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Company Registration No 5397019 (England and Wales)



CREATIVITY ENTHUSIASM ENERGY VISION

PORTMAN FINANCE LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2007

MONDAY



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PORTMAN FINANCE LIMITED

COMPANY INFORMATION

Directors	M C Hay S Barnes
Secretary	M C Hay
Company number	5397019
Registered office	C/o Metropolitan and County Group 120 West Heath Road London NW3 7TU
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	HSBC Plc Cross Road Golders Green London NW11 7NX

PORTMAN FINANCE LIMITED

CONTENTS

	Page
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6 - 9

PORTMAN FINANCE LIMITED

DIRECTORS' REPORT *FOR THE YEAR ENDED 31 AUGUST 2007*

The directors present their report and accounts for the year ended 31 August 2007, the comparative figures are for the 17 month period ended 31 August 2006

Principal activities

The principal activity of the company is the provision of finance

Directors

The directors who served during the year were

M C Hay

S Barnes

The directors have an interest in the entities that hold shares in the company

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information

Auditors

H W Fisher & Company were appointed auditors during the period and a resolution proposing that they be reappointed will be put to the members at the next Annual General Meeting

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the Board



Dated 30 June 2008

PORTMAN FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, the directors are required to

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent,
- * prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

PORTMAN FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Portman Finance Limited for the year ended 31 August 2007 set out on pages 4 to 9. These accounts have been prepared under the accounting policies set out on page 6.

This report is made solely 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 auditors' 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 our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are as described on page 2.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 other transactions 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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion:

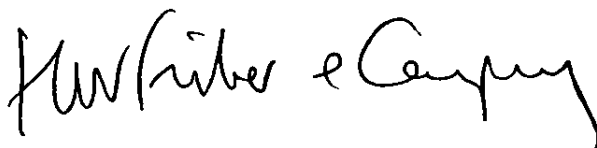
- * the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2007 and of the profit for the year then ended,
- * the accounts have been properly prepared in accordance with the Companies Act 1985, and
- * the information given in the Directors' Report is consistent with the accounts.

H W Fisher & Company

Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London
NW1 3ER

Dated

30 June 2008



PORTMAN FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2007

		2007	Period ended 31 August 2006
	Notes	£	£
Turnover	2	465,536	73,284
Cost of sales		(64,388)	(17,837)
Gross profit		401,148	55,447
Administrative expenses		(406,823)	(84,650)
Operating loss	3	(5,675)	(29,203)
Other income	6	1,558	1,136
Loss on ordinary activities before taxation		(4,117)	(28,067)
Tax on loss on ordinary activities	7	-	-
Loss on ordinary activities after taxation		(4,117)	(28,067)
Dividends	8	(40,000)	-
Net deficit for the financial year		(44,117)	(28,067)
Accumulated loss brought forward		(28,067)	-
Accumulated loss carried forward		(72,184)	(28,067)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

PORTMAN FINANCE LIMITED

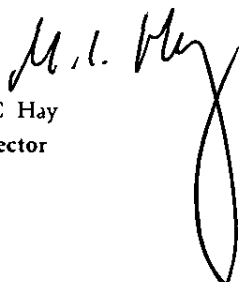
BALANCE SHEET AS AT 31 AUGUST 2007

	Notes	£	2007 £	£	2006 £
Current assets					
Debtors	9	497,784		599,541	
Cash at bank and in hand		62,881		7,043	
		<u>560,665</u>		<u>606,584</u>	
Creditors - amounts falling due within one year	10	<u>(632,749)</u>		<u>(634,551)</u>	
Total assets less current liabilities			<u>(72,084)</u>		<u>(27,967)</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account			<u>(72,184)</u>		<u>(28,067)</u>
Shareholders' funds - all equity interests	12		<u>(72,084)</u>		<u>(27,967)</u>

The accounts were approved by the Board on

30 June 2008

M C Hay
Director



PORTMAN FINANCE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2007

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

The directors have received confirmation from a creditor amounting to £295,000 that they will not seek repayment until the company is in a financial position to do so. The directors therefore believe that it is appropriate for the accounts to be prepared on a going concern basis.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents the invoiced value of services provided net of VAT. 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.

1.4 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.5 Comparatives

Comparatives are for the 17 month period to 31 August 2006.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating loss	2007	2006
		£	£
	Operating loss is stated after charging		
	Auditors' remuneration	3,700	3,500
		<u> </u>	<u> </u>
4	Directors' emoluments	2007	2006
		£	£
	Aggregate emoluments	41,505	-
		<u> </u>	<u> </u>

During the year ended 31 August 2006 the director's emoluments were included as consultancy fees.

PORTMAN FINANCE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2007

5 Employees

Number of employees

The average monthly number of employees during the year was

	2007 Number	2006 Number
Administration	1	-

6 Other income

	2007 £	2006 £
Interest receivable and similar income	1,558	1,136

7 Tax on loss on ordinary activities

	2007 £	2006 £
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2006: 19.00%)	(823)	(5,333)
Effects of		
Expenses not deductible for tax purposes	302	283
Other tax adjustments	521	5,050
Current tax charge	-	-

The company has estimated losses of £29,186 (2006: £26,580) available for carry forward against future trading profits

8 Dividends

	2007 £	2006 £
Ordinary interim paid	40,000	-

9 Debtors

	2007 £	2006 £
Trade debtors	469,910	592,125
Called up share capital not paid	100	100
Prepayments and accrued income	27,774	7,316
	497,784	599,541

PORTMAN FINANCE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2007

10	Creditors amounts falling due within one year	2007 £	2006 £
	Other loans	595,000	395,000
	Taxes and social security costs	2,075	-
	Directors current accounts	-	205,000
	Other creditors	9,526	6,878
	Accruals and deferred income	26,148	27,673
		<u>632,749</u>	<u>634,551</u>
11	Share capital	2007 £	2006 £
	Authorised		
	100 Ordinary of £1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 Ordinary of £1 each	<u>100</u>	<u>100</u>
12	Reconciliation of movements in shareholders' funds	£	£
	Loss for the financial year	(4,117)	(28,067)
	Dividends	<u>(40,000)</u>	<u>-</u>
		(44,117)	(28,067)
	New share capital subscribed	<u>-</u>	<u>100</u>
	Net depletion in shareholders' funds	(44,117)	(27,967)
	Opening shareholders' funds	<u>(27,967)</u>	<u>-</u>
	Closing shareholders' funds	<u>(72,084)</u>	<u>(27,967)</u>

PORTMAN FINANCE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2007

13 Related party transactions

Included in Other loans is an amount of £295,000 (2006 £295,000) owed to Provincial Pension Scheme, a shareholder in which M Hay has an interest. Interest is payable at 6% p a on this loan and included in Accruals is an amount of £17,700 (2006 £14,252) accrued interest.

Included in Other Creditors is an amount of £9,526 (2006 £6,878) owed to Southcourt Properties Limited, a company in which M Hay is director.

At 31 August 2007 £Nil (2006 £206,919) was owed to M Hay.

E & H Limited, a shareholder in which S Barnes has an interest, provided consultancy services during the year ended 31 August 2007 and charged £20,000 (2006 £70,000).

During the year £245,000 was loaned to the company by Woodstar Properties Limited, a company in which M Hay has an interest. Loans were made on the 30th March, 24th April and 29th June 2007, all were fully repaid on 4th July 2007.