

PALINGSWICK HOUSE LIMITED

(Limited by Guarantee)

Company no 1756190

Charity no 288230

REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011



PALINGSWICK HOUSE LIMITED
(Limited by Guarantee)

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for the year ended 31 March 2011

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PALINGSWICK HOUSE LIMITED
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Directors' Report
For the year ended 31 March 2011

DIRECTORS/TRUSTEES	Ms K D Savage Ms L Tranchell S Rowley W Weston T Judge (appointed 12 July 2011)
SECRETARY	
REGISTERED OFFICE	241 King Street London W6 9LP
REGISTERED NUMBER	1756190 (England and Wales)
CHARITY NUMBER	288230
ACCOUNTANTS	Wilshers & Co 1 Castle Row Horticultural Place Chiswick London W4 4JQ
INDEPENDENT EXAMINER	A L McCartney Flinthams Chartered Accountants 277-279 Chiswick High Road London W4 4PU

PALINGSWICK HOUSE LIMITED
(Limited by Guarantee)

Directors' Report
For the year ended 31 March 2011

The Directors present their report and Financial Statements for the year ended 31 March 2011

Governance, Management and Objectives

Palingswick House Limited was established by a trust deed dated 6 September 1983 and is registered in England and Wales as charity number 288230

New trustees are appointed from time to time at the discretion of the existing trustees, the trustees are pleased to welcome Tim Judge who has recently become the fifth member of the Board

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error

The principal objectives and activities of the charity are the provision of a resource centre to promote the efficiency of Charities established in the London Borough of Hammersmith and Fulham and to maintain and manage the Centre for the activities promoted

Review of last year's activities

2010-2011 has seen some very positive improvements in spite of the very challenging times

Palingswick House Limited (PHL) only employs part-time staff to manage the administration of the charity

The CaVSA Premises officer, who had been seconded to PHL since 2008, became directly employed by the charity for two days a week from December 2010. Our contracted book-keeper, continues to provide in house book-keeping throughout the year. The continued dedication of these two key staff has realised the benefits of retention of in-depth knowledge of the charity's administration and stability to both the company and the licensees

PHL also received invaluable assistance from support staff especially our day-time caretaker, ably supported by our evening caretaker and handyman, and our cleaners

The end of March 2010 saw the formation of the PHL Strategy Group, made up of PHL licensees, to help support PHL Trustees in their negotiations for the future of PHL.

In April, PHL set up two new hot offices for groups which need only part-time space. One has workstations, including internet, printer and a meeting area, and the other is a meeting space suitable for 1:1 coaching. These have helped generate additional income for the charity, in times where the continued restriction on trade imposed by LBHF, funding cuts to licensed organisations, and PHL's inability to engage the council in negotiations for a renewed lease, has seen invoiced income from licence fees decline.

In June, our neighbour Susan Whitfield brought Margaret Dyson to visit Margaret's father attended Marlesford Lodge in 1912, when his widowed mother could no longer cope. She said "They had a brilliant system to keep people out of poverty and prepare them for life"

PHL in conjunction with the PHL Strategy Group held a successful event around the Garden consultation, with positive press coverage in the Fulham Chronicle

By July the hot offices had three regular bookings, PHL Strategy Group (led by The Upper Room UR4 Driving) held a two-day Olympic challenge event, and LBHF started their public consultation on nine buildings (including Palingswick House) which they wished to dispose of

Following the end of the consultation period in September, Simon Rowley (PHL Chair) met Councillor Stephen Greenhalgh to discuss the council's intentions to sell, and the possibility of PHL acquiring the site if PHL found a backer

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Directors' Report
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At a cabinet meeting on 7 February 2011, LBHF decided to sell the whole PHL site to the West London Free School (and eight other sites in the borough to other buyers) PHL Licensees and trustees had joined hundreds of others, representing other organisations and service users whose buildings were at risk of disposal, for a demonstration outside the Town Hall

Consequently, much of our time has been spent in protracted negotiations with LBHF

