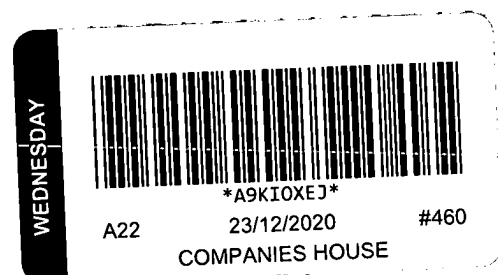


Registered number: 00586007

PORTER AND MAKINS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



PORTER AND MAKINS LIMITED

COMPANY INFORMATION

Directors	Mr W Jordan Mrs D Jordan
Company secretary	Mr M Bonynges
Registered number	00586007
Registered office	Pensthorpe Fakenham Road Fakenham Norfolk NR21 0LN
Independent auditors	Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB

PORTER AND MAKINS LIMITED

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PORTER AND MAKINS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their Group strategic report for the year ended 31 December 2019. The Group comprises Porter and Makins Limited and its wholly owned subsidiary, Conservation Shop Limited (The).

Business review

The principal activity of the Group in the year under review was the the operation of Pensthorpe Natural Park including its shop and restaurant, land and property management along with the rearing of livestock and the sale of crops.

The Group has continued to trade in a market with growing competition, however it has successfully attracted an increase in number of visitors from 102,950 in 2018 to 114,237 in 2019.

During the year the directors have offered their continued support which is shown in the issuing of additional share capital in exchange for the directors loan account, this has moved the company from a significant net liability position to a significant net asset position.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are:

Poor weather affecting the day visitor attraction business

The directors look to mitigate this risk by continuing to invest in the Group's offering of an all weather operation. This includes the restaurant and Hootz House, the award winning indoor play area.

Poor general economy affecting consumers discretionary spending

The directors remain focused on delivering a product considered to be good value for money and attractive to visitors. This also includes investment in the recruitment and training of staff to continue offering a high level of customer service.

The impact of Brexit

It is expected that the uncertainty over the UK's exit from the EU will impact consumer discretionary spending however the directors continue to monitor developments and are confident that the Group is well placed to continue attracting visitors at its current level.

Covid-19

The impact of Covid-19 will have a significant impact in the 2020 year and future years. The Directors continue to consider the current issues caused by Covid-19 and its potential impact on the group and the wider economy but believe with the government help available along with the directors' support the group is well placed to navigate through the challenges.

PORTER AND MAKINS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial key performance indicators

The main key performance indicators used by the directors to monitor the performance of the Group are turnover, gross profit, profit before tax and EBITDA (earnings before interest, tax, depreciation and amortisation). The directors monitor these on a regular basis along with other operating information.

During the year turnover increased by 6.4% from £1,843,678 in 2018 to £1,961,760 in 2019. The gross margin has increased from 40.1% in 2018 to 42.2% in 2019. The loss before tax increased from a loss of £48,389 in 2018 to a loss of £261,863 in 2019, however this is due to an uplift in the market value of investment properties by £300,539 in 2018. Excluding the property revaluation gains, the loss before tax for 2018 was £348,928 and £231,863 for 2019.

EBITDA, excluding revaluation movements, increased from (£39,377) in 2018 to £82,589 in 2019.

Impact of Covid-19

During March 2020, a global pandemic was declared arising from the outbreak of Covid-19. Some major risks to the Group arising from the Covid-19 crisis were identified and included: the health and wellbeing of the staff, visitors and volunteers, and the impact on the Group's income and activities.


The park including its offices and visitors attractions were temporarily closed in order to protect the Group's staff, visitors and volunteers. Staff working on the nature reserve adopted changed working practices to be able to continue to work in line with government safety advice.

The initial yet major financial impacts of the crisis at the end of the financial year have been from the closure of our site resulting in reduced visitor income and reduced membership income through very limited membership sales taking place. The planned increase in membership subscription rates in 2020/2021 has been postponed and current members offered an extension to their membership to reflect the period of closure to support our members.

We have utilised government financial support available to us including the Furlough grant scheme for many staff whilst still keeping key operational activities running, and claiming appropriate other grants and reliefs available.

We are continuing to monitor the future impact of the crisis on the Group's finances closely. The Group has been well managed financially and has available financial reserves to allow it to support the operation including its subsidiaries for the immediate and medium term, details of which are set out in note 2.2. Nevertheless, particular on going risks relate to the ability to operate our facility at full capacity due to social distancing restrictions, and to the longer term impact on membership income. It is anticipated that both areas of income generation may be significantly affected and the Group will need to continue to closely manage its finances and ensure all opportunities are explored to safely build its level of trade back up in 2021. Results achieved during a difficult summer and autumn in 2020 give a level of optimism for what can be achieved in 2021.

