

COMPANY REGISTRATION NUMBER: 01097023

**Modwood Limited**

**Filleted Unaudited Financial Statements**

**For the year ended**

**31 August 2020**

# Modwood Limited

## Statement of Financial Position

**31 August 2020**

		2020	2019
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	5	160,865	81,086
<b>Current assets</b>			
Stocks		75,551	65,878
Debtors	6	446,724	535,263
Cash at bank and in hand		95,183	86,807
		617,458	687,948
<b>Creditors: amounts falling due within one year</b>	7	501,067	578,781
<b>Net current assets</b>		116,391	109,167
<b>Total assets less current liabilities</b>		277,256	190,253
<b>Creditors: amounts falling due after more than one year</b>	8	92,543	18,172
<b>Provisions</b>			
Taxation including deferred tax		30,460	15,280
<b>Net assets</b>		154,253	156,801
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		154,153	156,701
<b>Shareholders funds</b>		154,253	156,801

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

For the year ending 31 August 2020 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 2020**

These financial statements were approved by the board of directors and authorised for issue on 27 August 2021 , 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 2020**

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

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Swan House, 9 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

### **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.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a 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 15 (2019: 12 ).

#### 5. Tangible assets

	Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 September 2019	2,773	424,840	<b>427,613</b>
Additions	—	120,000	<b>120,000</b>
	-----	-----	-----
<b>At 31 August 2020</b>	<b>2,773</b>	<b>544,840</b>	<b>547,613</b>
	-----	-----	-----
<b>Depreciation</b>			
At 1 September 2019	2,773	343,754	<b>346,527</b>
Charge for the year	—	40,221	<b>40,221</b>
	-----	-----	-----
<b>At 31 August 2020</b>	<b>2,773</b>	<b>383,975</b>	<b>386,748</b>
	-----	-----	-----
<b>Carrying amount</b>			
<b>At 31 August 2020</b>	<b>—</b>	<b>160,865</b>	<b>160,865</b>
	-----	-----	-----
At 31 August 2019	—	81,086	81,086
	-----	-----	-----

#### 6. Debtors

	2020 £	2019 £
Trade debtors	<b>189,396</b>	289,399
Other debtors	<b>257,328</b>	245,864
	-----	-----
	<b>446,724</b>	535,263
	-----	-----

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

	2020 £	2019 £
Trade creditors	<b>136,020</b>	252,394
Corporation tax	<b>142,226</b>	128,656
Social security and other taxes	<b>145,545</b>	130,738
Other creditors	<b>77,276</b>	66,993
	-----	-----
	<b>501,067</b>	578,781
	-----	-----

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

	2020 £	2019 £
Other creditors	<b>92,543</b>	18,172
	-----	-----

## 9. Operating leases

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

	2020	2019
	£	£
Later than 1 year and not later than 5 years	<b>29,000</b>	29,000
Later than 5 years	<b>23,000</b>	23,000
	<b>52,000</b>	52,000

## 10. Directors' advances, credits and guarantees

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

	2020		
	Balance	Advances/ (credits) to the	Balance
	brought forward	directors	outstanding
	£	£	£
Mr.J.J. Graham	120,560	5,097	<b>125,657</b>
Mrs.S.A. Graham	24,112	1,019	<b>25,131</b>
Mr.D. Graham	96,448	4,077	<b>100,525</b>
	241,120	10,193	<b>251,313</b>
	2019		
	Balance	Advances/ (credits) to the	Balance
	brought forward	directors	outstanding
	£	£	£
Mr.J.J. Graham	173,530	( 52,970)	120,560
Mrs.S.A. Graham	34,706	( 10,594)	24,112
Mr.D. Graham	138,823	( 42,375)	96,448
	347,059	( 105,939)	241,120

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.