Closing the books at the end of March 2011 showed that despite restrictions on trade, prudent financial management meant that PHL continued to make financial progress During this year PHL has cleared all arrears on the LBHF rent account (at 31 March 2009 historic rent arrears to LBHF stood at £40,000, and at 31 March 2010 at £9,000) Whilst Rent & Service charges have reduced in line with leaving permanent tenants from £164,573 (2010) to £137,018 (2011), the hot desking temporary Lettings increased substantially from £18,139 (2010) to £39,855 (2011)

Aged debts were down from £66,000 at 31 March 2009, £23,000 at 31 March 2010 to £14,000 at 31 March 2011 Annual receipts for room hire were up from £11,000 in 2009/09, £22,000 in 2009/10 to £ 40,000 in 2010/11

Careful management of PHL's finances over the last three years has enabled us to mitigate the worst of the effects of the restriction on trade imposed by LBHF in 2009 (that we could not take on new licensees when existing ones left) Fee rates to licensees have remained stable and we have proved to LBHF that PHL could successfully take on the lease of Edward Woods Community Hub, resulting in LBHF's offer to negotiate a five-year lease on the site Negotiations are still proceeding through 2011

Risks Policy Future Plans

The Council is currently negotiating Heads of Terms with Palingswick House Trustees, on the acquisition of a lease at the Community hub at Edward Woods estate and the surrender of the lease at Palingswick House However there is still no agreement and this uncertainty continues to seriously affect PHL's income generation efforts and development for example, new lettings are being adversely affected, planning and advertising new office spaces at the new site are not possible until terms are agreed, LBHF is unwilling to allow trustees to liaise with the residents association at Edward Woods making seamless transition and acceptance of the new hub users on site difficult, and the trustees are in an invidious position of trying to secure the best future for the charity and manage the existing site, staff are insecure and tenants have little incentive to co-operate

PHL is currently seeking advice with regard to PHL legal rights under Section 25 of the Landlord and Tenant act, and on the benefits of negotiating the surrender of the current secure lease in exchange for a five-year lease at Edward Woods Community Hub

There remains much to be done, which the Directors have listed as priorities

- Negotiating with LBHF to secure the future of the charity at Edward Woods
- Updating the charity's governing documents
- Strengthening the Board
- Further developing PHL as a professional and commercial entity,
- Further consulting and supporting resident organisations as well as involving them in the development,
- Developing and strengthening links with external organisations and, where appropriate, actively encourage their assistance with PHL's long term future,

Transactions and financial position

The changing in Funding Policies, which are noted in the Risks section, have affected the Cash Reserves of the Charity

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Directors' Report
For the year ended 31 March 2011

Funds available

Steps have been taken to increase income through continuing to increase room hire service and the introduction of visitor parking charges. If these prove viable and new hirers can be found, it will contribute to the increasing operational costs and commence building up a reserve fund.

Inherent Risks

The delay over agreement on Heads of Terms and PHL's future means that the trustees are unable to bid for grants for the current or new site and, consequently for this site, building repairs and maintenance costs are increasing and there is a risk that Health and Safety provisions may be compromised. In addition, it is not possible to find licensees to replace existing licensees which have had to either downsize or to move out of PH, due to the LBHF restrictions and as a result this will impact on the number of organisations transferring/starting up at Edward Woods in 2012.

Operating Risks

Palingswick House is an old building in need of constant monitoring as to its fabric, and the safety of its services. The Directors are aware of the risks and endeavour to understand and uphold a robust Health and Safety regime.

In addition to taking steps to improve the financial controls on the company, the Directors are in negotiation with the Local Authority to secure a lease on the community hub at Edward Woods Estate together with an ex gratia payment in return for the surrender of the current lease. The Directors are confident of the outcome of these negotiations and that the organisation will have sufficient funds to maintain operations in the year to come.

Statement of Trustees Responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 1993, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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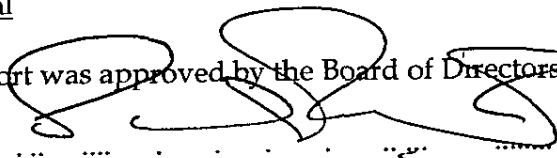
Directors' Report
For the year ended 31 March 2011

Reserve Policy

The Directors would wish to have reserves to cover at least six months of expenditure. Current reserves are some way below this but the increased room hire and ex gratia payment in return for the surrender of the current lease are intended to contribute to building up such a reserve.

