

PORT CLARENCE LAND LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

31 MARCH 2020



**ArmstrongWatson®**

Accountants, Business & Financial Advisers

# **PORT CLARENCE LAND LIMITED**

## **CONTENTS**

	<b>Page</b>
<b>Statement of Financial Position</b>	<b>1</b>
<b>Notes to the Financial Statements</b>	<b>2 - 6</b>

**PORT CLARENCE LAND LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investment property	4	4,845,000	4,845,000
<b>Current assets</b>			
Cash at bank and in hand		834,291	777,376
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	5	(311,875)	(313,000)
<b>Net current assets</b>		<u>522,416</u>	<u>464,376</u>
<b>Total assets less current liabilities</b>		<u>5,367,416</u>	<u>5,309,376</u>
Creditors: amounts falling due after more than one year	6	(1,200,000)	(1,350,000)
<b>Provisions for liabilities</b>			
Deferred tax		(501,519)	-
<b>Net assets</b>		<u><u>3,665,897</u></u>	<u><u>3,959,376</u></u>
<b>Capital and reserves</b>			
Called up share capital		6	6
Profit and loss account		3,665,891	3,959,370
		<u><u>3,665,897</u></u>	<u><u>3,959,376</u></u>

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 statement of income and retained earnings 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 by:



**G K Sizer**  
Director

Date: 6 November 2020

The notes on pages 3 to 7 form part of these financial statements.

# **PORT CLARENCE LAND LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

### **1. General information**

The company is a private company limited by shares incorporated and domiciled in the United Kingdom. The company is a tax resident in the United Kingdom. It trades from its registered office address at 2nd Floor, 16 High Street, Yarm, Cleveland, TS15 9AE.

The principal activity of the company during the year has been the letting of investment property.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

### **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 judgement in applying the Company's accounting policies. The preparation of these financial statements does not include any adjustments that may be required as a consequence of the COVID-19 pandemic outbreak during March 2020. At the date of the signing of the financial statements, the consequences of COVID-19 on the company and the financial statements are subject to a high level of estimation uncertainty and these financial statements therefore do not include any such adjustments.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The current economic conditions create uncertainty over (a) the property yield and valuation; and (b) the liquidity position of the company.

As highlighted in note 7 to the financial statements, the company meets its day-to-day working capital requirements through a bank loan facility which expires on 31 March 2024.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility.

Thus, the directors have a reasonable expectation at the time of approving the financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis in preparing the financial statements continues to be adopted.

#### **2.3 Revenue**

Turnover represents amounts receivable in respect of rental income on investment properties and is derived from the company's principal activity. All turnover originates in the United Kingdom.

Rental income from operating leases is recognised in line with the terms of the relevant lease.

#### **2.4 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

## **PORT CLARENCE LAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

#### **2. Accounting policies (continued)**

##### **2.5 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.

##### **2.6 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.7 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

##### **2.8 Financial instruments**

The Company 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.

##### **2.9 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.10 Borrowing costs**

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

## PORT CLARENCE LAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

#### 2. Accounting policies (continued)

##### 2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 operates and generates 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.

#### 3. Employees

The average monthly number of employees, including directors, during the year was 3 (2019 - 3).

#### 4. Investment property

	Investment property £
<b>Valuation</b>	
At 1 April 2019	4,845,000
<b>At 31 March 2020</b>	<b>4,845,000</b>

The property was valued in November 2018 by Jones Lang LaSalle, on an open market value for existing use basis.

The Directors consider this valuation to remain appropriate at the balance sheet date.

**PORT CLARENCE LAND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**5. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Bank loans	150,000	150,000
Corporation tax	49,291	47,901
Other taxation and social security	30,550	30,327
Other creditors	100	54
Accruals and deferred income	81,934	84,718
	<u>311,875</u>	<u>313,000</u>

Included within creditors, amounts falling due within one year are bank loans of £150,000 (2019 - £150,000) which is secured by a fixed and floating charge against the investment property in the company.

**6. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Bank loans	1,200,000	1,350,000
	<u>1,200,000</u>	<u>1,350,000</u>

Included within creditors, amounts falling due after more than one year are bank loans of £1,200,000 (2019 - £1,350,000) which are secured by a fixed and floating charge against the investment property in the company.

**7. Loans**

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Bank loans	150,000	150,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	150,000	150,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	450,000	450,000
<b>Amounts falling due after more than 5 years</b>		
Bank loans	600,000	750,000
	<u>1,350,000</u>	<u>1,500,000</u>

**PORT CLARENCE LAND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**8. Deferred taxation**

	<b>2020 £</b>
Charged to profit or loss	<b>501,519</b>
<b>At end of year</b>	<b><u>501,519</u></b>

The deferred taxation balance is made up as follows:

	<b>2020 £</b>	<b>2019 £</b>
Revaluation surplus	<b>501,519</b>	-
	<b><u>501,519</u></b>	<b><u>-</u></b>