

COMPANY REGISTRATION NUMBER: 01097023

**Modwood Limited**

**Filleted Unaudited Financial Statements**

**For the period ended**

**31 August 2019**

# Modwood Limited

## Statement of Financial Position

**31 August 2019**

		2019	2018
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	5	81,086	101,358
<b>Current assets</b>			
Stocks		65,878	59,975
Debtors	6	535,263	556,653
Cash at bank and in hand		86,807	13,606
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		687,948	630,234
<b>Creditors: amounts falling due within one year</b>	7	578,781	438,145
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<b>Net current assets</b>		109,167	192,089
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<b>Total assets less current liabilities</b>		190,253	293,447
<b>Creditors: amounts falling due after more than one year</b>	8	18,172	37,702
<b>Provisions</b>			
Taxation including deferred tax		15,280	19,087
		-----	-----
<b>Net assets</b>		156,801	236,658
		-----	-----
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		156,701	236,558
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<b>Shareholders funds</b>		156,801	236,658
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These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

For the year ending 31 August 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

# **Modwood Limited**

## **Statement of Financial Position** *(continued)*

**31 August 2019**

These financial statements were approved by the board of directors and authorised for issue on 29 May 2020 , and are signed on behalf of the board by:

Mr.J.J. Graham

Mr.D. Graham

Director

Director

Company registration number: 01097023

# **Modwood Limited**

## **Notes to the Financial Statements**

### **Year ended 31 August 2019**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 11 Queens Road, Brentwood, Essex, CM14 4HE.

#### **2. Statement of compliance**

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

#### **3. Accounting policies**

##### **Basis of preparation**

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

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

##### **Judgements and key sources of estimation uncertainty**

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

##### **Revenue recognition**

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

##### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Straight line over the life of the lease
Plant and Machinery	-	20% reducing balance
Motor Vehicles	-	25% reducing balance

### **Impairment of fixed assets**

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

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

**Provisions**

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

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**4. Employee numbers**

The average number of persons employed by the company during the year amounted to 12 (2018: 14 ).

## 5. Tangible assets

	Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
<b>At 1 September 2018 and 31 August 2019</b>	2,773	424,840	<b>427,613</b>
<b>Depreciation</b>			
At 1 September 2018	2,773	323,482	<b>326,255</b>
Charge for the year	—	20,272	<b>20,272</b>
<b>At 31 August 2019</b>	2,773	343,754	<b>346,527</b>
<b>Carrying amount</b>			
<b>At 31 August 2019</b>	—	81,086	<b>81,086</b>
At 31 August 2018	—	101,358	101,358

## 6. Debtors

	2019 £	2018 £
Trade debtors	289,399	204,884
Other debtors	245,864	351,769
	535,263	556,653

## 7. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	252,394	243,050
Corporation tax	128,656	60,436
Social security and other taxes	130,738	77,318
Other creditors	66,993	57,341
	578,781	438,145

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

	2019 £	2018 £
Other creditors	18,172	37,702

## 9. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Later than 1 year and not later than 5 years	29,000	29,000
Later than 5 years	23,000	23,000
	52,000	52,000

## 10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

<b>2019</b>			
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr.J.J. Graham	173,530	( 52,970)	<b>120,560</b>
Mrs.S.A. Graham	34,706	( 10,594)	<b>24,112</b>
Mr.D. Graham	138,823	( 42,375)	<b>96,448</b>
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	347,059	( 105,939)	<b>241,120</b>
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<b>2018</b>			
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr.J.J. Graham	92,658	80,872	173,530
Mrs.S.A. Graham	18,532	16,174	34,706
Mr.D. Graham	74,126	64,697	138,823
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	185,316	161,743	347,059
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