

Co. Reg. No. 3012156

PORTOBELLO BUSINESS CENTRE LIMITED
(a company limited by guarantee)

REPORT AND ACCOUNTS

31 MARCH 2005



PORTOBELLO BUSINESS CENTRE LTD
(a company limited by guarantee)

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PORTOBELLO BUSINESS CENTRE LTD
(a company limited by guarantee)

COMPANY INFORMATION

BUSINESS ADDRESS:
(and registered office)

2 Acklam Road
LONDON
W10 5QZ

Tel: 0207 460 5050
Fax: 0208 968 3660

E-Mail: pbcc@pbcc.co.uk
Web site: <http://www.pbcc.co.uk>

BANKERS:

Midland Bank plc
Notting Hill Branch
152 Portobello Road
LONDON
W11 2DZ

Barclays Bank plc
Willesden and Notting Hill Group
P O Box 3750
LONDON
NW10 6AQ

AUDITOR:

Saffery Champness - Chartered Accountants
Lion House
Red Lion Street
LONDON
WC1V 4GB

LEGAL ADVISER:

Elizabeth Cairns
Knowle Hill Farm
Ulcombe
Maidstone
KENT
ME17 1ES

PORTOBELLO BUSINESS CENTRE LIMITED

(A Company limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then to apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

PRINCIPAL ACTIVITIES

The principal activities of the company for the above year were the provision of business advice to businesses and to people resident in Kensington and Chelsea, the City of Westminster and its localities and Greater London and the provision of Information Technology resources and training.

OUTPUTS 2004 – 2005

The PBC is now required to provide a number of output reports, each marginally different in form and content, for its various partners. As a result, the data presented here follows the format required by the RBKC as well as providing other data that might be of interest:

DESCRIPTION	TARGET 2004/05	RESULTS 2004/05
PBC Loans/Grants		
PBC Loans	1 to 5	3
PBC Grants	11	7
New Life for Paddington		
Loans	1 to 5	0
Cleer SBC		
Cleer SBC – Information Session	200	274
Cleer SBC – Business Referred	75	73
Cleer SBC – Jobs Safeguarded	6	31
Cleer ICT – Information Sessions	160	164
Cleer ICT – Advices Session	40	32
Cleer Business – Advice Sessions	160	198
Cleer Business Consultancy 30 x 2 days matched	30	30
Cleer Business – Business Created	20	20
Cleer Business – Jobs Created	20	31.5
PDT		
PDT – Information Sessions	150	153
PDT – 1Hour 121 advice sessions	130	152
PDT – Consultancy 35 x 2days matched	35	35
PDT – Jobs Created	26	26
PDT – Jobs Safeguarded	30	42
PDT – Businesses Created or Attracted	21	21
LDA2		
LDA2 – 1 hour 121 advice sessions	100	120
LDA2 – Information Sessions	60	67
LDA2 – Social Ent. Mentoring 20 x 3days	20	24
LDA2- Jobs Safeguarded	60	68
LDA2 – Business Start-Ups	40	41
LDA2 – Jobs Created	44	61
Business Link SFI		
SFI – Commitments	200	149
SFI – Business Improvement Plan & Supp.	400	217
SFI – Recognitions	66	---
Business Link		
Micro One days	19	24
Up & Running	74	74
Diagnostics	119	119

Advice & Information	209	209
Business Starts	120	120
Westminster		
Start-Up Grants	5	5
RBKC – 60 x Business Starts	60	62

The results of the year-end financial position of the company are detailed on pages 8 to 16.

DIRECTORS

The directors who served during the year were as follows:

William FitzHugh -	Chairman
John Brown	
Rod Taylor	
Mrs Jill May	
Janice Cook	
Stephen Hoier	
Akinfenwa Oyadare	
Iretiola Badamosi	

Iretiola Badamosi

*Appointed by the Royal Borough of Kensington and Chelsea.

The directors are all members of the company.

SECRETARY

Janice Cook

COMPANY STATUS

The Company is Limited by Guarantee. In complying with the Companies Act 1985 to 1989, it does not have a Share Capital. Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he is a Member or within one year after he ceases to be a Member, for payment of the Company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

At 31 March 2005, the total of such guarantees amounted to £9.

TAXATION STATUS

The company is a recognised enterprise agency exempt from taxation under Section 79(4) (a) of the Income and Corporation Act 1988. Tax provision for investment income, which is not exempt under this section, has been made in the accounts.