Approval

This report was approved by the Board of Directors on 2/12/11 and signed on its behalf by


Simon Rowley, Chairman of the Trustees

PALINGSWICK HOUSE LIMITED

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Independent Examiner's Report to the Trustees of Palingswick House Limited

I report on the accounts of the company for the year ended 31 March 2011, which are set out on pages 7 to 11

Respective responsibilities of trustees and examiner

The trustees who are also the directors of the company for the purposes of company law are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities,have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

A L McCartney F C A
Flinthams
Chartered Accountants
277-279 Chiswick High Road
London W4 4PU

23 December 2011

PALINGSWICK HOUSE LIMITED
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Statement of Financial Activities
for the year ended 31 March 2011

	<u>Notes</u>	<u>2011</u> <u>Total £</u> <u>Unrestricted</u>	<u>2010</u> <u>£</u> <u>Total</u>
INCOMING RESOURCES			
Incoming Resources from Charitable Activities			
Rent and Services Charges	6	137,018	164,573
Room Lettings		<u>39,855</u>	<u>18,139</u>
TOTAL INCOMING RESOURCES	1 3	<u>176,873</u>	<u>182,712</u>
RESOURCES EXPENDED			
Costs of Incoming Resources from Charitable Activities	2	94,910	122,929
Governance Costs	3	<u>92,021</u>	<u>59,363</u>
TOTAL RESOURCES EXPENDED		<u>186,931</u>	<u>182,292</u>
Net (Outgoing) Incoming Resources		<u>(10,058)</u>	<u>420</u>
NET MOVEMENT OF FUNDS IN YEAR			
Net (Outgoing) Incoming Resources		(10,058)	420
Total Funds Brought Forward		<u>37,650</u>	<u>37,230</u>
TOTAL FUNDS CARRIED FORWARD		<u>27,592</u>	<u>37,650</u>

There were no restricted funds in the year under review or the previous year

The Notes on pages 9 to 11 form part of these Accounts

PALINGSWICK HOUSE LIMITED
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Balance Sheet as at 31 March 2011

	<u>Notes</u>	<u>31 March 2011</u>	<u>31 March 2010</u>
		<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible Assets	5	2,124	2,527
CURRENT ASSETS			
Stock		240	443
Debtors	6	13,693	46,747
Cash at Bank and in Hand		13,376	3,991
		<u>27,309</u>	<u>51,181</u>
CREDITORS: Amounts falling due within one year	7	<u>(1,841)</u>	<u>(16,058)</u>
NET CURRENT ASSETS		<u>25,468</u>	<u>35,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>27,592</u>	<u>37,650</u>
RESERVES.			
Unrestricted Funds Brought Forward		37,650	37,230
Net (Deficit) Surplus for the year		<u>(10,058)</u>	<u>420</u>
		<u>27,592</u>	<u>37,650</u>

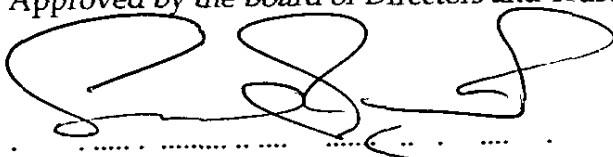
The Notes on pages 9 to 11 form part of these financial statements

The Directors have not required the Company to obtain an audit of its financial statements for the year ended 31 March 2011 in accordance with Section 476 of the Companies Act 2006

The Directors acknowledge their responsibility for

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Company at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company

Approved by the Board of Directors and Trustees on 2/12/11 and signed on its behalf


Trustee S Rowley

PALINGSWICK HOUSE LIMITED
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Notes to the Financial Statements
for the year ended 31 March 2011

1 ACCOUNTING POLICIES

1 1 Basis of Preparation of Accounts

The Accounts are prepared under the historical cost convention and include the results of the Charity's operations which are described in the Trustees' Report and all of which are continuing. The continued operation of the Charity is only possible with the continued support of the London Borough of Hammersmith & Fulham and the Revenue & Customs Charitable Tax policy. The Accounts have been prepared on a going concern basis, relying on this support, as noted in the Trustees' Report.

