

PORTER AND MAKINS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022

PORTER AND MAKINS LIMITED
REGISTERED NUMBER: 00586007

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	-	105
Tangible assets	5	2,706,138	2,768,074
Investments	6	100	100
Investment property	7	1,120,000	1,120,000
		<u>3,826,238</u>	<u>3,888,279</u>
Current assets			
Stocks	8	5,685	6,104
Debtors: amounts falling due within one year	9	2,176,085	2,486,859
Cash at bank and in hand		2,198,487	266,390
		<u>4,380,257</u>	<u>2,759,353</u>
Creditors: amounts falling due within one year	10	(184,812)	(354,825)
Net current assets		<u>4,195,445</u>	<u>2,404,528</u>
Total assets less current liabilities		<u>8,021,683</u>	<u>6,292,807</u>
Net assets		<u><u>8,021,683</u></u>	<u><u>6,292,807</u></u>
Capital and reserves			
Called up share capital	11	12,145,000	9,845,000
Revaluation reserve	12	147,755	147,755
Other reserves	12	232,502	232,502
Profit and loss account	12	(4,503,574)	(3,932,450)
		<u>8,021,683</u>	<u>6,292,807</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the income statement in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 September 2023.

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Mr W Jordan
Director

The notes on pages 3 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 Section 1A of 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 management to exercise judgment in applying the Company's accounting policies.

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 Going concern

The directors have considered the company's position at the time of signing the financial statements, and in particular the current issues caused by the wider economy.

Based on this, the directors have concluded that they have a reasonable expectation that the company 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 2022

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue 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 revenue is recognised:

Sale of goods

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company 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 revenue can be measured reliably;
- it is probable that the Company 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.

2.4 Interest income

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

2.5 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 lives of intangible assets are considered to be ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 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.

Depreciation 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 and machinery	- 20%/25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 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.

2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.8 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 for comparable real estate. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 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. Work in progress and finished goods include labour and attributable overheads.

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.

2.11 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.

2.12 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.

2.13 Creditors

Short-term creditors are measured at the transaction price.

2.14 Financial instruments

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2021 - 2).

4. Intangible assets

	Patents £
Cost	
At 1 January 2022	1,050
At 31 December 2022	1,050
Amortisation	
At 1 January 2022	945
Charge for the year on owned assets	105
At 31 December 2022	1,050
Net book value	
At 31 December 2022	-
At 31 December 2021	105

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NOTES TO THE FINANCIAL STATEMENTS
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5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2022	3,240,584	317,881	53,101	136,981	3,748,547
At 31 December 2022	3,240,584	317,881	53,101	136,981	3,748,547
Depreciation					
At 1 January 2022	495,433	302,092	52,034	130,914	980,473
Charge for the year on owned assets	57,601	3,158	267	910	61,936
At 31 December 2022	553,034	305,250	52,301	131,824	1,042,409
Net book value					
At 31 December 2022	2,687,550	12,631	800	5,157	2,706,138
At 31 December 2021	2,745,151	15,789	1,067	6,067	2,768,074

Included in land and buildings is land at cost of £1,281,088 (2021 - £1,281,088) which is not depreciated.

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	100
At 31 December 2022	100

PORTER AND MAKINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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7. Investment property

Freehold
investment
property
£

Valuation

At 1 January 2022

1,120,000

At 31 December 2022

1,120,000

Certain 2022 valuations were made by the directors on fair value basis whilst other valuations of certain freehold investment properties were made by Brown & Co on an open market basis.

At 31 December 2022

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

	2022 £	2021 £
Historic cost	<u>1,048,379</u>	<u>1,048,379</u>

8. Stocks

	2022 £	2021 £
Raw materials and consumables	5,685	6,104
	<u>5,685</u>	<u>6,104</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Debtors

	2022 £	2021 £
Trade debtors	-	30,604
Amounts owed by group undertakings	2,168,349	2,455,375
Prepayments and accrued income	7,736	880
	<u>2,176,085</u>	<u>2,486,859</u>

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	3,642	1,112
Other taxation and social security	2,600	3,423
Other creditors	168,323	299,347
Accruals and deferred income	10,247	50,943
	<u>184,812</u>	<u>354,825</u>

11. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
10,200 (2021 - 10,200) Ordinary shares of £1.00 each	10,200	10,200
12,124,800 (2021 - 9,824,800) Redeemable ordinary shares of £1.00 each	12,124,800	9,824,800
10,000 (2021 - 10,000) 3.285% preference shares of £1.00 each	10,000	10,000
	<u>12,145,000</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.

During the year the company issued 2,300,000 Ordinary shares of £1.00 each.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. 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.

Other reserves

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

Profit and loss account

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

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