AUDITORS

The auditors, Saffery Champness, Chartered Accountants, were re-appointed during the year, in accordance with section 385 of the companies Act 1985.

ON BEHALF OF THE BOARD

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



Director / Secretary

Dated 20/12/05

PORTOBELLO BUSINESS CENTRE LTD
(a company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 7 to 15. These financial statements have been prepared under the historic cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the annual report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

This report is made to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

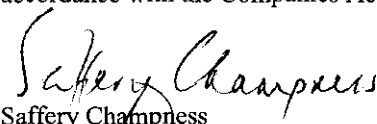
Basis of opinion

We have conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Saffery Champness
Registered Auditors

Lion House
Red Lion Street
London
WC1R 4GB

Date..... 21 DECEMBER 2005

PORTOBELLO BUSINESS CENTRE LTD
(a company limited by guarantee)

DETAILED INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005

	NOTES	£	2005 £	£	2004 £
INCOME					
GRANTS & DONATIONS					
Grants - Royal Borough K & Chelsea		123,050		119,700	
Socially Disadvantaged Fund		----		----	
ICT for SME'S Fund		5,970		----	
Donations	5	----		----	
			129,020		119,700
CONTRACT SERVICES			982,744		1,103,310
INTERNALLY GENERATED INCOME					
PBC Training Courses		18,997		104	
BEP Fees		13,864		3,195	
Other Training Fees		7,573		30,823	
Rent Receivable		99,910		74,709	
Interest Receivable		9,948		6,873	
Other Income		20,623		41,189	
			170,915		156,893
TURNOVER			<u>1,282,679</u>		<u>1,379,903</u>
EXPENDITURE					
Accommodation		117,082		101,430	
Staff Admin & Training		16,497		22,220	
General Administration		72,392		92,714	
PBC Training Costs		17,453		16,358	
Business Link & SFI		235,422		142,040	
Contract & Other Training		129,280		371,306	
Promotion		25,243		31,327	
Staff Costs	9	377,700		368,652	
Consultants & Casual		217,433		138,362	
Refreshments & Others		6,455		----	
Depreciation	2	22,510		25,287	
Irrecoverable VAT write off		27,791		27,394	
Bad Debts Write off		1,868		----	
TOTAL EXPENDITURE			<u>1,267,126</u>		<u>1,337,090</u>
RESULT FOR THE YEAR			15,553		42,813
Tax on Bank Interest	3		(1,990)		(1,375)
Costs of funding Socially Disadvantaged Fund & ICT for SME's projects from the Reserve Fund	15		(91,539)		----
RESULT FOR THE YEAR			<u>(77,976)</u>		<u>41,438</u>

There were no recognised losses or gains other than those included above.
The income and expenditure all relate to continuing operations.

BALANCE SHEET
31 MARCH 2005

These accounts have been prepared in accordance with the special provisions of the Part VII of the Companies Act relating to small companies.

Approved by the board on 20/12/05
Signed by: H. M. H. H. H. Chairman
I. Madamani Director

PORTOBELLO BUSINESS CENTRE LIMITED

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NOTES TO THE ACCOUNTS

31 March 2005

1. ACCOUNTING POLICIES

The statements have been prepared on a historic cost basis.

a) Capital Expenditure and Depreciation

Assets of an expected life span of more than one year and costing over £100 are capitalised and depreciated over their expected life span.

All office equipment and furniture is depreciated at the rate of 25% on the straight-line basis.

b) Grants and Donations

Income from grants and donations has been brought into the accounts on the accruals principle.

Grants received for particular purposes are applied for those purposes only.

Where a service is provided with help from a government grant both the grant income and expenditure are included in the Income and Expenditure account.

c) Donated Goods and Services

Where goods and services have been donated, no value is attributed in the accounts, unless the estimated aggregate value exceeds £1,000.

