London & Partners Limited

Directors' report and financial statements

Registered number 07493460

31 March 2013

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditor's report to the members of London & Partners Limited	5
Consolidated Income and Expenditure Account	6
Balance Sheets	7
Consolidated Cash Flow Statement	8
Reconciliations of movements in reserves	9
Notes	10

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2013.

Principal activities

London & Partners Limited ("the company"), a company limited by guarantee, is the Mayor of London's official promotional organisation, attracting overseas companies, events, students and visitors to the capital, creating additional jobs and economic growth for the city. The company is a not-for-profit organisation funded by the Mayor of London and commercial partners. The company is headquartered in London with offices in Beijing, Shanghai, Mumbai, New York and San Francisco with representatives in several other countries.

Business review

The company is supported by a grant from the Greater London Authority (GLA) and other income from the private sector. During the year ended 31 March 2013 the company recorded grant income from the GLA of £13.5m and raised £6.8m of additional private sector income (see note 2).

During 2012/13 the company built on the success of its first year with a significant growth in non-grant funding of 56% boosting our core funding. Our on-going programme of making efficiency savings continued achieving 9% of discretionary operational savings against a target of 5%.

The directors previously resolved to designate a certain amount per year to a reserve created for the purpose of winding down activities if funding is not continued. However during the year the GLA proposed that it should hold that reserve on behalf of London & Partners. As a result, this separate reserve held within the company is now no longer necessary (see note 14). The reserve held by the GLA and the potential costs involved will be re-assessed every year. Any surplus from operations will be retained in reserves for use in the furtherance of the company's principal objectives.

Performance and risk

2012/13 was a remarkable year. The Queen's Diamond Jubilee and the Olympic and Paralympic Games gave London & Partners the unique opportunity to work with the Mayor of London and our partners to showcase the capital and enhance the reputation of London in the eyes of the world.

The company set ambitious targets for jobs and growth in terms of the additional economic benefits to London, which it exceeded, in some areas significantly. Overall it generated over £250m additional Gross Value Added (GVA) against a target of £108m and created 4,136 jobs from its Foreign Direct Investment activity against a target of 3,500 as well as supporting the creation of a further 2,800 jobs from other business lines.

London & Partners' collaborative approach, working through city-wide partnerships, helped to deliver impactful and influential reputational projects leveraging the 2012 Games. The London Media Centre welcomed the world's media attracting over 8,000 journalists from 102 countries. 600 events, press conferences, website, films and interviews told London's varied and compelling story to the world with the opportunity to influence key global audiences on an unprecedented scale. The company also hosted the Mayor of London's 2012 Business Programme which engaged with 200 leading international companies without a London presence or with potential to expand. To date 24 of these companies have confirmed that they will set up or expand in London with more to follow. The projects are estimated to create between 3,000-5,000 jobs for Londoners and economic benefit of at least £500m for the capital.

London is already reaping legacy benefits. The city has secured major sporting events in London every year to 2017 as well as launching Prudential RideLondon, a major new sporting event that is forecast to generate at least £5m for the London economy. The company's Leisure Tourism campaigns helped mitigate a reduction in tourism numbers in the run up to the Games (experienced by previous Olympic cites) and successfully converted Olympic visitors into investors post Games. In addition London's position as a leading centre for conventions was strengthened with the city winning Europe's largest medical congress, The European Society of Cardiology 2015 Congress with 35,000 delegates, and building a strong pipeline of future international conventions. In addition London maintained its position as the world's top city for international students with London & Partners referring 10,000 students to London's universities – more than ever before.

Directors' report *(continued)*

Performance and risk (*continued*)

A comprehensive review of the year's activities can be found at londonandpartners.com/remarkableyear.