This report was approved by the board and signed on its behalf.



.....
Mr W Jordan
Director

Date: 17 December 2020

PORTER AND MAKINS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £261,863 (2018 - loss £48,389).

Further information is given in the strategic report.

There were no dividends paid in the year (2018 - £nil).

The directors do not recommend the payment of a final dividend (2018 - £nil).

Directors

The directors who served during the year were:

Mr W Jordan
Mrs D Jordan

Future developments

The Covid-19 pandemic has had a significant impact on operations during 2020. However, with news of a vaccine in early 2021, the directors are hopeful that turnover levels will move back towards normal levels for the remainder of the year. The directors do not anticipate any other significant changes to the business in the coming period. However, as mentioned in the strategic report, the directors continue to monitor the impact of Covid-19 on the group as well as make use of all available measures to enable the continued operation of the Group.

PORTER AND MAKINS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Financial instruments

The Group's principal financial assets are bank balances. Cash flow risk is managed by a regular review of cash and bank balances and future cash applications.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

The auditors, Larking Gowen LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Mr W Jordan
Director

Date: 17 December 2020

PORTER AND MAKINS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTER AND MAKINS LIMITED

Opinion

We have audited the financial statements of Porter and Makins Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Group Income statement, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

PORTER AND MAKINS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTER AND MAKINS LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

PORTER AND MAKINS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTER AND MAKINS LIMITED
(CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.



Charles Savory FCA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich

22 December 2020

PORTER AND MAKINS LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	1,961,760	1,843,678
Cost of sales		(1,132,675)	(1,103,625)
Gross profit		829,085	740,053
Administrative expenses		(1,061,252)	(1,089,214)
Gain/(loss) on revaluation of investment property		(30,000)	300,539
Operating loss	5	(262,167)	(48,622)
Interest receivable and similar income		304	233
Loss before tax		(261,863)	(48,389)
Loss for the financial year		(261,863)	(48,389)
Loss for the year attributable to:			
Owners of the parent		(261,863)	(48,389)
		(261,863)	(48,389)

EBITDA excluding investment property revaluations for the year ended 31 December 2019 was £82,589 (2018: £(39,377)).

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated income statement.

The notes on pages 15 to 33 form part of these financial statements.

PORTER AND MAKINS LIMITED
REGISTERED NUMBER: 00586007

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	9	8,715	10,020
Tangible assets	10	5,348,813	5,603,427
Investment property	12	1,480,761	1,510,761
		<u>6,838,289</u>	<u>7,124,208</u>
Current assets			
Stocks	13	138,980	127,981
Debtors: amounts falling due within one year	14	123,171	115,255
Cash at bank and in hand		325,033	360,428
		<u>587,184</u>	<u>603,664</u>
Creditors: amounts falling due within one year		<u>(385,632)</u>	<u>(10,051,168)</u>
Net current assets/(liabilities)		201,552	(9,447,504)
Total assets less current liabilities		7,039,841	(2,323,296)
Net assets/(liabilities)		7,039,841	(2,323,296)
Capital and reserves			
Called up share capital	17	9,845,000	220,000
Other reserves	18	232,502	232,502
Profit and loss account	18	(3,037,661)	(2,775,798)
		<u>7,039,841</u>	<u>(2,323,296)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Mr W Jordan
 Director

Date: *17 December 2020*

The notes on pages 15 to 33 form part of these financial statements.

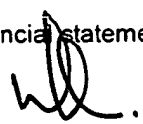
PORTER AND MAKINS LIMITED
REGISTERED NUMBER: 00586007

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	9	315	420
Tangible assets	10	2,893,626	2,949,927
Investments	11	100	100
Investment property	12	1,480,761	1,510,761
		<u>4,374,802</u>	<u>4,461,208</u>
Current assets			
Stocks	13	19,057	16,826
Debtors: amounts falling due within one year	14	2,708,645	2,924,940
Cash at bank and in hand		204,690	163,701
		<u>2,932,392</u>	<u>3,105,467</u>
Creditors: amounts falling due within one year	16	(267,253)	(9,889,871)
Net current assets/(liabilities)		<u>2,665,139</u>	<u>(6,784,404)</u>
Total assets less current liabilities		<u>7,039,941</u>	<u>(2,323,196)</u>
Net assets/(liabilities)		<u>7,039,941</u>	<u>(2,323,196)</u>
Capital and reserves			
Called up share capital	17	9,845,000	220,000
Other reserves	18	232,502	232,502
Profit and loss account	18	(3,037,561)	(2,775,698)
		<u>7,039,941</u>	<u>(2,323,196)</u>

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own income statement in the financial statements. The loss for the financial period of the company was £204,363 (2018: profit of £190,683).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Mr W Jordan
Director

Date: 17 December 2020

The notes on pages 15 to 33 form part of these financial statements.

