Company Registration No. 05397019 (England and Wales)

PORTMAN FINANCE LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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PORTMAN FINANCE LIMITED

COMPANY INFORMATION

Directors	S Barnes M C Hay
Secretary	M C Hay
Company number	05397019
Registered office	97 High Road Broxbourne Hertfordshire EN10 7BN
Accountants	Gerald Edelman 73 Cornhill London EC3V 3QQ EN10 7BN
Bankers	HSBC Plc Cross Road Golders Green London NW11 7NX

PORTMAN FINANCE LIMITED

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PORTMAN FINANCE LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	**4**		51		51
Current assets					
Debtors	**5**	811,978		1,150,582	
Cash at bank and in hand		374,745		263,371	
		1,186,723		1,413,953	
Creditors: amounts falling due within one year	**6**	(1,148,983)		(1,236,467)	
Net current assets			37,740		177,486
Total assets less current liabilities			37,791		177,537
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			37,691		177,437
Total equity			37,791		177,537

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

For the financial year ended 31 August 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 25 November 2020 and are signed on its behalf by:

S Barnes
Director

Company Registration No. 05397019

PORTMAN FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 September 2018	100	209,563	209,663
Year ended 31 August 2019:			
Profit and total comprehensive income for the year	-	161,874	161,874
Dividends	-	(194,000)	(194,000)
Balance at 31 August 2019	100	177,437	177,537
Year ended 31 August 2020:			
Profit and total comprehensive income for the year	-	52,254	52,254
Dividends	-	(192,000)	(192,000)
Balance at 31 August 2020	100	37,691	37,791

1 Accounting policies

Company information
Portman Finance Limited is a private company limited by shares incorporated in England and Wales. The registered office is 97 High Road, Broxbourne, Hertfordshire, EN10 7BN.

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 a mounts in these financial statements are rounded to the nearest £.

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

1.2 Turnover

Turnover represents interest receivable recognised on an accruals basis, as well as various other fees relating to the loans granted. Fees arising on termination of loans are recognised in accordance with the terms and conditions of the loan agreements. Loan arrangement fees are recognised as income once the loan facility has been accepted by the borrower and the fee has been paid.

1.3 Cost of sales

Cost of sales represents interest payable to investors who provide finance to the company.

1.4 Tangible fixed assets

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

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

Plant and machinery	33% Straight line

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

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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.

1 Accounting policies **(Continued)**

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 profit or loss, 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 profit or loss, 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.

1.6 Cash at bank and in hand

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.

1.7 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.

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.

1 Accounting policies **(Continued)**

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.

1.8 Equity instruments

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

1.9 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.

2 Employees

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

	2020 Number	2019 Number
Total	2	2

3 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 September 2019 and 31 August 2020	9,739
Depreciation and impairment	
At 1 September 2019 and 31 August 2020	9,739
Carrying amount	
At 31 August 2020	-
At 31 August 2019	-

4 Fixed asset investments

	2020	2019
	£	£
Investments	51	51

Movements in fixed asset investments

	Investments other than loans
	£
Cost or valuation	
At 1 September 2019 & 31 August 2020	51
Carrying amount	
At 31 August 2020	51
At 31 August 2019	51

5 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	57,474	457,010
Other debtors	754,504	693,572
	811,978	1,150,582

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Taxation and social security	6,396	7,582
Other creditors	1,142,587	1,228,885
	1,148,983	1,236,467

7 Related party transactions

Included in other creditors due within one year is £200,000 (2019: £200,000) owed to Provincial Pension Scheme, in which the director M C Hay has an interest. Interest payable on this loan amounted to £12,033 (2019: £12,000) which is included in cost of sales.

Included in other debtors are £589,574 (2019: £424,902) and £104,830 (2019: £40,745) owed by Portman Structured Finance Limited and Portman Finance (London) Limited respectively, companies in which Portman Finance Limited has an interest and in which M C Hay and S Barnes are directors. Fees and interest are earned on funds loaned to the companies. Income received in the year amounted to £23,000 (2019: £20,751) from Portman Structured Finance Limited and £4,521 (2019: £6,154) from Portman Finance (London) Limited. The company also received a management fees of £35,524 (2019: £17,738) from Portman Structured Finance Limited during the year.

During the year the company was charged £28,465 (2019: £17,378) for consultancy services by E & H Consultancy Limited, which S Barnes has an interest in the company. Additionally, the company was charged £7,059 (2019: £4, 344) for consultancy services by Woodstar Properties Limited in which M C Hay is a director.

Dividends payable in the year included £96,000 to E&H Limited and £96,000 to M C Hay.

During the year, dividends were receivable of £250,000 (2019: £277,500) from Portman Structured Finance Limited and £nil (2019: £40,000) from Portman Finance (London) Limited.