266</u>
Carrying amount				
At 31 July 2023	4,407,901	1,240	9,546	4,418,687
	<u>4,407,901</u>	<u>1,240</u>	<u>9,546</u>	<u>4,418,687</u>
At 31 July 2022	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

4 Investment property

	2023 £
Fair value	
At 1 August 2022 and 31 July 2023	351,191
	<u>351,191</u>

The director considers the value per the financial statements reflects the fair value as at the year end.

5 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	70,501	70,501
	<u>70,501</u>	<u>70,501</u>

6 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Amounts owed by group undertakings	2,431,000	2,012,000
Amounts owed by related parties	28,417	-
Other debtors	312	100
Prepayments and accrued income	23,737	-
	<u>2,483,466</u>	<u>2,012,100</u>

MODNARWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

7 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	163,730	108,740
Trade creditors	19,007	-
Amounts owed to related parties	2,467,886	913,039
Taxation and social security	10,505	-
Other creditors	76,331	-
Accruals and deferred income	61,353	8,472
	<u>2,798,812</u>	<u>1,030,251</u>

8 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans	<u>4,878,798</u>	<u>1,498,699</u>

Bank loans are secured with fixed charges over the assets of the group.

Creditors which fall due after five years are as follows:

	2023 £	2022 £
Payable by instalments	<u>3,525,025</u>	<u>-</u>

9 Called up share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10 Financial commitments, guarantees and contingent liabilities

The loan taken out with National Westminster Bank plc has unlimited cross guarantees given by Whitworth Hall Developments Ltd, Apartment 1 Ltd, Newton Hall (Northumberland) Ltd and Manners (Newcastle) Ltd.

11 Related party transactions

	2023 £	2022 £
Amounts due to related parties		
Other related parties	<u>2,467,886</u>	<u>913,039</u>

MODNARWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

11 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2023	2022
Amounts due from related parties	£	£
Entities over which the entity has control, joint control or significant influence	2,431,000	2,012,000
	<u> </u>	<u> </u>

12 Parent company

The ultimate controlling party is D Fisher by virtue of his interest in the issued share capital of the company.

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.