

**REGISTERED NUMBER: 03012156 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011  
FOR  
PORTOBELLO BUSINESS CENTRE**

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**PORTOBELLO BUSINESS CENTRE**

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FOR THE YEAR ENDED 31 MARCH 2011**

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**PORTOBELLO BUSINESS CENTRE**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2011**

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**DIRECTORS:**

S P Hoier  
E M Purcell  
D J Sandford

**SECRETARY:**

D J Sandford

**REGISTERED OFFICE:**

Offices 6 & 7 Canalside House  
383 Ladbroke Grove  
London  
W10 5AA

**REGISTERED NUMBER:**

03012156 (England and Wales)

**AUDITORS:**

Myrus Smith  
Norman House  
8 Burnell Road  
Sutton  
Surrey  
SM1 4BW

## **PORTOBELLO BUSINESS CENTRE**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2011**

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The directors present their report with the financial statements of the company for the year ended 31 March 2011

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company for the year were the provision of business advice to businesses and 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

#### **REVIEW OF BUSINESS**

This was a difficult year for the company, many of our projects came to a close notably LSC winning at work, T2 gain, TVU bridge the gap, GLE ERDF, LDA CLEC and DWP project. We continue to deliver PDT ERDF and Positive Futures project

As part of a three year agreement, we continue to receive support and annual funding of £50,000 from Royal Borough of Kensington and Chelsea to support local enterprise and existing businesses

Despite the pressures over this period PBC supported 132 London Business, started 41 and created 25 new jobs. In RBKC we started 18 new businesses and supported 140 existing businesses. Additionally we trained 461 people in employment skills and personal development and supported 300 people in achieving NVQ qualifications

Operationally we faced many challenges. During the year the directors identified a number of unauthorised payments made over several years and which are currently being investigated. The directors have been unable to identify the full extent of the unauthorised payments but every effort will be made to recover those funds

In order to assist in the recovery of PBC, directors have approached Paddington Development Trust, a partner organisation, in a strategic alliance that will strengthen management and financial control

There was significant financial pressure due to cash flow problems and losses in the year. This resulted in some staff redundancies and an action programme for deficit reduction. The directors have secured a new leasing arrangement for its properties generating adequate funds and managed to avert short term cash flow difficulties

During the financial year, the company incurred a significant operational loss of £341,632, combined with a revaluation deficit of its investment property of £280,000, totalling £621,632. The directors believe this should not be a cause of concern at this point. The latest financial position and the actions to strengthen the company are indicative of a more stable position going forward

We would like to thank our funders, service users and dedicated staff for their assistance in achieving our programmes

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report

S P Hoer  
E M Purcell  
D J Sandford

Other changes in directors holding office were as follows

I Badamosi	Resigned 21/7/2010	Appointed 24/8/2010 and Resigned 10/11/2011
P Aswani	Resigned 8/11/2010	
R Barkey	Resigned 9/3/2011	
A Oyadare	Resigned 19/04/2011	

## **PORTOBELLO BUSINESS CENTRE**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2011**

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#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

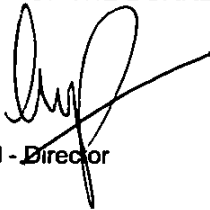
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Myrus Smith, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

#### **ON BEHALF OF THE BOARD:**



E M Purcell - Director

23 February 2012

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PORTOBELLO BUSINESS CENTRE**

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We have audited the financial statements of Portobello Business Centre for the year ended 31 March 2011 on pages six to twelve. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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 our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Basis for disclaimer of opinion on financial statements**

As noted in the Directors Report, the Directors have identified a number of unauthorised payments made over several years and which are currently being investigated. To date they have been unable to identify the full extent of those unauthorised payments. As a result of this we have been unable to obtain sufficient audit evidence concerning the statement of reserves at the start of this year and of the loss arising in the current year.

### **Disclaimer of Opinion on Financial Statements**

Because of the significance of the possible impact of the matter described in the Basis for Disclaimer of Opinion on Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PORTOBELLO BUSINESS CENTRE**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors



S A Jones (Senior Statutory Auditor)  
for and on behalf of Myrus Smith  
Norman House  
8 Burnell Road  
Sutton  
Surrey  
SM1 4BW

Date 23 February 2012

**PORTOBELLO BUSINESS CENTRE**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>		590,204	1,365,369
Administrative expenses		1,060,698	1,495,405
		(470,494)	(130,036)
Other operating income		128,825	132,238
<b>OPERATING (LOSS)/PROFIT</b>	2	(341,669)	2,202
Interest receivable and similar income		47	131
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(341,622)	2,333
Tax on (loss)/profit on ordinary activities	3	10	28
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(341,632)	2,305

The notes form part of these financial statements



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**PORTOBELLO BUSINESS CENTRE**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2011**

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	2011 £	2010 £
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	(341,632)	2,305
Revaluation of investment property	<u>(280,000)</u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u><u>(621,632)</u></u>	<u><u>2,305</u></u>

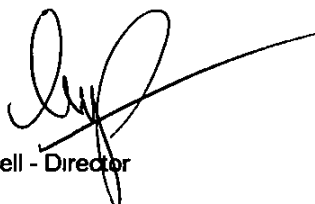
The notes form part of these financial statements

