

Boutique Modern Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 June 2023

Chisnall Comer Ismail and Co
Chartered Accountants
Maria House
35 Millers Road
Brighton
BN1 5NP

Boutique Modern Limited

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Boutique Modern Limited

Company Information

Chairman	N D Eckert
Directors	G F Palmer R Shone L J P Shone
Company secretary	Clyde Secretaries Limited
Registered office	Unit 3-7 Newhaven Industrial Park Beach Road Newhaven East Sussex BN9 0BX
Accountants	Chisnall Comer Ismail and Co Chartered Accountants Maria House 35 Millers Road Brighton BN1 5NP

Boutique Modern Limited

Directors' Report for the Year Ended 30 June 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

Directors of the company

The directors who held office during the year were as follows:

G F Palmer

R Shone

L J P Shone

N D Eckert - Chairman

Principal activity

The principal activity of the company is the manufacture and distribution of modular homes

Going concern

The directors have indicated that they will continue to provide support for the foreseeable future so these accounts have been prepared on the going concern basis.

Boutique Modern Limited

Directors' Report for the Year Ended 30 June 2023

Statement from Dick Shone.

It's been a bittersweet twelve months for Boutique Modern. Whilst we continue to make strong strategic progress - successfully improving our product and widening our customer base - which bodes well for the future, we also suffered from the same short term economic headwinds as our competitors.

I hate to roll out the same excuses as the mainstream media (and the majority of Western Governments) but the after-effects of the Global Pandemic, Putin's war in Ukraine and the inevitable rise in borrowing costs for our customers have put a huge strain on the entire UK construction industry and the off-site industry did not escape. There were national shortages of steel and timber, the two main raw materials in our build system, and despite the fantastic support of our local supply-chain, we saw our margins squeezed throughout significant part of the year by inflation. In addition, the industry, particularly in the social sector, was equally impacted by delays on planning decisions and the difficulty of financing new projects.

These issues led to several high-profile casualties in the modular space including Legal & General who closed their 550,000 square foot factory in Sherburn and more recently Ilke closed their 250,000 square foot factory in Knaresborough. These closures demonstrate that the huge overheads that come with scale economies can be a weight around your neck in difficult market conditions. Our strategy of remaining nimble and local has protected us from this.

But despite the industry woes, we had a lot to write home about.

In April, we handed over the keys on our 40-home project in Peacehaven to Stonewater, a very happy customer. This is our biggest project to-date and we have delivered a high-quality development in a timely fashion despite the vagaries of Covid and associated supply-chain delays and the uncovering of archaeological remains during the ground works! We lost money overall on this project, but we proved that we can deliver high quality sustainable developments in the most challenging environment. We learnt a lot of valuable lessons which will benefit us hugely in the future.

In 2023, we also delivered Fort Lane, a brownfield regeneration project in the centre of Eastbourne which was an excellent showcase of all the benefits of off-site volumetric construction and sustainable building methods. We delivered seven homes on a very restricted site that had previously contained a burnt-out workshop. We cleared and decontaminated the site and then applied our new zero-concrete foundation system, a very low carbon solution. The homes were completed in only nine months and the project returned a healthy profit for Boutique Modern.

We also started the build process for our first 'zero-carbon-in-use' project for Raven Housing trust, a development for a much needed 32 new homes for a site in Lewes. This project, together with an ever-increasing pipeline of opportunities, will keep us busy well into the next financial year and beyond.

After weathering the macro-economic storms of the last few years, Boutique Modern is in the strongest position we have ever been in. The UK continues to face the largest housing shortage in recent times, and we have a proven track record of delivering high quality, sustainable housing solutions in a fraction of the timescales of traditional building methods. We have ambitious plans over the next couple of years so watch this space!

Boutique Modern Limited

Directors' Report for the Year Ended 30 June 2023

Small companies provision statement

This report has 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.

Approved by the Board on 28 March 2024 and signed on its behalf by:

.....
R Shone
Director

.....
N D Eckert
Chairman

Boutique Modern Limited
(Registration number: 07362460)
Balance Sheet as at 30 June 2023

	Note	2023 £	(As restated) 2022 £
Fixed assets			
Tangible assets	<u>4</u>	79,998	71,992
Current assets			
Stocks	<u>5</u>	224,875	169,491
Debtors	<u>6</u>	1,449,487	1,493,550
Cash at bank and in hand		61,495	-
		<u>1,735,857</u>	<u>1,663,041</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(2,347,681)</u>	<u>(3,918,105)</u>
Net current liabilities		<u>(611,824)</u>	<u>(2,255,064)</u>
Total assets less current liabilities		(531,826)	(2,183,072)
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(5,229,265)</u>	<u>(2,715,821)</u>
Net liabilities		<u><u>(5,761,091)</u></u>	<u><u>(4,898,893)</u></u>
Capital and reserves			
Called up share capital		1,316	1,316
Share premium reserve		300	300
Retained earnings		<u>(5,762,707)</u>	<u>(4,900,509)</u>
Shareholders' deficit		<u><u>(5,761,091)</u></u>	<u><u>(4,898,893)</u></u>

