Company Registration No. 05949902 (England and Wales)

(MKP) MAINE OFFICE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

PAGES FOR FILING WITH REGISTRAR

(MKP) MAINE OFFICE LIMITED

COMPANY INFORMATION

Directors	Mr M Read Mrs L Read
Secretary	Mrs L Read
Company number	05949902
Registered office	Silbury Court Central Milton Keynes Buckinghamshire MK9 2AF
Auditor	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF

(MKP) MAINE OFFICE LIMITED

CONTENTS

(MKP) MAINE OFFICE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present the strategic report for the year ended 31 October 2021.

Fair review of the business
The office furniture sector has yet to fully recover after the COVID-19 pandemic and associated lockdowns. Turnover was subsequently reduced year on year; however tight cost control meant we were able to maintain gross profit in percentage terms and reduce the operating loss before taxation.

We continue to provide office furniture and lockers, with banks and financial institutions generating the highest volumes, but have worked hard over the past few years to develop new markets and income streams. We have achieved this by introducing new product ranges that enable us to offer our traditional high-end furniture, alongside a more competitively priced range of units. Additionally, the business has made significant headway in diversifying away from the core office furniture sector and has started producing cabinets for live visual display units for use in shopping malls, and manufacturing contactless water stations.

Although future sales remain hard to predict, the directors are confident that we will increase market share in line with our strategic plan. We are convinced that our low-cost base and on-going operational review across all areas of the business will see a return to profits in FY22 as sales recover to more normal levels.

During the year we have closely monitored our cash position, and this has remained steady. We have been able to successfully manage our working capital. Milton Keynes Pressings are our parent company and our main creditor. They continue to fully support the company.

Principal risks and uncertainties
The directors are satisfied that the company's financial risks are being correctly managed. The business finances its investment in plant and machinery using a combination of long-term loans and finance lease arrangements. The repayment terms are agreed with the lenders on a basis designed to provide stability to the company and without creating an unnecessary cash flow burden. In addition, the business has an invoice discounting facility, and access to holding company funds, which are available to provide working capital as required.

Development and performance
Business remains challenging in the first few months of 2022 but the directors are pleased to report that we continue to receive a number of sales enquiries from both new and existing customers and have made trading profits for the last two consecutive months.

Since the company operates from a sound financial position and continue to have the financial support of its parent company they are encouraged by prospects and look forward to seeing an improvement in trading during the second half of 2022 as volumes increase.

On behalf of the board

M Read
....
Mr M Read
Director
Date: 28th June 2022

(MKP) MAINE OFFICE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

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

Principal activities
The principal activity of the company during the year continued to be that of the manufacture of steel office furniture.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Read
Mrs L Read

Auditor
In accordance with the company's articles, a resolution proposing that Mercer & Hole be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

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Mr M Read
Director

Date: 28th June 2022

(MKP) MAINE OFFICE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors are responsible for preparing the Directors' Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

(MKP) MAINE OFFICE LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	4		1,000		1,000
Tangible assets	5		13,435		15,939
			14,435		16,939
Current assets					
Stocks		245,306		244,683	
Debtors	6	334,574		133,178	
Cash at bank and in hand		2,580		161,403	
		582,460		539,264	
Creditors: amounts falling due within one year	7	(587,522)		(707,394)	
Net current liabilities			(5,062)		(168,130)
Total assets less current liabilities			9,373		(151,191)
Creditors: amounts falling due after more than one year	8		(750,000)		(500,000)
Net liabilities			(740,627)		(651,191)
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			(740,727)		(651,291)
Total equity			(740,627)		(651,191)

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

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

The financial statements were approved by the board of directors and authorised for issue on 28th June 2022 and are signed on its behalf by:

M Read

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Mr M Read
Director

Company Registration No. 05949902

(MKP) MAINE OFFICE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 November 2019	100	(534,623)	(534,523)
Year ended 31 October 2020:			
Loss and total comprehensive income for the year	-	(116,668)	(116,668)
Balance at 31 October 2020	100	(651,291)	(651,191)
Year ended 31 October 2021:			
Loss and total comprehensive income for the year	-	(89,436)	(89,436)
Balance at 31 October 2021	100	(740,727)	(740,627)