**PORTOBELLO BUSINESS CENTRE****BALANCE SHEET  
31 MARCH 2011**

	Notes	£	2011	£	£	2010	£
<b>FIXED ASSETS</b>							
Tangible assets	4			-			6,652
Investment property	5			2,220,000			2,500,000
				<u>2,220,000</u>			<u>2,506,652</u>
<b>CURRENT ASSETS</b>							
Debtors	6	79,194			232,172		
Cash at bank and in hand	7	9,583			86,441		
				<u>88,777</u>		<u>318,613</u>	
<b>CREDITORS</b>							
Amounts falling due within one year	8	302,748			169,085		
<b>NET CURRENT (LIABILITIES)/ASSETS</b>				<u>(213,971)</u>			<u>149,528</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				2,006,029			2,656,180
<b>CREDITORS</b>							
Amounts falling due after more than one year	9			55,147			83,666
<b>NET ASSETS</b>				<u>1,950,882</u>			<u>2,572,514</u>
<b>RESERVES</b>							
Revaluation reserve	11			1,120,000			1,400,000
Profit and loss account	11			830,882			1,172,514
				<u>1,950,882</u>			<u>2,572,514</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 23 February 2012 and were signed on its behalf by



E M Purcell - Director

The notes form part of these financial statements

## PORTOBELLO BUSINESS CENTRE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

#### 1 ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### Turnover

Turnover represents net invoiced sales of services, excluding value added tax

##### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery etc                      -    25% on cost

##### Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

The investment property is held under a long lease with the Royal Borough of Kensington and Chelsea and in the event of the dissolution of the company the property will revert to the head lessor.

##### Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

#### 2 OPERATING (LOSS)/PROFIT

The operating loss (2010 - operating profit) is stated after charging/(crediting)

	2011 £	2010 £
Depreciation - owned assets	6,652	3,505
Pension costs	9,188	11,263
Auditors' remuneration	3,500	7,000
Auditors' remuneration overprovided in previous year	(2,250)	-
	<u>          </u>	<u>          </u>
Directors' remuneration and other benefits etc	<u>          </u>	<u>          </u>

#### 3 TAXATION

##### Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	10	28
	<u>          </u>	<u>          </u>
Tax on (loss)/profit on ordinary activities	<u>10</u>	<u>28</u>

# **PORTOBELLO BUSINESS CENTRE**

## **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2011**

### **4 TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
<b>COST</b>	
At 1 April 2010 and 31 March 2011	168,073
<b>DEPRECIATION</b>	
At 1 April 2010	161,421
Charge for year	6,652
At 31 March 2011	168,073
<b>NET BOOK VALUE</b>	
At 31 March 2011	-
At 31 March 2010	6,652

### **5 INVESTMENT PROPERTY**

Cost or valuation at 31 March 2011 is represented by

	£
Valuation in 2006	1,400,000
Valuation in 2011	(280,000)
Cost	1,100,000
	2,220,000

The investment property was revalued by the directors at 31 March 2011 and was based upon valuations obtained from two property valuers

### **6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Trade debtors	550	-
Other debtors	78,644	232,172
	79,194	232,172

Other debtors include £47,687 ( 2010 - £42,159 ) due in respect of loans made from the Loans and Grants Funds ( Note 13)

### **7 CASH AT BANK AND IN HAND**

Cash and bank balances include funds totalling £7,460 ( 2010 - £41,507 ) held in separate bank accounts for the Loans and Grants Funds (Note 13)

**PORTOBELLO BUSINESS CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011**

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Trade creditors	132,021	98,315
Taxation and social security	17,065	15,473
Other creditors	153,662	55,297
	<u>302,748</u>	<u>169,085</u>

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2011 £	2010 £
Other creditors	<u>55,147</u>	<u>83,666</u>

Other creditors represent amounts due to the Loans and Grants Funds ( Note 13)

**10 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	2011 £	2010 £
Expiring Between one and five years	<u>2,376</u>	<u>2,376</u>

**11 RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2010	1,172,514	1,400,000	2,572,514
Deficit for the year	(341,632)	-	(341,632)
Revaluation in the year	-	(280,000)	(280,000)
At 31 March 2011	<u>830,882</u>	<u>1,120,000</u>	<u>1,950,882</u>

**12 CONTINGENT LIABILITIES**

Claims for unfair dismissal have been made against the company by two former employees. The Directors are confident that the claims will be unsuccessful and consequently no provision has been made in these accounts for any potential liability arising.

## **PORTOBELLO BUSINESS CENTRE**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2011**

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#### **13 LOANS AND GRANTS FUNDS**

##### **North Kensington City Challenge (NKCC)**

PBC acts as administrator and agent for North Kensington City Challenge (NKCC) which had originally given funding of £205,151 to provide grants of up to £1,000 to local start-up businesses and loans of up to £10,000 to existing local businesses. Although NKCC ceased in 1998 the remaining funds are administered according to the rules originally set down by that organisation. At 31 March 2011 unspent funds amounted to £26,021 (2010 - £54,354)

##### **New Life for Paddington**

PBC acts as administrator and agent under the Single Regeneration Budget Scheme (New Life for Paddington Loans and Grants) to provide interest free loans of up to £5,000 to new businesses relocating to the Paddington area and also start-up grants of up to £1,500 to local residents. Investment grants of up to £10,000 are also available to local businesses and those relocating to the Paddington area. At 31 March 2011 unspent funds amounted to £29,126 (2010 - £29,312)