For the financial year ending 30 June 2023 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their 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. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Boutique Modern Limited

(Registration number: 07362460)
Balance Sheet as at 30 June 2023

Approved and authorised by the Board on 28 March 2024 and signed on its behalf by:

.....

R Shone

Director

.....

N D Eckert

Chairman

Boutique Modern Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 3-7

Newhaven Industrial Park

Beach Road

Newhaven

East Sussex

BN9 0BX

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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

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.

Going concern

The directors make up a significant amount of the current and long term creditors, The directors have indicated that they will continue to provide support for the foreseeable future so these accounts have been prepared on the going concern basis.

Boutique Modern Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2023

Prior period errors

The accounts have been restated to incorporate the impact of a understatement of costs of contract for services in accruals. The change has resulted in losses for the period 30 June 2022 increasing by £500,000.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to periods before the prior period disclosed in these financial statements £
Accruals	-	500,000	-

At the time of completing the accounts to 2022, the work in progress to date had been understated in error thinking more was to be completed in the following year.

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.

Tax

The tax expense for the period comprises current 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.

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:

Asset class	Depreciation method and rate
Plant and machinery	5 years straight line
Fixtures and fittings	3 years straight line

Boutique Modern Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2023

Computer equipment

3 years straight line

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.

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.

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.

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.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 60 (2022 - 51).

Boutique Modern Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2023

4 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation				
At 1 July 2022	53,882	8,895	77,590	140,367
Additions	15,275	-	32,783	48,058
At 30 June 2023	69,157	8,895	110,373	188,425
Depreciation				
At 1 July 2022	25,201	1,779	41,395	68,375
Charge for the year	16,888	1,779	21,385	40,052
At 30 June 2023	42,089	3,558	62,780	108,427
Carrying amount				
At 30 June 2023	27,068	5,337	47,593	79,998
At 30 June 2022	28,681	7,116	36,195	71,992

5 Stocks

	2023 £	2022 £
Other inventories	224,875	169,491

6 Debtors

	2023 £	2022 £
Current		
Trade debtors	410,152	549,341
Prepayments	203,279	127,264
Other debtors	836,056	816,945
	1,449,487	1,493,550

7 Creditors

Creditors: amounts falling due within one year

Boutique Modern Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2023

		2023	(As restated) 2022
	Note	£	£
Due within one year			
Loans and borrowings	<u>8</u>	8,000	183,245
Trade creditors		674,870	526,455
Taxation and social security		74,013	154,437
Accruals and deferred income		1,540,606	2,998,176
Other creditors		50,192	55,792
		<u>2,347,681</u>	<u>3,918,105</u>

Boutique Modern Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2023

Creditors: amounts falling due after more than one year

	Note	2023 £	2022 £
Due after one year			
Loans and borrowings	8	<u>5,229,265</u>	<u>2,715,821</u>

8 Loans and borrowings

	2023 £	2022 £
Non-current loans and borrowings		
Other borrowings	<u>5,229,265</u>	<u>2,715,821</u>

	2023 £	2022 £
Current loans and borrowings		
Bank overdrafts	-	149,802
Other borrowings	<u>8,000</u>	<u>33,443</u>
	<u>8,000</u>	<u>183,245</u>

9 Related party transactions

Transactions with directors

	At 1 July 2022 £	Advances to director £	At 30 June 2023 £
2023			
N D Eckert			
Loan	(2,636,766)	(2,496,000)	(5,132,766)
	<u></u>	<u></u>	<u></u>
R Shone			
Loan	(64,223)	-	(64,223)
	<u></u>	<u></u>	<u></u>

Boutique Modern Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2023

	At 1 July 2021 £	Other payments made to company by director £	At 30 June 2022 £
2022			
N D Eckert			
Loan	(2,636,766)	-	(2,636,766)
R Shone			
Loan	(64,223)	-	(64,223)

Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration	233,845	225,494
Contributions paid to money purchase schemes	3,963	3,963
	<u>237,808</u>	<u>229,457</u>

Expenditure with and payables to related parties

	Key management £
2023	
Amounts payable to related party	<u>537,377</u>
	Key management £
2022	
Amounts payable to related party	<u>188,075</u>

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.