

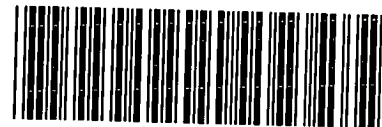
Registered number: 00586007

PORTER AND MAKINS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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PORTER AND MAKINS LIMITED

COMPANY INFORMATION

Directors	Mr W Jordan Mrs D Jordan
Company secretary	Mr M Bonyngé
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 2021

Introduction

The directors present their Group strategic report for the year ended 31 December 2021. 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 whilst also dealing with the impact of Covid19 including government enforced lockdown closures for part of the year and the prior year and as a result it saw visitor numbers increase from 67,014 in 2020 to 84,179 in 2021. When the park was able to largely open as normal following the lifting of restrictions, the directors were pleased with the level of visitors attending.

During the year the directors have offered their continued support to the Group.

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..

Covid-19

The impact of Covid-19 had a significant impact in the 2020 year and part of the 2021 year. 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 the Group is well placed to navigate through the challenges having learnt to adapt as well as put in place appropriate measures to do all that is possible to preserve the safety of both its employees and customers. Following the lifting of restrictions in the Spring of 2021, the directors have been pleased with the level of demand shown through visitor numbers which are comparable to pre pandemic levels.

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 64.48% from £1,063,321 in 2020 to £1,748,969 in 2021. The gross margin has increased from 20.3% in 2020 to 41.6% in 2021. The loss before tax decreased from a loss of £410,056 in 2020 to a loss of £337,081 in 2021. Excluding the property valuation movement, the loss before tax for 2021 was £111,320 and £410,056 for 2020 where there had been no revaluation.

EBITDA, excluding revaluation movements, increased from (£116,789) in 2020 to £170,684 in 2021.

PORTER AND MAKINS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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


.....
Mr W Jordan
Director

Date: 26/9/2022

PORTER AND MAKINS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

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 £337,081 (2020 - loss £410,056).

Further information is given in the strategic report.

There were no dividends paid in the year (2020 - £nil).

The directors do not recommend the payment of a final dividend (2020 - £nil).

Directors

The directors who served during the year were:

Mr W Jordan
Mrs D Jordan

Future developments

The Directors intend to continue their offering and invest in the catering infrastructure.

PORTER AND MAKINS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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: 26/9/2022

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 2021, 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

PORTER AND MAKINS LIMITED

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

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.

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.

PORTER AND MAKINS LIMITED

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out 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 Group financial statements.

The Extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Due to the field in which the Company operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with UK tax legislation, UK accounting standards and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the Company's ability to operate including health and safety; employment law, and compliance with various other regulations relevant to the operation of the company's production facilities.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, potential litigation or claims and fraud;
- Reviewing legal and professional fees to confirm matters where the company engaged lawyers during the year;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of any significant transactions outside the normal course of business.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

PORTER AND MAKINS LIMITED

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

Use of our report

This report is made solely to the Company's members, as a body, 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, as a body, 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

27 September 2022

PORTER AND MAKINS LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover		1,748,969	1,063,321
Cost of sales		(1,022,045)	(846,685)
Gross profit		726,924	216,636
Administrative expenses		(977,235)	(869,649)
Other operating income		138,960	242,885
Gain/(loss) on revaluation of investment property		(225,761)	-
Operating loss	6	(337,112)	(410,128)
Interest receivable and similar income		31	72
Loss before tax		(337,081)	(410,056)
Tax on loss	9	-	-
Loss for the financial year		(337,081)	(410,056)
Loss for the year attributable to:			
Owners of the parent		(337,081)	(410,056)

EBITDA for the year ended 31 December 2021 was a profit of £170,684 (2020: £116,789 loss).

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated income statement.

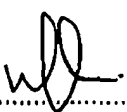
The notes on pages 17 to 35 form part of these financial statements.

