

Company Registration No. 07362460 (England and Wales)

BOUTIQUE MODERN LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019
PAGES FOR FILING WITH REGISTRAR

BOUTIQUE MODERN LIMITED

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BOUTIQUE MODERN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
	Notes	£	as restated £
Turnover		1,855,448	2,329,709
Cost of sales		(2,106,445)	(2,220,457)
		<hr/>	<hr/>
Gross (loss)/profit		(250,997)	109,252
Administrative expenses		(440,190)	(421,557)
Exceptional item	2	-	(44,954)
		<hr/>	<hr/>
Operating loss	3	(691,187)	(357,259)
Interest payable and similar expenses		(103,246)	(80,800)
		<hr/>	<hr/>
Loss before taxation		(794,433)	(438,059)
Tax on loss		-	-
		<hr/>	<hr/>
Loss for the financial year		<u>(794,433)</u>	<u>(438,059)</u>

BOUTIQUE MODERN LIMITED

BALANCE SHEET

AS AT 30 JUNE 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		8,108		5,722
Current assets					
Stocks		46,073		131,464	
Debtors	6	108,845		407,081	
		<u>154,918</u>		<u>538,545</u>	
Creditors: amounts falling due within one year	7	<u>(1,026,823)</u>		<u>(1,098,222)</u>	
Net current liabilities			<u>(871,905)</u>		<u>(559,677)</u>
Total assets less current liabilities			<u>(863,797)</u>		<u>(553,955)</u>
Creditors: amounts falling due after more than one year	8		1,635,305		1,150,714
Capital and reserves					
Called up share capital	9		1,000		1,000
Share premium account			300		300
Profit and loss reserves	10		<u>(2,500,402)</u>		<u>(1,705,969)</u>
Total equity			<u>(863,797)</u>		<u>(553,955)</u>

For the financial year ended 30 June 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the board of directors and authorised for issue on 3 July 2020 and are signed on its behalf by:

Mr R J Shone
Director

Mr N Eckert
Director

Company Registration No. 07362460

BOUTIQUE MODERN LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 30 June 2018:				
Balance at 1 July 2017	1,000	300	(1,267,910)	(1,266,610)
Year ended 30 June 2018:				
Loss and total comprehensive income for the year	-	-	(438,059)	(438,059)
Balance at 30 June 2018	1,000	300	(1,705,969)	(1,704,669)
Year ended 30 June 2019:				
Loss and total comprehensive income for the year	-	-	(794,433)	(794,433)
Balance at 30 June 2019	1,000	300	(2,500,402)	(2,499,102)

BOUTIQUE MODERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Company information

Boutique Modern Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3 Newhaven Industrial Park, Beach Road, Newhaven, East Sussex, BN9 0BX.

1.1 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.

1.2 Going concern

We have assessed whether the going concern basis of preparation continues to be appropriate, based on whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. This assessment has been required in the light of the significant uncertainty around the short to medium term impact of the Covid-19 virus.

At the time of approving the financial statements we believe that all appropriate measures have been or will be taken to ensure that the company will be able to continue its operations for at least the next 12 months and thus conclude that the going concern basis remains appropriate.

The directors have indicated that they will continue to provide this support for the foreseeable future.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the construction and supply of boutique modular homes 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.

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:

Plant and equipment	3-5 years straight line
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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.

1.5 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

BOUTIQUE MODERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by surveys of work performed. Costs incurred in the year in connection with future activity on the contract are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

BOUTIQUE MODERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies **(Continued)**

1.9 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.

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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

BOUTIQUE MODERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies **(Continued)**

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Exceptional item

	2019	2018
	£	£
Exceptional legal costs	-	44,954
	<u> </u>	<u> </u>

The exceptional item represents legal costs in respect of a construction dispute.

3 Operating loss

	2019	2018
	£	£
Operating loss for the year is stated after charging/(crediting):		
Directors remuneration	148,301	159,477
Depreciation	3,145	1,436
	<u> </u>	<u> </u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 30 (2018 - 21).

BOUTIQUE MODERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

5	Tangible fixed assets	Plant and machinery etc	
		£	
	Cost		
	At 1 July 2018	13,243	
	Additions	5,531	
	At 30 June 2019	<u>18,774</u>	
	Depreciation and impairment		
	At 1 July 2018	7,521	
	Depreciation charged in the year	3,145	
	At 30 June 2019	<u>10,666</u>	
	Carrying amount		
	At 30 June 2019	<u>8,108</u>	
	At 30 June 2018	<u><u>5,722</u></u>	
6	Debtors	2019	2018
		£	£
	Amounts falling due within one year:		
	Trade debtors	21,676	238,147
	Other debtors	87,169	168,934
		<u>108,845</u>	<u>407,081</u>
7	Creditors: amounts falling due within one year	2019	2018
		£	as restated £
	Bank loans and overdrafts	66,349	52,661
	Other borrowings	24,943	24,943
	Payments received on account	15,530	-
	Trade creditors	309,058	300,257
	Taxation and social security	149,138	103,575
	Other creditors	8,870	11,934
	Accruals and deferred income	452,935	604,852
		<u>1,026,823</u>	<u>1,098,222</u>

BOUTIQUE MODERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

8	Creditors: amounts falling due after more than one year	2019	2018
		£	£
	Other creditors	1,635,305	1,150,714
		<u> </u>	<u> </u>
9	Called up share capital	2019	2018
		£	£
	Ordinary share capital Issued and fully paid		
	1,000 ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
10	Profit and loss reserves	2019	2018
		£	as restated £
	At the beginning of the year	(1,416,445)	(1,267,910)
	Prior year adjustment	(289,524)	-
		<u> </u>	<u> </u>
	As restated	(1,705,969)	(1,267,910)
	Loss for the year	(794,433)	(438,059)
		<u> </u>	<u> </u>
	At the end of the year	(2,500,402)	(1,705,969)
		<u> </u>	<u> </u>

The prior year adjustment relates to an understatement of cost accruals on certain long term contracts in progress at 30 June 2018. The resulting adjustment to the prior year comparatives is a debit of £289,524 to cost of sales and a credit of £289,524 to accruals and deferred income within creditors. The Company has addressed this going forward and introduced a robust set of controls and reporting around its long term contracts.

11 Events after the reporting date

In the first three months of 2020, the Covid-19 virus has spread globally resulting in ever more stringent controls on the movement of people, home working and a gradual shut down of normal economic activity.

In the short term, this has had a number of impacts on our activities, our income and employees, and on the value of our assets. As these events occurred after the end of our accounting year, the impact is not reflected in our balance sheet which is stated as at that year end date.

At this point in time, the medium and long term impact of the economic shutdown is unknown.

The directors have outlined their strategy for dealing with the situation in the directors report under plans for the future.

BOUTIQUE MODERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

12 Related party transactions

Transactions with related parties

Other creditors include the following amounts which are owed to individuals who are directors of the company.

Mr N Eckert £1,588,082 (2018 - £1,123,082).

Mr R Shone £47,223 (2018 - £27,632).

Interest is payable on these loans at 7% per annum, calculated on a daily basis. The net figures payable which are included in accruals are Mr N Eckert £367,746 (2018 - £291,321) and Mr R Shone £14,626 (2018 - £11,759).

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.