1 Accounting policies

Company information

(MKP) Maine Office Limited is a private company limited by shares incorporated in England and Wales.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

As at 31 October 2021 the company has an excess of liabilities over assets and is dependent on the continuing support of its parent company.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the directors have reviewed the trading and cash flow forecasts of the company and concluded that based on the forecast results, taking into account the possible impact of COVID-19 on trading activities, the mitigating actions that can be taken to control costs and the undertaking of financial support provided by the parent undertaking, that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have received written confirmation from the parent company that such support will continue to be provided and although the financial impact of the pandemic is not quantifiable at the moment, given the financial strength of the parent company before the pandemic the directors expect this support to continue and have therefore prepared the financial statements on the going concern basis.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Turnover is recognised as contracted activity progresses, so that amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work completed after provision for contingencies and anticipated future losses on contracts.

Money owed in respect of sales at the year end is shown gross in debtors with amounts due under the invoice discounting agreement included in creditors.

1.4 Intangible fixed assets - goodwill

Negative goodwill arising on acquisition has been released to the profit and loss account in equal instalments.

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	Straight line over 3 to 10 years
Fixtures, fittings & equipment	Straight line over 3 years
Motor vehicles	Straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit and loss account, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through the profit and loss account, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government grants

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

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

1.15 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Amounts recoverable on long term contracts

FRS 102 requires that when the outcome of a transaction can be estimated reliably, an entity shall recognise revenue associated with the transaction by reference to the stage of completion of the transaction. The entity estimates the sales value associated with work in progress with reference to the gross margin achieved on sales. The gross amount relating to amounts recoverable on long term contracts is recognised in debtors and the estimated gross margin is recognised in revenue. Details of the amounts recoverable on long term contracts are set out in note 12.

3 Employees

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

	2021 Number	2020 Number
Total	11	15

4 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 November 2020 and 31 October 2021	103,258	1,000	104,258
Amortisation and impairment			
At 1 November 2020 and 31 October 2021	103,258	-	103,258
Carrying amount			
At 31 October 2021	-	1,000	1,000
At 31 October 2020	-	1,000	1,000

Negative goodwill arose on the acquisition of the assets and liabilities of Maine Office Limited and has been released to the profit and loss account in equal instalments.

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 November 2020	174,366
Disposals	(18,500)
At 31 October 2021	155,866
Depreciation and impairment	
At 1 November 2020	158,427
Depreciation charged in the year	2,504
Eliminated in respect of disposals	(18,500)
At 31 October 2021	142,431
Carrying amount	
At 31 October 2021	13,435
At 31 October 2020	15,939

6 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	207,180	125,576
Other debtors	127,394	7,602
	334,574	133,178

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	55,880	31,122
Amounts owed to group undertakings	437,883	572,459
Taxation and social security	34,537	55,262
Other creditors	59,222	48,551
	587,522	707,394

8 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	750,000	500,000

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Philip Fenn ACA FCCA and the auditor was Mercer & Hole.

10 Operating lease commitments

Lessee

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

	2021	2020
	£	£
	2,250	9,000

11 Related party transactions

Remuneration of key management personnel

	2021	2020
	£	£
Aggregate compensation	86,406	82,402

Other information

The company has taken advantage of the exemption in FRS 102 section 33.1A from the requirement to disclose transactions with group companies on the grounds that any subsidiary which is a party to the transaction is wholly owned by such a member.

12 Parent company

The company's immediate and ultimate parent undertaking is Milton Keynes Pressings Limited, a company registered in England and Wales.

Milton Keynes Pressings Limited prepares consolidated group financial statements which are available to the public at 420 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 2AF.

The company's ultimate controlling party is M Read by virtue of his shareholding in Milton Keynes Pressings Limited.