PORTER AND MAKINS LIMITED
REGISTERED NUMBER: 00586007

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets		6,105	7,410
Tangible assets	11	4,861,115	5,070,181
Investment property	13	1,120,000	1,345,761
		<u>5,987,220</u>	<u>6,423,352</u>
Current assets			
Stocks	14	100,998	108,048
Debtors: amounts falling due within one year	15	95,447	114,868
Cash at bank and in hand		611,146	403,279
		<u>807,591</u>	<u>626,195</u>
Creditors: amounts falling due within one year	17	(502,107)	(419,762)
Net current assets		<u>305,484</u>	<u>206,433</u>
Total assets less current liabilities		<u>6,292,704</u>	<u>6,629,785</u>
Net assets		<u>6,292,704</u>	<u>6,629,785</u>
Capital and reserves			
Called up share capital	18	9,845,000	9,845,000
Revaluation reserve	19	147,755	373,516
Other reserves	19	232,502	232,502
Profit and loss account	19	(3,932,553)	(3,821,233)
		<u>6,292,704</u>	<u>6,629,785</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: 26/4/2022

The notes on pages 17 to 35 form part of these financial statements.

PORTER AND MAKINS LIMITED
REGISTERED NUMBER: 00586007

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets		105	210
Tangible assets	11	2,768,074	2,831,100
Investments	12	100	100
Investment property	13	1,120,000	1,345,761
		<u>3,888,279</u>	<u>4,177,171</u>
Current assets			
Stocks	14	6,104	22,676
Debtors: amounts falling due within one year	15	2,486,859	2,523,327
Cash at bank and in hand		266,390	241,946
		<u>2,759,353</u>	<u>2,787,949</u>
Creditors: amounts falling due within one year	17	(354,825)	(335,235)
Net current assets		<u>2,404,528</u>	<u>2,452,714</u>
Total assets less current liabilities		<u>6,292,807</u>	<u>6,629,885</u>
Net assets		<u>6,292,807</u>	<u>6,629,885</u>
Capital and reserves			
Called up share capital	18	9,845,000	9,845,000
Revaluation reserve	19	147,755	373,516
Other reserves	19	232,502	232,502
Profit and loss account	19	(3,932,450)	(3,821,133)
		<u>6,292,807</u>	<u>6,629,885</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: 26/9/2022

The notes on pages 17 to 35 form part of these financial statements.

PORTER AND MAKINS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	9,845,000	373,516	232,502	(3,411,177)	7,039,841
Loss for the year	-	-	-	(410,056)	(410,056)
At 1 January 2021	9,845,000	373,516	232,502	(3,821,233)	6,629,785
Loss for the year	-	-	-	(337,081)	(337,081)
Revaluation transfer	-	(225,761)	-	225,761	-
At 31 December 2021	9,845,000	147,755	232,502	(3,932,553)	6,292,704

The notes on pages 17 to 35 form part of these financial statements.

PORTER AND MAKINS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2020	9,845,000	373,516	232,502	(3,411,077)	7,039,941
Loss for the year	-	-	-	(410,056)	(410,056)
At 1 January 2021	9,845,000	373,516	232,502	(3,821,133)	6,629,885
Loss for the year	-	-	-	(337,078)	(337,078)
Revaluation transfer	-	(225,761)	-	225,761	-
At 31 December 2021	9,845,000	147,755	232,502	(3,932,450)	6,292,807

The notes on pages 17 to 35 form part of these financial statements.

PORTER AND MAKINS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(337,081)	(410,056)
Adjustments for:		
Amortisation of intangible assets	1,305	1,305
Depreciation of tangible assets	280,730	292,034
Loss on disposal of tangible assets	3,007	12,350
Interest received	(31)	(72)
Decrease in stocks	7,050	30,932
Decrease in debtors	22,545	8,303
Increase in creditors	79,221	34,130
Revaluation of investment properties	225,761	-
Net cash generated from operating activities	282,507	(31,074)
Cash flows from investing activities		
Purchase of tangible fixed assets	(75,504)	(27,103)
Sale of tangible fixed assets	833	1,351
Sale of investment properties	-	135,000
Interest received	31	72
Net cash from investing activities	(74,640)	109,320
Net increase in cash and cash equivalents	207,867	78,246
Cash and cash equivalents at beginning of year	403,279	325,033
Cash and cash equivalents at the end of year	611,146	403,279
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	611,146	403,279
	611,146	403,279

The notes on pages 17 to 35 form part of these financial statements.