The company has put in place a system to identify and manage key risks to the business. These are reviewed by the Audit and Finance Committee with significant changes to risks flagged to the Board. A separate risk register monitors performance and delivery against key performance indicators and milestones with monthly reviews by the Executive Team. Over the year the company has also refined how it measures the difference it makes; defined as the extra benefits generated as a direct result of its intervention, compared to what would have happened without it. The methodology for measuring gross value added (GVA) and jobs created and supported has been confirmed by third party economists as "best practice".

Future prospects/outlook

A three year strategy for the promotion of London published in March 2012 continues to underpin our core mission of building London's reputation and delivering economic benefit by attracting key audiences to London.

Priorities for 2013/14 are to:

- Secure an Olympic legacy by maximising the benefits of London 2012;
- Build and evolve London's reputation as a leading centre for science and technology; culture and creativity; and as a "top of mind destination" for congresses and major events;
- Support GLA and business stakeholders' efforts to maintain and enhance London's long-term attractiveness for international capital, talent and visitors;
- Help 100 London businesses to export to international markets;
- Create and launch the new top level domain for London – dot London;
- Grow commercial income by an additional £1m.

Financial instruments

The company does not have any financial instruments other than cash and short term debtors and creditors. Cash balances are held with a major UK bank and earn competitive rates of interest. From time to time the company utilises foreign exchange forward contracts for significant payments in foreign currencies. There were no forward contracts open at the year end. During the year the company acquired warrants to purchase shares in TLDH Ltd, a service delivery provider of its subsidiary Dot London Domains Limited.

Dividends

No distributions to members are proposed.

Going concern

The accounts have been prepared on the going concern basis based on the directors' assessment of the company's financial position and the forecast for the next 12 months (see note 1).

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows:

K Murphy
P Thompson
Dame J Mayhew Jonas
J L Bravard
A Cooke
A Bishop
G Parsons
G Innes
H Riva
G Manchester
L Yueh (resigned 31 March 2013)
M Boleat (appointed 31 July 2012)

Board Observers

N Carrington
K Malthouse

Political and charitable contributions

Neither the Company nor any of its subsidiaries made any political or charitable donations or incurred any political expenditure during the year.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton will therefore continue in office.

By order of the board

Andrew Cooke

Andrew Cooke
Director

London & Partners Limited
6th floor
2 More London Riverside
London SEI 2RR
17th July 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

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 and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditor's report to the members of London & Partners Limited

We have audited the financial statements of London & Partners Limited for the year ended 31 March 2013 which comprise the group income and expenditure account, the group and parent company balance sheets, the group cash flow statement, the group and parent company reconciliations of movements in reserves and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 and of the group's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

David Barnes

David Barnes FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
LONDON

12th July 2013

Consolidated Income and Expenditure Account

For the year ended 31 March 2013

	Note	Year ended 31 March 2013 £000	14.5 month period ended 31 March 2012 £000
Income			
Grants	2	13,629	15,679
Commercial contributions and donations in kind	2	5,514	3,520
Other income	2	1,260	846
Total income		**20,403**	20,045
Expenditure			
Programme costs		10,325	9,246
Staff costs	5	7,326	6,755
Other operating costs		2,512	1,701
Transition/set up costs		233	629
		20,396	18,331
Operating surplus	3	**7**	1,714
Interest receivable and similar income	6	**17**	10
Surplus on ordinary activities before taxation		**24**	1,724
Tax on surplus on ordinary activities	7	**(73)**	(80)
(Loss)/Surplus on ordinary activities after taxation		**(49)**	1,644

All items reported are continuing operations. There are no movements in reserves other than the loss for the period therefore no statement of total recognised gains and losses is presented.