PORTER AND MAKINS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2018	220,000	232,502	(2,727,409)	(2,274,907)
Loss for the year	-	-	(48,389)	(48,389)
At 1 January 2019	220,000	232,502	(2,775,798)	(2,323,296)
Loss for the year	-	-	(261,863)	(261,863)
Shares issued during the year	9,625,000	-	-	9,625,000
At 31 December 2019	9,845,000	232,502	(3,037,661)	7,039,841

The notes on pages 15 to 33 form part of these financial statements.

PORTER AND MAKINS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2018	220,000	232,502	(2,966,381)	(2,513,879)
Profit for the year	-	-	190,683	190,683
At 1 January 2019	220,000	232,502	(2,775,698)	(2,323,196)
Loss for the year	-	-	(261,863)	(261,863)
Shares issued during the year	9,625,000	-	-	9,625,000
At 31 December 2019	9,845,000	232,502	(3,037,561)	7,039,941

PORTER AND MAKINS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(261,863)	(48,389)
Adjustments for:		
Amortisation of intangible assets	1,305	1,305
Depreciation of tangible assets	313,451	308,479
Interest received	(304)	(233)
(Increase) in stocks	(10,999)	(13,788)
(Increase) in debtors	(7,916)	(17,824)
(Decrease)/increase in creditors	(40,536)	308,097
Revaluation of investment properties	30,000	(300,539)
Net cash generated from operating activities	23,138	237,108
Cash flows from investing activities		
Purchase of tangible fixed assets	(58,837)	(40,361)
Purchase of investment properties	-	(150,437)
Interest received	304	233
Net cash from investing activities	(58,533)	(190,565)
Net (decrease)/increase in cash and cash equivalents	(35,395)	46,543
Cash and cash equivalents at beginning of year	360,428	313,885
Cash and cash equivalents at the end of year	325,033	360,428
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	325,033	360,428
	325,033	360,428

PORTER AND MAKINS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	At 1 January 2019 £	Cash flows £	Other non- cash changes £	At 31 December 2019 £
Cash at bank and in hand	360,428	(35,395)	-	325,033
Debt due within 1 year	(222,017)	(226,210)	(9,625,000)	(10,073,227)
	<u>138,411</u>	<u>(261,605)</u>	<u>(9,625,000)</u>	<u>(9,748,194)</u>

The notes on pages 15 to 33 form part of these financial statements.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Porter & Makins Limited is a private company limited by shares and incorporated in England and Wales, registration number 00586007. The registered office is Pensthorpe, Fakenham Road, Fakenham, Norfolk, NR21 0LN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income statement in these financial statements.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated income statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2016.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the Group's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the Group and the wider economy. The directors have prepared forecasts for a period of 12 months from the date of signing these financial statements. These forecasts have been prepared on what the directors consider a worst case basis and which would represent a fall in visitor numbers on an already challenging 2020. The forecasts show that Porter and Makins Limited will need to continue to provide support to its subsidiary, The Conversation Shop Limited and it has provided this in writing. Based on the level of capital held in the Group at the time of signing the accounts, taking into account the projected results to 31 December 2021 including the deemed level of capital spend required in the next 12 months, the forecasts show that the Group should be able to continue to operate within the current facility held. In addition to this, the directors have provided written confirmation that they would not be looking to call in the debt set out in note 20 to these accounts and would, if necessary, provide additional finance if an unforeseen event should arise.

Based on this, the directors have concluded that they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, and, based on the economic environment recovering within the timeframe currently being widely anticipated, at least twelve months from the date of signing these financial statements, they continue to adopt the going concern basis of accounting in preparing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The Group recognises membership income at the point the sale is made rather than deferring this over the life of the membership as it is felt that the Company has fulfilled its obligations at this point in time.

2.5 Interest income

Interest income is recognised in the Consolidated income statement using the effective interest method.

2.6 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in the Consolidated income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful economic lives of the intangible assets are considered to be ten years.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance and straight line basis.

Depreciation is provided on the following basis:

Freehold/leasehold land	- Not depreciated
Freehold/leasehold property	- 2%/5% straight line
Plant & machinery	- 20%/25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures, fittings & equipment	- 15% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated income statement.