PORTER AND MAKINS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	403,279	207,867	611,146
Debt due within 1 year owed to directors	(276,210)	(23,137)	(299,347)
	<u>127,069</u>	<u>184,730</u>	<u>311,799</u>

The notes on pages 17 to 35 form part of these financial statements.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021**

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 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. 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 30 September 2023 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 21 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.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated income statement in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in profit or loss 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 2021

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 profit or loss.

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 2021**

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.

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.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2.10 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 13 for the carrying amount of the properties.

4. Turnover

	2021	2020
	£	£
Reserve income	1,564,828	905,237
Farm income	84,684	51,850
Rental income	64,372	74,389
Other income	35,085	31,845
	<u>1,748,969</u>	<u>1,063,321</u>

All turnover arose within the United Kingdom.

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Other operating income

	2021	2020
	£	£
Government grants receivable	40,095	29,275
Job retention scheme receivable	98,865	213,610
	138,960	242,885

During the year, the Group received exceptional government funding as part of the Coronavirus Job Retention Scheme totalling £79,913. Funding represents the costs of employing certain staff unable to carry out their duties as a result of the coronavirus crisis.

The Group also received a further £40,095 of Local Authority Council Coronavirus grants.

6. Operating loss

The operating loss is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	280,730	292,034
Amortisation of intangible asset	1,305	1,305
Fees payable to the Group's auditor and associates for the audit of the Group's annual financial statements	6,000	4,000
Defined contribution pension cost	22,497	20,729

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Employees

Staff costs were as follows:

	Group 2021	Company 2021	Group 2020	Company 2020
	£	£	£	£
Wages and salaries	739,688	17,133	719,081	9,883
Social security costs	41,869	956	41,193	-
Cost of defined contribution scheme	19,838	453	16,991	345
	<u>801,395</u>	<u>18,542</u>	<u>777,265</u>	<u>10,228</u>

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

	2021 No.	2020 No.
Staff	44	51

8. Directors' remuneration

The directors did not receive any remuneration in the year (2020: £nil).

9. 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% (2020 - 19%).

Factors that may affect future tax charges

The Group has trading losses in the region of £3.37m (2020 - £3.42m) available to carry forward against future trading profits.

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Intangible assets

Group

	Patents £	Website £	Total £
Cost			
At 1 January 2021	1,050	12,000	13,050
At 31 December 2021	1,050	12,000	13,050
Amortisation			
At 1 January 2021	840	4,800	5,640
Charge for the year on owned assets	105	1,200	1,305
At 31 December 2021	945	6,000	6,945
Net book value			
At 31 December 2021	105	6,000	6,105
At 31 December 2020	210	7,200	7,410

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Intangible assets (continued)

Company

	Patents £
Cost	
At 1 January 2021	1,050
At 31 December 2021	<u>1,050</u>
Amortisation	
At 1 January 2021	840
Charge for the year	105
At 31 December 2021	<u>945</u>
Net book value	
At 31 December 2021	<u>105</u>
At 31 December 2020	<u>210</u>

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost or valuation					
At 1 January 2021	7,070,859	427,898	53,101	556,423	92,627
Additions	40,252	19,450	-	6,177	6,964
Disposals	-	(12,500)	-	-	-
At 31 December 2021	7,111,111	434,848	53,101	562,600	99,591
Depreciation					
At 1 January 2021	2,220,367	373,969	51,678	441,878	68,442
Charge for the year on owned assets	230,289	14,340	356	23,787	5,991
Disposals	-	(8,660)	-	-	-
At 31 December 2021	2,450,656	379,649	52,034	465,665	74,433
Net book value					
At 31 December 2021	4,660,455	55,199	1,067	96,935	25,158
At 31 December 2020	4,850,492	53,929	1,423	114,545	24,185