2. SURPLUS FOR THE YEAR BEFORE TAXATION

The surplus for the year before taxation is stated after charging

	2005	2004
	£	£
Depreciation on tangible fixed assets	22,510	25,287
Auditors Remuneration	6,000	6,000

3. TAXATION

	2005	2004
	£	£
Current Tax Charge	1,990	1,375
Tax Charge for the current year	Nil	Nil
Over provided in previous year	<u>1,990</u>	<u>1,375</u>

Factors affecting the tax charge for the year

Taxable profit on ordinary activities	10,346	6,873
Profit on ordinary activities before taxation		
Multiplied by standard tax of 20.00%		
(2004:20%)	<u>1,990</u>	<u>1,375</u>

4. FIXED ASSETS

	Office Furniture and Equipment 2005 £	Office Furniture and Equipment 2004 £
<u>Acquisition Value or Cost</u>		
At 1 April 2004	137,799	114,419
Disposals/write-off	----	----
Additions at cost	<u>4,971</u>	<u>23,380</u>
At 31 March 2005	<u>142,770</u>	<u>137,799</u>
<u>Depreciation</u>		
At 1 April 2004	96,573	71,286
Disposal/write-off	----	----
Charge for the year	<u>22,510</u>	<u>25,287</u>
At 31 March 2005	<u>119,083</u>	<u>96,573</u>
Net Book value 31 March 2005	<u>23,687</u>	<u>41,226</u>

5. DONATIONS

No donations were received during the year.

6. DEBTORS

	2005	2004
	£	£
New Prosperity for Paddington	36,961	41,187
Business Link SFI	42,535	9,377
Business Link London Central	1,699	44,908
Paddington Business Network	3,750	-----
LSC Contract	----	756
Staff Advances	6,495	17,493
Prepayment	4,963	40,244
Rent Receivable	63,316	53,499
Other Trade Debtors	48,417	69,838
Amounts due from Loan Fund (Notes 10&11)	<u>61,735</u>	<u>94,722</u>
Total Debtors	<u>269,871</u>	<u>372,024</u>

(Loan Fund: Included in the Debtors balance for 2004/05 is £61,735 falling due after more than one year, the corresponding figure for 2003/04 is £94,722). (Staff Loans: Included in the Debtors balance for 2004/05 is £6,495 falling due after more than one year).

7. CREDITORS (Less than one year)

	2005	2004
	£	£
Corporation Tax	1,990	1,375
Accruals Income	43,513	31,798
Other Tax and Social Security	40,626	58,917
Trade Creditors	46,154	87,027
Deferred Income	63,460	40,208
North Kensington Opportunity Centre	12,814	12,265
Sundry Creditors	10,087	518
Loan/Grants Fund (Notes 10 & 11)	<u>12,737</u>	<u>33,687</u>
Total Creditors	<u>231,381</u>	<u>265,795</u>

8. CASH AT BANK AND IN HAND

	2005	2004
	£	£
Current account	131,756	134,989
Money master Account	68,866	87,632
Money Market Account	240,662	233,486
Petty Cash	500	500
	<u>441,784</u>	<u>456,607</u>
Money Held for restricted use:		
Loan Fund – RBKC (note 10)	82,929	99,996
NLP (note 11)	92,080	63,872
Barley Shott 3&4	10,087	
	<u>185,096</u>	<u>163,868</u>
	<u>626,880</u>	<u>620,475</u>

9. STAFF

a) Remuneration

	2005	2004
	<u>£</u>	<u>£</u>
Salaries	323,924	322,590
PAYE	43,219	34,397
Pension Costs	<u>10,557</u>	<u>11,665</u>
Total	<u>377,700</u>	<u>368,652</u>

The average number of staff during the year was 13. (2004: 14)

b) Pension Schemes

The company does not operate an independent pension scheme. However, the company is an approved member of the local council's pension scheme to which staff transferred from the Business Resource Centre are free to join. This is part of the terms of undertaking negotiated during the formation of the company.

Other staffs are free to operate an independent pension scheme with an approved pension fund provider to which the company contributes 6.3% of the employee's pensionable salary.

The differential in employer contribution to the two schemes is adjusted in the employees' salary.

10. LOAN/GRANT FUND

North Kensington City Challenge, Barclays Bank and PBC came to an agreement whereby North Kensington City Challenge provided a loan/grant fund, which would provide a maximum grant of £1,000 to start-up businesses and a maximum of £10,000 loan to existing businesses. This fund is administered by Portobello Business Centre. The PBC Loan/Grant Fund was initially available to businesses operating within the North Kensington City Challenge area. The coverage has been extended to include all North Kensington areas.

The initial fund was set up by North Kensington City Challenge (NKCC) providing £205,151. Barclays Bank provides additional funding by way of a loan where necessary. It has now been decided that, unlike previous practice, all costs relating to the fund will be recovered from the fund itself and a commission of £300 for every processed loan will be paid from the fund towards the cost of running the scheme. With the demise of NKCC in March 1998 the funds now are under the control of the PBC but can only be used as set out by NKCC.