Balance Sheets
at 31 March 2013

	Note	Group 2013 £000	Company 2013 £000	Group 2012 £000	Company 2012 £000
Fixed assets					
Intangible assets	*8*	**132**	**132**	288	288
Tangible assets	*9*	**208**	**208**	227	227
		340	**340**	515	515
Current assets					
Debtors	*11*	**1,763**	**2,042**	1,103	1,110
Cash at bank and in hand		**4,977**	**2,926**	3,162	3,025
		6,740	**4,968**	4,265	4,135
Creditors: amounts falling due within one year	*12*	**(5,341)**	**(3,504)**	(2,811)	(2,868)
Net current assets		**1,399**	**1,464**	1,454	1,267
Total assets less current liabilities		**1,739**	**1,804**	1,969	1,782
Creditors: amounts falling due after more than one year	*13*	**(144)**	**(144)**	(325)	(325)
Net assets		**1,595**	**1,660**	1,644	1,457
Reserves					
Profit and loss account	*14, 15*	**1,595**	**1,660**	1,149	962
Other reserve	*14, 15*	**-**	**-**	495	495
		1,595	**1,660**	1,644	1,457

These financial statements of London & Partners Limited (registered number 07493460) were approved by the board of directors on 11 July 2013 and were signed on its behalf by:

Judith Mayhew Jonas

Dame Judith Mayhew Jonas
Chairman

Consolidated Cash Flow Statement
for the year ended 31 March 2013

	Note	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Cash flow statement			
Cash flow from operating activities	16	317	3,684
Returns on investments and servicing of finance	17	17	10
Capital expenditure and financial investment	17	(264)	(660)
Tax paid		(67)	-
Advance on revenue received by subsidiary		2,000	-
Cash on deposit for subsidiary		(188)	-
Acquisitions and disposals	17	-	128
Increase in cash in the period		1,815	3,162
Reconciliation of net cash flow to movement in net debt	18		
Increase in cash in the year			
Change in net debt resulting from cash flows		1,815	3,162
Movement in net debt in the year		1,815	3,162
Net debt at the start of the year		3,162	-
Net debt at the end of the year		4,977	3,162

Reconciliations of movements in reserves
for the year ended 31 March 2013

	Group Year ended 31 March 2013 £000	**Company Year ended 31 March 2013 £000**	Group Period ended March 2012 £000	Company Period ended 31 March 2012 £000
(Deficit)Surplus for the financial period	(49)	**203**	1,644	1,457
Net (reduction in)/addition to reserves	(49)	**203**	1,644	1,457
Opening reserves	**1,644**	**1,457**	-	-
Closing reserves	**1,595**	**1,660**	1,644	1,457

Notes
(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

The Company's objectives are to promote London to visitors, businesses and students and as such it does not seek to make a profit. The directors have prepared an Income and Expenditure Account to show the results for the year which in their opinion reflects the nature of the Company's activities and allows the financial statements to present a true and fair view.

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except for the valuation of corporate donations in kind.

Going concern

The accounts have been prepared on the going concern basis. The directors have assessed the company's financial position and the forecast for the next 12 months and consider that the current grant funding arrangements, which will be due for renewal on 31 March 2015, and the group's forecast other income are sufficient to ensure that the company can continue to operate as a going concern and to meet its liabilities as they fall due for the foreseeable future. While there is no guarantee that grant funding will continue, at the date of approval of these financial statements, the directors have no reason to believe that it will not.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2013. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income and expenditure account.

Grants received on acquisition

Grants received on acquisition have been accounted for as follows:

- Study London grants received from London Higher must be spent on specific Higher Education activities. The income received has been recognised in the period that the expense has been incurred
- Think London grants received from London First have been recognised as income in the period of receipt.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Intangible assets purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives, generally the remaining period of the London & Partners Limited GLA grant agreement.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

IT equipment - 2-3 years

Impairment of fixed assets

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income and expenditure account.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income and expenditure account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Income and expenditure accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the income and expenditure account over the estimated useful economic lives of the assets to which they relate.

Revenue grants are recognised in the period with the relevant cost.

Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

Post retirement benefits

The Group operates a group personal pension plan. The assets of the plan are held separately from those of the Group in an independently administered fund. The amount charged to the income and expenditure account represents the contributions payable to the plan in respect of the accounting period.

