Company registration number 05190844 (England and Wales)

# MASONRY SOLUTIONS (UK) LIMITED

## UNAUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 JULY 2022

## PAGES FOR FILING WITH REGISTRAR

# MASONRY SOLUTIONS (UK) LIMITED

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# MASONRY SOLUTIONS (UK) LIMITED

## BALANCE SHEET

### *AS AT 31 JULY 2022*

| | Notes | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | **4** | | 67,436 | | 348,650 |
| **Current assets** | | | | | |
| Stocks | | 64,159 | | 267,144 | |
| Debtors | **5** | 1,038,741 | | 1,577,969 | |
| Cash at bank and in hand | | 109,643 | | 233,653 | |
| | | 1,212,543 | | 2,078,766 | |
| **Creditors: amounts falling due within one year** | **6** | (733,927) | | (1,479,851) | |
| **Net current assets** | | | 478,616 | | 598,915 |
| **Total assets less current liabilities** | | | 546,052 | | 947,565 |
| **Creditors: amounts falling due after more than one year** | **7** | | (308,129) | | (415,046) |
| **Provisions for liabilities** | | | - | | (68,106) |
| **Net assets** | | | 237,923 | | 464,413 |
| **Capital and reserves** | | | | | |
| Called up share capital | **8** | | 250 | | 250 |
| Capital redemption reserve | | | 49,950 | | 49,950 |
| Profit and loss reserves | | | 187,723 | | 414,213 |
| **Total equity** | | | 237,923 | | 464,413 |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 July 2022 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.

## BALANCE SHEET (CONTINUED)

*AS AT 31 JULY 2022*

The financial statements were approved by the board of directors and authorised for issue on 21 April 2023 and are signed on its behalf by:

Mr D M Bourne
**Director**

**Company Registration No. 05190844**

## 1 Accounting policies

**Company information**

Masonry Solutions (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 6 & 7 Hedging Lane Industrial Estate, Wilnecote, Tamworth, B77 5HH.

### 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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

During the year the company has undertaken a significant restructure with the sale of certain business trade and assets to streamline operations and drive future profitability.

### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, 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:

| | |
|---|---|
| Leasehold improvements | 20% straight line |
| Plant and machinery / moulds | 25% reducing balance |
| Fixtures and fittings | 15% and 25% reducing balance |
| Motor vehicles | 25% reducing balance |

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.

**1 Accounting policies** **(Continued)**

**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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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 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.

**1.8 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.

***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 and loans from fellow group companies are recognised at transaction price.

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.

**1.9 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.

**1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**1 Accounting policies** **(Continued)**

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

**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.

**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.

**1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2022<br>Number | 2021<br>Number |
|---|---|---|
| Total | 42 | 60 |

## 4 Tangible fixed assets

| | Leasehold improvements | Plant and machinery / moulds | Fixtures and fittings | Motor vehicles | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost** | | | | | |
| At 1 August 2021 | - | 676,935 | 172,266 | 85,914 | 935,115 |
| Additions | 40,543 | 10,039 | 7,834 | - | 58,416 |
| Disposals | - | (663,913) | (151,225) | (51,070) | (866,208) |
| At 31 July 2022 | 40,543 | 23,061 | 28,875 | 34,844 | 127,323 |
| **Depreciation and impairment** | | | | | |
| At 1 August 2021 | - | 406,701 | 114,564 | 65,200 | 586,465 |
| Depreciation charged in the year | 1,351 | 41,423 | 6,976 | 3,691 | 53,441 |
| Eliminated in respect of disposals | - | (436,637) | (104,520) | (38,862) | (580,019) |
| At 31 July 2022 | 1,351 | 11,487 | 17,020 | 30,029 | 59,887 |
| **Carrying amount** | | | | | |
| At 31 July 2022 | 39,192 | 11,574 | 11,855 | 4,815 | 67,436 |
| At 31 July 2021 | - | 270,234 | 57,702 | 20,714 | 348,650 |

## 5 Debtors

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| **Amounts falling due within one year:** | | |
| Trade debtors | 266,645 | 743,677 |
| Amounts owed by group undertakings | 350,000 | 350,000 |
| Other debtors | 374,903 | 378,321 |
| Prepayments and accrued income | 36,089 | 105,971 |
| | 1,027,637 | 1,577,969 |
| Deferred tax asset | 11,104 | - |
| | 1,038,741 | 1,577,969 |

Included within Other debtors are loans due from the company's directors amounting to £230,287 (2021: £230,089).

## 6 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Bank loans | 106,917 | 76,621 |
| Trade creditors | 289,816 | 565,688 |
| Corporation tax | 66 | 9,624 |
| Other taxation and social security | 96,659 | 306,000 |
| Other creditors | 232,250 | 516,118 |
| Accruals and deferred income | 8,219 | 5,800 |
| | 733,927 | 1,479,851 |

Included within Other creditors is an amount of £212,624 (2021: £520,316) in respect of an invoice discounting facility. This sum is secured by way of a fixed and floating charge over the company's book debts.

Bank loans obtained under the Coronavirus Business Interruption Loan Scheme are secured by way of an extension over the existing security suite already in situ through the company's invoice discounting facility.

## 7 Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | 308,129 | 415,046 |

## 8 Called up share capital

| | 2022 | 2021 | 2022 | 2021 |
|---|---|---|---|---|
| **Ordinary share capital** | **Number** | **Number** | **£** | **£** |
| **Issued and fully paid** | | | | |
| Ordinary A shares of 50p each | 188 | 188 | 94 | 94 |
| Ordinary B shares of 50p each | 250 | 250 | 125 | 125 |
| Ordinary C shares of 50p each | 62 | 62 | 31 | 31 |
| | 500 | 500 | 250 | 250 |

## 9 Operating lease commitments

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| | 55,528 | 220,369 |

**10 Related party transactions**

The following amounts were outstanding at the reporting end date:

| **Amounts due to related parties** | **2022**<br>**£** | **2021**<br>**£** |
|---|---|---|
| Other related parties | 38,417 | - |

| **Amounts due from related parties** | **2022**<br>**£** | **2021**<br>**£** |
|---|---|---|
| Other related parties | 14,000 | 14,000 |

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