The Loan/Grant scheme operation since inception has been:

	2005	2004
	£	£
Net funds received to 31.3.05	205,151	205,151
Add: Bank interest	27,426	42,278
Interest Received from Loan	<u>14,029</u>	<u>-----</u>
	246,606	247,429
Deduct:		
Loans Written Off	26,469	21,566
Start-up grants	79,802	65,802
Bank charges	252	219
Administration charge	<u>22,463</u>	<u>20,763</u>
	<u>128,986</u>	<u>108,350</u>
	<u>117,620</u>	<u>139,079</u>
Represented by balances in:		
Money market account	50,000	50,000
Deposit Account	32,829	49,801
Current account	<u>100</u>	<u>195</u>
	82,929	99,996
Debtors (Note 6)	36,391	39,083
Creditors (Note 7)	(1,700)	
	<u>117,620</u>	<u>139,079</u>

11. NEW LIFE FOR PADDINGTON LOAN/GRANT FUND

This is a Loans and Grants scheme operated under the SRB New Life for Paddington scheme.

Loans

Business Loans of up to £5,000 interest-free are available to residents of the Paddington area and to new businesses relocating to the Paddington area. All successful applicants will demonstrate viability and potential for growth.

Grants

Start-up grants of up to £1,500 are available to residents of the Paddington area. The businesses can operate from premises inside or outside the Paddington area.

Investment grants of up to £10,000 are available to existing businesses in the Paddington area or relocating to the Paddington area.

The Summary of its financial activity to date is as follows:

		<u>2005</u>		<u>2004</u>
	£	£	£	£
Net Funds received to 31.03.05		213,380		213,380
Add: Grant Default Repayments		10,064		---
Bank Interest received		<u>3,367</u>		<u>1,835</u>
		226,811		215,215
Deduct: Grants given out	119,000		121,500	
Bank Charges	1,077		1,000	
Admin. Charge	<u>349</u>		<u>6,891</u>	
		<u>120,426</u>		<u>129,391</u>
		106,385		85,824
Represented by:				
Deposit Account	64,773		52,441	
Current Account	<u>27,307</u>		<u>11,431</u>	
		92,080		63,872
Debtors (Note 6)		25,342		55,639
Creditors (Note 7)		<u>(11,037)</u>		<u>(33,687)</u>
		<u>106,385</u>		<u>85,824</u>

12. RESTRICTED FUNDS

As provided by accounting policy 1b), the company received funds from the North Kensington City Challenge (PBC Loans and Grants) and New Life for Paddington under the Single Regeneration Budget scheme (New Life for Paddington Loans and Grants) to award as loans and grants.

The balance of overpayment was repaid to the council to close the scheme.

The company receives a percentage of the grants towards its administrative costs.

This is represented as follows:

		<u>2005</u>	Net	<u>2004</u>
		<u>£</u>	Movement	<u>£</u>
PBC Loans & Grants	(Note 10)	117,620	(21,459)	139,079
New Life for Paddington	(Note 11)	<u>106,385</u>	<u>20,561</u>	<u>85,824</u>
Restricted Funds at Year End 31 March 2005		<u>224,005</u>	<u>(898)</u>	<u>224,903</u>

13. DIRECTORS' REMUNERATION

Under the terms of the articles of association of the company, Directors do not receive any remuneration, but genuine out of pocket expenses incurred while conducting company business are reimbursable. Similarly, services rendered or goods supplied to the company by a Director in a professional or business capacity but not in the course of carrying out his duties in the capacity of Director, are paid for by the company as an "at arms length" transaction.

During the year to 31st March, 2005:

Total payment to Directors in any capacity was nil (2003/04 nil)

14. FINANCIAL COMMITMENTS

There is no financial commitment for the current year. A schedule of the rent outstanding as at 31/3/2005 is as below:

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Rent outstanding	<u>Nil</u>	<u>Nil</u>

15. COSTS OF FUNDING SOCIALLY DISADVANTAGED FUND & ICT FOR SME'S PROJECTS

During the year the directors made a decision to fund 2 projects from existing reserves. These projects are the Socially Disadvantaged Fund, and ICT for SME's. The decision was made based on the fact that both projects are for the benefit of the local community, and the company has sufficient reserves to be able to cover the expenses it incurs.