Research and development expenditure

Expenditure on research and development, including website development, is written off to the income and expenditure account in the year in which it is incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

Grant income is not considered to be subject to tax. Certain of the group's sources of income will, however, be taxed under normal principles including: bank interest, profits from rental income and certain activities which are considered to be a trade. For these activities, corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

London & Partners Limited is subject to partial restriction on the deductibility of VAT on inputs. Expenses and fixed assets are recorded at cost inclusive of VAT and recoverable VAT is deducted from other operating charges.

Income

Grant income is recognised when receivable in the period to which it relates.

Commercial income from membership fees and other sources is recognised when receivable in the period to which it relates.

Donations in kind are valued by the directors at a reasonable estimate of their fair value and are credited to income when received.

Expenditure

Expenditure is accounted for on an accruals basis and includes in kind donations of staff and services.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand.

Related party transactions

The company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Financial instruments

The company does not have any financial instruments other than cash and short term debtors and creditors. From time to time the company utilises foreign exchange forward contracts for significant payments in foreign currencies. There were no forward contracts open at the year end. During the year the company acquired warrants to purchase shares in TLDH Ltd, a service delivery provider of its subsidiary Dot London Domains Limited.

Notes *(continued)*

2 Income

The following income was recognised in 2012/13 in accordance with the accounting policies noted above.

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Grant income		
Core GLA grant	**13,507**	14,712
Other GLA grants	**-**	560
Total GLA grants	**13,507**	15,272
Other grants	**122**	407
Total grant income	**13,629**	15,679
Commercial contributions		
Ring fenced funding from		
Corporate partners	**1,024**	1,022
Universities	**143**	31
Other	**57**	-
Partnership fees	**1,765**	1,341
Donations in kind	**2,525**	1,126
Total commercial contributions	**5,514**	3,520
Other income		
Digital & advertising	**947**	736
Rental income	**274**	49
Other income	**39**	61
Total other income	**1,260**	846

	2013 £000
GLA grant	
Received during the year	**13,166**
Grant carried forward from 2011/12 for specific purposes	**341**
Recognised as income for the year	**13,507**

Notes *(continued)*

3 Notes to the income and expenditure account

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
The surplus on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned	**344**	20
Loss/(gain) on foreign currency translation	**(3)**	16
Hire of plant and machinery - operating leases	**15**	12
Hire of other assets - operating leases	**862**	792
Transition/set up costs (including depreciation and amortisation of £125,000 in 2012)	**233**	629

Set-up costs in 2013 were incurred by Dot London Domains Limited in preparation for the launch of the new domain name in 2013/14. Transition costs in 2012 included redundancy costs paid to previous employees, legal and valuation fees and depreciation and amortisation of assets purchased from previous agencies.

Auditors' remuneration:

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Audit of these financial statements	**23**	23
Disclosures below based on amounts receivable in respect of services to the company and its subsidiaries		
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**6**	5
Audit of statement of grant expenditure	**4**	4
Other services relating to taxation	**11**	15

Amounts paid to the Company's auditor and their associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

4 Remuneration of directors

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Directors' emoluments	**331**	254
Amounts paid or payable to third parties in respect of directors' services	**-**	42

The aggregate of emoluments of the highest paid director was £171,360 (2012: £133,968) and Company pension contributions of £10,710 (2012: £19,632) were made to a group personal pension plan on his behalf.