2.10 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields. No depreciation is provided. Changes in fair value are recognised in the Consolidated income statement.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 Creditors

Short term creditors are measured at the transaction price.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Useful Economic Lives of Tangible Assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual value are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment and note 2.8 for useful economic lives.

Impairment of Stock:

The Group holds finished goods stocks during the year. It is necessary to consider the recoverability of the cost of the stock items. When considering the stock provision, management considers the nature and condition of the stock as well as applying assumptions around the future usage of the stock.

Property Valuations

The investment property is carried at fair value, with changes in fair value being recognised in the Consolidated income statement.

The valuation of the investment properties is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future revenue from that particular property. As a result, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate. See note 12 for the carrying amount of the properties.

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

	2019	2018
	£	£
Reserve income	1,749,484	1,653,111
Farm income	114,141	65,768
Rental income	69,922	62,558
Other income	28,213	62,241
	1,961,760	1,843,678

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	313,451	308,479
Amortisation of intangible asset	1,305	1,305
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	8,175	7,000
Defined contribution pension cost	20,989	23,632

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Employees

Staff costs were as follows:

	Group 2019	Company 2019	Group 2018	Company 2018
	£	£	£	£
Wages and salaries	851,275	31,436	749,642	30,389
Social security costs	60,959	1,214	54,385	689
Cost of defined contribution scheme	20,989	749	21,885	760
	<u>933,223</u>	<u>33,399</u>	<u>825,912</u>	<u>31,838</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Staff	<u>54</u>	<u>61</u>

7. Directors' remuneration

The directors did not receive any remuneration in the year (2018: £nil).

8. Taxation

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2018 - 19%).

Factors that may affect future tax charges

The Group has trading losses in the region of £2.09m (2018 - £1.75m) available to carry forward against future trading profits.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Intangible assets

Group

	Patents £	Website £	Total £
Cost			
At 1 January 2019	1,050	12,000	13,050
At 31 December 2019	1,050	12,000	13,050
Amortisation			
At 1 January 2019	630	2,400	3,030
Charge for the year	105	1,200	1,305
At 31 December 2019	735	3,600	4,335
Net book value			
At 31 December 2019	315	8,400	8,715
At 31 December 2018	420	9,600	10,020

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Intangible assets (continued)

Company

	Patents £
Cost	
At 1 January 2019	1,050
At 31 December 2019	<u>1,050</u>
Amortisation	
At 1 January 2019	630
Charge for the year	105
At 31 December 2019	<u>735</u>
Net book value	
At 31 December 2019	<u>315</u>
At 31 December 2018	<u>420</u>

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost or valuation					
At 1 January 2019	7,035,431	473,168	62,101	597,076	102,714
Additions	27,706	3,720	-	13,081	5,626
At 31 December 2019	7,063,137	476,888	62,101	610,157	108,340
Depreciation					
At 1 January 2019	1,736,305	395,695	58,417	430,752	68,817
Charge for the year on owned assets	246,605	16,307	922	35,387	7,905
At 31 December 2019	1,982,910	412,002	59,339	466,139	76,722
Net book value					
At 31 December 2019	5,080,227	64,886	2,762	144,018	31,618
At 31 December 2018	5,299,126	77,473	3,684	166,324	33,897

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Tangible fixed assets (continued)

	Computer equipment £	Total £
Cost or valuation		
At 1 January 2019	109,405	8,379,895
Additions	8,704	58,837
At 31 December 2019	118,109	8,438,732
Depreciation		
At 1 January 2019	86,482	2,776,468
Charge for the year on owned assets	6,325	313,451
At 31 December 2019	92,807	3,089,919
Net book value		
At 31 December 2019	25,302	5,348,813
At 31 December 2018	22,923	5,603,427

Included in land and buildings is land at cost of £1,281,088 (2018 - £1,281,088) which is not depreciated.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Tangible fixed assets (continued)

Company

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2019	3,229,375	318,534	62,101	136,981	3,746,991
Additions	8,420	1,450	-	-	9,870
At 31 December 2019	<u>3,237,795</u>	<u>319,984</u>	<u>62,101</u>	<u>136,981</u>	<u>3,756,861</u>
Depreciation					
At 1 January 2019	322,746	288,797	58,417	127,104	797,064
Charge for the year on owned assets	57,462	6,306	922	1,481	66,171
At 31 December 2019	<u>380,208</u>	<u>295,103</u>	<u>59,339</u>	<u>128,585</u>	<u>863,235</u>
Net book value					
At 31 December 2019	<u>2,857,587</u>	<u>24,881</u>	<u>2,762</u>	<u>8,396</u>	<u>2,893,626</u>
At 31 December 2018	<u>2,906,629</u>	<u>29,737</u>	<u>3,684</u>	<u>9,877</u>	<u>2,949,927</u>

