

# Modular Granite Ltd

trading as South Coast Stone

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 December 2020

Deborah Rees ACMA  
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5 Benedict Close  
Romsey  
Hampshire  
SO51 8PN

**Modular Granite Ltd**  
**trading as South Coast Stone**

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**Modular Granite Ltd**  
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**Company Information**

<b>Director</b>	Mr A Croce
<b>Registered office</b>	3 Cowley Road Nuffield Industrial Estate Poole Dorset BH17 0UJ
<b>Accountants</b>	Deborah Rees ACMA AIMS Accountants for Business 5 Benedict Close Romsey Hampshire SO51 8PN

**Modular Granite Ltd**  
**trading as South Coast Stone**

**(Registration number: 05220945)**  
**Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	244,522	217,977
<b>Current assets</b>			
Stocks	<u>5</u>	206,050	79,345
Debtors	<u>6</u>	432,690	305,826
Cash at bank and in hand		69,897	9,414
		<u>708,637</u>	<u>394,585</u>
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	<u>(439,295)</u>	<u>(241,080)</u>
<b>Net current assets</b>		<u>269,342</u>	<u>153,505</u>
<b>Total assets less current liabilities</b>		513,864	371,482
<b>Creditors:</b> Amounts falling due after more than one year	<u>7</u>	<u>(88,056)</u>	<u>(38,056)</u>
<b>Provisions for liabilities</b>		<u>(45,835)</u>	<u>(40,324)</u>
<b>Net assets</b>		<u>379,973</u>	<u>293,102</u>
<b>Capital and reserves</b>			
Called up share capital	<u>8</u>	2	2
Profit and loss account		<u>379,971</u>	<u>293,100</u>
Shareholders' funds		<u>379,973</u>	<u>293,102</u>

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

**Modular Granite Ltd**  
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**(Registration number: 05220945)**  
**Balance Sheet as at 31 December 2020**

Approved and authorised by the director on 30 September 2021

Mr A Croce  
Director

**Modular Granite Ltd**  
**trading as South Coast Stone**

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

**1 General information**

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

3 Cowley Road  
Nuffield Industrial Estate  
Poole  
Dorset  
BH17 0UJ

These financial statements were authorised for issue by the director on 30 September 2021.

**2 Accounting policies**

**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

**Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

**Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

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**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

**Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

**Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

**Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	20% reducing balance basis
Fixtures and fittings	20% reducing balance basis
Motor vehicles	20% reducing balance basis
Office equipment	20% reducing balance basis
Short Leasehold	6 years Straight Line

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**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

**Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

**Share based payments**

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

**3 Staff numbers**

The average number of persons employed by the company (including the director) during the year, was 12 (2019 - 16 ).

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**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

**4 Tangible assets**

	Short leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £
<b>Cost or valuation</b>					
At 1 January 2020	4,666	54,781	527,304	11,108	96,606
Additions	-	-	8,792	-	71,508
Disposals	-	-	(15,000)	-	(7,906)
At 31 December 2020	4,666	54,781	521,096	11,108	160,208
<b>Depreciation</b>					
At 1 January 2020	2,333	39,069	371,080	7,001	57,005
Charge for the year	777	3,143	27,326	821	19,229
Eliminated on disposal	-	-	(13,390)	-	(7,057)
At 31 December 2020	3,110	42,212	385,016	7,822	69,177
<b>Carrying amount</b>					
At 31 December 2020	1,556	12,569	136,080	3,286	91,031
At 31 December 2019	2,333	15,712	156,224	4,107	39,601

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**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

	<b>Total £</b>
<b>Cost or valuation</b>	
At 1 January 2020	694,465
Additions	80,300
Disposals	<u>(22,906)</u>
At 31 December 2020	<u>751,859</u>
<b>Depreciation</b>	
At 1 January 2020	476,488
Charge for the year	51,296
Eliminated on disposal	<u>(20,447)</u>
At 31 December 2020	<u>507,337</u>
<b>Carrying amount</b>	
At 31 December 2020	<u><u>244,522</u></u>
At 31 December 2019	<u><u>217,977</u></u>

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**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

**5 Stocks**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Work in progress	150,300	17,720
Other inventories	55,750	61,625
	<u>206,050</u>	<u>79,345</u>

**6 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	272,186	216,179
Other debtors	160,504	89,647
	<u>432,690</u>	<u>305,826</u>

**7 Creditors**

**Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
	<b>Note</b>	
<b>Due within one year</b>		
Loans and borrowings	<u>9</u>	25,066
Trade creditors		67,653
Taxation and social security		72,724
Accruals and deferred income		28,226
Other creditors		47,411
		<u>439,295</u>
		<u>241,080</u>

**Creditors: amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
	<b>Note</b>	
<b>Due after one year</b>		
Loans and borrowings	<u>9</u>	38,056
		<u>88,056</u>
		<u>38,056</u>

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**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

	2020 £	2019 £
<b>Due after more than five years</b>		
After more than five years by instalments	50,000	-
	<hr/> <hr/>	<hr/> <hr/>

**8 Share capital**

**Allotted, called up and fully paid shares**

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

**9 Loans and borrowings**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	38,056	38,056
Other borrowings	50,000	-
	<u>88,056</u>	<u>38,056</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>		
Hire purchase contracts	46,232	25,066

Included in the loans and borrowings are the following amounts due after more than five years:

**Other loans after five years**

Bounce Back Loan

**10 Dividends**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interim dividend of £50,000 (2019 - £89,000) per ordinary share	50,000	89,000

**11 Related party transactions**

**Transactions with directors**

	<b>At 1</b>		<b>Repayments</b>	<b>At 31</b>
	<b>January</b>	<b>Advances to</b>	<b>by director</b>	<b>December</b>
	<b>2020</b>	<b>directors</b>	<b>£</b>	<b>2020</b>
	<b>£</b>	<b>£</b>		<b>£</b>
<b>2020</b>				
<b>Mr A Croce</b>				
Directors current account	52,506	264,817	(190,100)	127,223

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