	Number of directors 2013	Number of directors 2012
Retirement benefits are accruing to the following number of directors under:		
Group personal pension plan	**2**	2

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the Group (including executive directors) during the year, analysed by category, was as follows:

	Number of employees Group 2013	Number of employees Group 2012
Leisure & Business Tourism, Higher Education and Foreign Direct Investment	**67**	68
Marketing, Digital & Commercial & Strategy	**46**	39
Management & Administration	**21**	21
	134	128

The aggregate people costs incurred by the company were as follows:

	Group 2013	Group 2012 £000
Wages and salaries	**5,936**	5,028
Social security costs	**635**	514
Pension costs	**324**	239
Payroll costs of staff numbers analysed above	**6,895**	5,781
Seconded staff	**113**	672
Temporary staff and contractors	**318**	302
Staff costs as presented in the income & expenditure account	**7,326**	6,755
Temporary staff and contractors presented within programme costs	109	50
Redundancy and salary costs included in transition costs	26	210
Total people cost	7,461	7,015

6 Other interest receivable and similar income

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Bank interest receivable	**17**	10
	17	10

Notes *(continued)*

7 Taxation

Analysis of charge in period

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
UK corporation tax		
Current tax on income for the period	**96**	76
Adjustments to prior year charge	**(9)**	-
Total current tax	**87**	76
Deferred tax		
Origination/reversal of timing differences	**(14)**	4
Total deferred tax	**(14)**	4
Tax on profit on ordinary activities	**73**	80

Notes *(continued)*

7 Taxation *(continued)*

Factors affecting the tax charge for the current period

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 24% (2012: 26%). The differences are explained below.

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Current tax reconciliation		
Surplus on ordinary activities before tax	**24**	1,724
Current tax at 24% (2012: 26%)	**6**	448
Effects of:		
Net (income not taxable)/losses not deducted	**14**	(374)
Expenses not deductible for tax purposes	**13**	17
Capital allowances for period (in excess of)/lower than depreciation	**63**	(15)
Total current tax charge (see above)	**96**	76

Factors that may affect future current and total tax charges

At the balance sheet date the prevailing corporation tax rate that has been substantively enacted is 23% (2012: 24%) therefore deferred tax has been calculated at that rate.

The directors have assessed the nature of the company's activities and various sources of income. Based on all of the information available to them and after consideration of professional advice received, the directors have determined the basis on which they believe the company's tax charge should be calculated. This applies a tax liability to the results of commercial activities based on a reasonable and fair cost allocation.

Notes *(continued)*

8 Intangible fixed assets

Group and Company	Websites, domain names & other intangible assets £000	Total £000
Cost		
At 1 April 2012	360	360
Reduction in cost	(60)	(60)
At 31 March 2013	300	300
Amortisation		
At 1 April 2012	72	72
Charge for the year	96	96
At 31 March 2013	168	168
Net book value		
At 31 March 2013	**132**	**132**
At 31 March 2012	288	288

9 Tangible fixed assets

	IT equipment £000	Total £000
Group and Company		
Cost		
At 1 April 2012	300	300
Additions	229	229
At 31 March 2013	529	529
Depreciation		
At 1 April 2012	73	73
Charge for the year	248	248
At 31 March 2013	321	321
Net book value		
At 31 March 2013	**208**	**208**
At 31 March 2012	227	227

Notes *(continued)*

10 Fixed asset investments

The undertakings in which the Group's and Company's interest at the period end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held Group	Company
Subsidiary undertakings				
London & Partners International	UK	Holding company	**100%**	100%
London & Partners (US) Limited*	USA	Inward investment	**100%**	-
London Convention Bureau Limited	UK	Dormant	**100%**	100%
London Tourist Board Limited	UK	Dormant	**100%**	100%
London Tourism Limited	UK	Dormant	**100%**	100%
Tourism London Limited	UK	Dormant	**100%**	100%
Dot London Domains Limited	UK	Registry Operator	**100%**	100%

*Interest held indirectly via London & Partners International.