The Accounts have been prepared in compliance with the Statement of Recommended Practice on Charity Accounts.

The Charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement.

1 2 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures, Fittings and Equipment - 25% on a reducing balance basis.

1 3 Income

Income arises from licences to occupy rooms at Palingswick House and is accounted for on an accruals basis.

1 4 Value Added Tax

Value Added Tax is not recoverable by the Charity and as such is included in the relevant costs in the Statement of Financial Activities.

1 5 Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

1 6 Expenditure on Management and Administration of the Charity

Administration expenditure includes all expenditure not directly related to the charitable activity. This includes salaries, general expenses and professional fees.

1 7 Fundraising

No funds were raised in the year by fundraising activities, and no fundraising costs were incurred.

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Notes to the Financial Statements
for the year ended 31 March 2011
(continued)

	<u>2011</u> <u>£</u>	<u>2010</u> <u>£</u>
2 COSTS OF INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
Light	6,976	12,321
Heat	11,668	16,733
Rent	25,000	25,000
Rates	30,656	29,260
Insurance	884	885
Repairs and Maintenance of Premises	9,545	10,346
Cleaning	2,540	3,386
Refuse Collection	2,276	1,802
Garden Expenses	909	764
Consumables	282	496
Bad Debts	2,062	7,146
Accountancy and Bookkeeping	2,112	14,790
	<u>94,910</u>	<u>122,929</u>
3 GOVERNANCE COSTS		
Administration and Management Services	16,518	940
Salaries and National Insurance	66,465	51,876
Telephone, fax, internet, Stationery	4,722	3,775
Independent Examination Costs	1,100	1,100
Bank and Payroll Charges	624	474
Depreciation	708	507
Legal, Secretarial Fees & Meetings	1,884	691
	<u>92,021</u>	<u>59,363</u>
4 SURPLUS(DEFICIT) FOR THE YEAR		
The (Deficit) Surplus of Income over Expenditure is stated after charging		
Depreciation of Tangible Fixed Assets	708	507
Operating Lease Rentals	25,000	25,000
Independent Examination Costs	<u>1,100</u>	<u>1,100</u>

PALINGSWICK HOUSE LIMITED
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Notes to the Financial Statements
for the year ended 31 March 2011
(continued)

5	TANGIBLE FIXED ASSETS	<u>Fixtures, Fittings & Equipment</u> £	<u>Total</u> £
	COST		
	At 31 March 2010	60,241	60,241
	Additions	305	305
	At 31 March 2011	<u>60,546</u>	<u>60,546</u>
	DEPRECIATION		
	At 31 March 2010	57,714	57,714
	Charge for the year	708	708
	At 31 March 2011	<u>58,422</u>	<u>58,422</u>
	NET BOOK VALUE		
	At 31 March 2011	<u>2,124</u>	<u>2,124</u>
	At 31 March 2010	<u>2,527</u>	<u>2,527</u>
		<u>31 3 11</u> £	<u>31 3 10</u> £
		<u>Unrestricted</u>	<u>Total</u> <u>Unrestricted</u>
6	DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Trade Debtors	<u>35,468</u>	<u>35,468</u> <u>46,747</u>
<p>Under the Terms of Continuing Licence for occupation originally extended to 31 August 2011, Hammersmith and Fulham Council have been invoiced £28,000 as contributory Licence Fees to be applied to empty space not licensed in the period ended 31 August 2011, covering the financial rental yearended 31 March 2011. This vacant space Rental Rebate was invoiced in April 2011, and given further extension to occupancy, the sum is to be accounted for in the 31 March 2012 accounts.</p> <p>The Rental Reserve carried of £25,000 for empty space not licensed to 31 August 2010 has been charged on a consistent basis against Rental Income in these accounts to 31 March 2011.</p>			
7	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Creditors	(1,054)	13,912
	Social Security & Other Taxes	1,795	1,046
	Accrued Expenses	<u>1,100</u>	<u>1,100</u>
		<u>1,841</u>	<u>16,058</u>