Included in land and buildings is land at cost of £1,281,088 (2018 - £1,281,088) which is not depreciated.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	100
At 31 December 2019	100

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Conservation Shop (The) Limited	Pensthorpe, Fakenham Road, Fakenham, Norfolk, NR21 0LN	Ordinary	100%

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 January 2019	1,510,761
Loss on revaluation	(30,000)
At 31 December 2019	1,480,761

The 2019 valuations were made by the directors, on a fair value basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	1,110,879	1,110,879

13. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	19,057	16,826	19,057	16,826
Finished goods and goods for resale	119,923	111,155	-	-
	138,980	127,981	19,057	16,826

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	24,924	28,365	23,075	26,467
Amounts owed by group undertakings	-	-	2,680,033	2,896,540
Other debtors	63,007	41,711	4,749	-
Prepayments and accrued income	35,240	45,179	788	1,933
	<u>123,171</u>	<u>115,255</u>	<u>2,708,645</u>	<u>2,924,940</u>

The amount owed by group undertakings has been impaired in the year to reflect the recoverability of the amount owed.

15. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	<u>325,033</u>	<u>360,428</u>	<u>204,690</u>	<u>163,701</u>

16. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	37,973	51,143	7,076	3,630
Other taxation and social security	52,747	66,637	-	3,111
Other creditors	230,535	9,854,279	221,552	9,847,017
Accruals and deferred income	64,377	79,109	38,625	36,113
	<u>385,632</u>	<u>10,051,168</u>	<u>267,253</u>	<u>9,889,871</u>

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
10,200 (2018 - 10,200) Ordinary shares of £1 each	10,200	10,200
9,824,800 (2018 - 199,800) Redeemable ordinary shares of £1 each	9,824,800	199,800
10,000 (2018 - 10,000) 4.5% preference shares of £1 each	10,000	10,000
	<u>9,845,000</u>	<u>220,000</u>

During the year 9,625,000 £1 ordinary redeemable shares were issued at par.

The preference shares carry a dividend of 4.5% per share and the dividend rights are cumulative. The preference shares shall have no rights to receive notice of and to be present or to vote either in person or by proxy at any general meeting of the company or on any written resolution of the shareholders by virtue or in respect of their holding of preference shares, unless the preferential dividend shall remain unpaid for six months after any date fixed for the payment.

Due to the company having insufficient profit and loss reserves, the dividend payable in respect of the preference shares has been waived.

18. Reserves

Profit and loss account

The profit and loss account includes all current and prior periods retained profit and losses.

Other reserve

The other reserve is a capital reserve which relates to share transactions which occurred historically.

19. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independent administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £20,989 (2018 - £19,898). Contributions totaling £4,150 (2018 - £8,659) were payable to the fund at the balance sheet date and are included in creditors.

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Related party transactions

At the year end the following amount was owed to a director of the company and is unsecured, interest free and repayable on demand.

	2019	2018
	£	£
Amount owed to a director	221,552	9,847,017

During the year 9,625,000 £1 redeemable shares were purchased at par by a director by conversion of a directors loan account.

During the year, the Group made the following transactions with a charity which is under the control of the directors of Porter and Makins Limited.

	2019	2018
	£	£
Amounts owed from the charity	45,550	29,412
Recharges paid to the charity	41,125	14,360
Contribution paid to the charity	40,000	40,000
Rent received from the charity	10,000	10,000
Donations made to the charity	10,000	10,000
Recharges from the charity	199,566	208,900

Key management remuneration during the year totalled £180,901 (2018 - £194,256).

The Group has taken advantage of the exemptions available under FRS 102 not to disclose balance and transactions with other wholly owned group undertakings.

21. Post balance sheet events

Subsequent to the year end the impact of the Covid-19 pandemic became significant with lock down in the UK taking place in March 2020. This may have impacted property values across the UK but the directors do not believe there has been a material impact on the Group's properties and in any case regard the Covid-19 event as a non-adjusting post year end event. The directors do not believe the event has had any material impact on other items in the group's Statement of Financial Position at the year end. Following the year end, the Group disposed of one of its investment properties for £135,000.

22. Controlling party

The Company is controlled by Mr W Jordan.