11 Debtors

	Group 2013 £000	**Company 2013 £000**	Group 2012 £000	Company 2012 £000
Trade debtors	**753**	**753**	289	289
Amounts owed by group undertakings	**-**	**468**	-	8
Other debtors	**239**	**51**	23	23
Prepayments and accrued income	**771**	**770**	791	790
	1,763	**2,042**	1,103	1,110

12 Creditors: amounts falling due within one year

	Group 2013 £000	**Company 2013 £000**	Group 2012 £000	Company 2012 £000
Trade creditors	**1,277**	**1,277**	818	818
Amounts owed to group undertakings	**-**	**180**	-	97
Taxation and social security	**394**	**394**	346	346
Other creditors	**42**	**42**	44	44
Accruals and deferred income	**3,628**	**1,611**	1,603	1,563
	5,341	**3,504**	2,811	2,868

Notes *(continued)*

13 Creditors: amounts falling due after more than one year

	Group 2013 £000	Company 2013 £000	Group 2012 £000	Company 2012 £000
Accruals and deferred income	144	144	325	325
	144	144	325	325

14 Reserves

Group	Other reserve £000	Profit and loss account £000	Total £000
At 1 April 2012	495	1,149	1,644
Deficit for the year	-	(49)	(49)
Transfers	(495)	495	-
At 31 March 2013	-	**1,595**	**1,595**

The other reserve was established in the prior year to hold amounts designated for the cost of performing an orderly wind down of the company's activities if grant funding was no longer available. This reserve is no longer necessary as the GLA has agreed to hold such a provision on behalf of the company and confirmed this in a letter dated 26 June 2013. The total amount required will be assessed each year and the provision adjusted as considered necessary.

Company	Other reserve £000	Profit and loss account £000	Total £000
At 1 April 2012	495	962	1,457
Surplus for the year	-	203	203
Transfers	(495)	495	-
At 31 March 2013	-	**1,660**	**1,660**

Notes *(continued)*

15 Pension scheme

Group personal pension plan

The Group operates a group personal pension plan for UK employees and others in each overseas branch or subsidiary as described below. The pension cost charge for the period represents contributions payable by the Group to the plans and amounted to £324,000 (2012: £244,000).

At 31 March 2013 contributions amounting to £35,468 (2012: £33,922) were payable to the UK plan and are included in creditors.

For overseas employees in the Indian branch, employee and employer contributions are paid into the Provident Fund held by the Commissioner of Mumbai and can be withdrawn by the employee as a lump sum on leaving service. For overseas employees in the Chinese branch the company contributes the statutory amount for each employee into the state administered fund. The Group contributes to a 401k scheme for US employees.

16 Reconciliation of operating surplus to operating cash flows

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Operating surplus	**7**	1,714
Credit on acquisition of subsidiary	**-**	(187)
Depreciation, amortisation and impairment charges	**344**	145
Movement on provisions	**24**	24
Increase in debtors	**(377)**	(1,004)
Increase in creditors	**319**	2,992
Net cash inflow from operating activities	**317**	3,684

17 Analysis of cash flows

	Notes	**Year ended 31 March 2013** £000	Period ended 31 March 2012 £000
Returns on investment and servicing of finance			
Interest received	*6*	17	10
Capital expenditure and financial investment			
Purchase of tangible fixed assets	*9*	264	300
Purchase of intangible fixed assets	*8*	-	360
Acquisitions and disposals			
Net cash acquired with subsidiary		-	128

Notes *(continued)*

18 Analysis of net debt

	At 1 April 2012 £000	Cash flow £000	At 31 March 2013 £000
Cash in hand and at bank	3,162	1,815	4,977
Total	3,162	1,815	4,977

19 Related party disclosures

The Company is controlled by its members, who are the Mayor of London, ABTA, The Society of London Theatre, the London Chamber of Commerce & Industry and the British Hospitality Association. In the opinion of the Directors there is no ultimate controlling party.

20 Commitments

At 31 March 2013, the company was committed to the following annual payments in respect of operating leases:

	2013 Land & buildings £000	**2013 Other £000**	2012 Land & buildings £000	2012 Other £000
Leases that expire in:				
< 1 year	32	-	44	1
2-5 years	-	3	6	3
> 5 years	737	8	737	8
Total	769	11	787	12