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Tangible fixed assets (continued)

	Computer equipment £	Total £
Cost or valuation		
At 1 January 2021	118,545	8,319,453
Additions	2,661	75,504
Disposals	-	(12,500)
At 31 December 2021	<u>121,206</u>	<u>8,382,457</u>
Depreciation		
At 1 January 2021	92,938	3,249,272
Charge for the year on owned assets	5,967	280,730
Disposals	-	(8,660)
At 31 December 2021	<u>98,905</u>	<u>3,521,342</u>
Net book value		
At 31 December 2021	<u>22,301</u>	<u>4,861,115</u>
At 31 December 2020	<u>25,607</u>	<u>5,070,181</u>

Included in land and buildings is land at cost of £1,281,088 (2020 - £1,281,088) which is not depreciated.

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Tangible fixed assets (continued)

Company

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2021	3,240,584	317,881	53,101	136,981	3,748,547
At 31 December 2021	3,240,584	317,881	53,101	136,981	3,748,547
Depreciation					
At 1 January 2021	437,832	298,093	51,678	129,844	917,447
Charge for the year on owned assets	57,601	3,999	356	1,070	63,026
At 31 December 2021	495,433	302,092	52,034	130,914	980,473
Net book value					
At 31 December 2021	2,745,151	15,789	1,067	6,067	2,768,074
At 31 December 2020	2,802,752	19,788	1,423	7,137	2,831,100

Included in land and buildings is land at cost of £1,281,088 (2020 - £1,281,088) which is not depreciated.

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	100
At 31 December 2021	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 2021**

13. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 January 2021	1,345,761
Surplus on revaluation	(225,761)
At 31 December 2021	1,120,000

Certain 2021 valuations were made by the directors on a fair value basis whilst certain freehold investment properties were revalued by Brown & Co on an open market basis.

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

	2021 £	2020 £
Historic cost	1,048,379	1,048,379

14. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	6,104	22,679	6,104	22,676
Finished goods and goods for resale	94,894	85,369	-	-
	100,998	108,048	6,104	22,676

PORTER AND MAKINS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	35,106	23,118	30,604	23,118
Amounts owed by group undertakings	-	-	2,455,375	2,495,113
Other debtors	20,650	46,542	-	4,162
Prepayments and accrued income	39,691	45,208	880	934
	95,447	114,868	2,486,859	2,523,327

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

16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	611,146	403,279	266,390	241,946

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	65,011	61,160	1,112	19,205
Other taxation and social security	37,509	16,014	3,423	-
Other creditors	317,462	282,727	299,347	276,210
Accruals and deferred income	82,125	59,861	50,943	39,820
	502,107	419,762	354,825	335,235

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
10,200 (2020 - 10,200) Ordinary shares of £1 each	10,200	10,200
9,824,800 (2020 - 9,824,800) Redeemable ordinary shares of £1 each	9,824,800	9,824,800
10,000 (2020 - 10,000) 4.5% Preference shares of £1 each	10,000	10,000
	<u>9,845,000</u>	<u>9,845,000</u>

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.

19. Reserves

Revaluation reserve

The investment property revaluation reserve includes all current and prior period revaluations on investment properties where the fair value of an asset exceeded its original cost.

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.

20. 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 £22,497 (2020 - £20,729). Contributions totaling £8,807 (2020 - £3,212) 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 2021**

21. 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.

	2021 £	2020 £
Amount owed to a director	<u>299,347</u>	<u>276,210</u>

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.

	2021 £	2020 £
Amounts owed from the charity	14,456	9,484
Recharges paid to the charity	17,617	9,105
Contribution paid to the charity	30,000	26,667
Rent received from the charity	10,000	10,000
Donations made to the charity	10,000	10,000
Recharges from the charity	150,683	156,194

Key management remuneration during the year totalled £189,655 (2020 - £136,683).

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

22. Controlling party

The Company is controlled by Mr and Mrs W Jordan.