London & Partners Limited

Directors' report and financial statements

Registered number 07493460

31 March 2015

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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 and representatives in several other countries.

Business review and financial position

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 2015 the company recorded grant income from the GLA of £11.6m (2014: £11.5m) and raised other grants of £0.3m (2014:£nil) and £4.5m (2014: £4.2m) of additional income as well as £4.1m (2014: £2.2m) of value in kind (see note 2).

The company's subsidiary, Dot London Domains Limited launched the new top level domain name for London in July 2014 and operates the registry for all domain names ending in .london. The subsidiary recorded revenue of £3.3m for the year (2014: £nil) and net profit after tax of £1.2m (2014: loss of £0.5m). All profits will be either retained for the operation of the business or distributed to London & Partners to fund the company's principal not-for-profit activity of the promotion of London.

During 2014/15 the company continued to drive efficiency savings and, since its creation in 2011, has seen an improvement in its return on investment from 13:1 to 16:1.

The group surplus for the year reported on page 8 arises from the profit in the company's subsidiary noted above and a small surplus in the company which will be carried forward and used in future years' promotional activity. A reserve created for the purpose of winding down activities if funding is not continued is held on the company's behalf by the GLA and the potential costs involved are re-assessed every year.

Performance review

2014/15 saw London & Partners deliver against the first year of its three year corporate strategy, delivering its mission "To tell London's story brilliantly".

Key performance indicators for the company include the additional jobs and Gross Value Added (GVA) which were generated solely as a result of its sales and marketing activities and the Advertising Value Equivalent (AVE) of positive media generated by its PR activities.

The company exceeded all of its economic targets for 2014/15 attracting £338m of additional GVA into London's economy – up from £280 million in 2013/14 – which resulted in 8,778 jobs being created/supported - up from 7,632 the previous year. During the year the company helped 270 overseas companies to set up or expand their business in London adding £115m to London's economy and also helped attract £2.5bn in capital expenditure into London's property and infrastructure projects.

The company's work to attract more overseas students saw a 40% increase in new prospective students registering on studylondon.ac.uk which enabled the company to refer 18,700 students to London's universities who brought an additional £24m into the London economy.

The company team attracted/supported over 277 conferences and congresses which, in turn, attracted 180,000 delegates adding £30m to London's economy. The company worked with the Mayor of London to develop a new strategy to attract and grow sporting events to/in London. During the year, the company attracted and supported more than 30 sporting and cultural events.

Strategic report *(continued)*

Review of the company's business *(continued)*

Performance review *(continued)*

London topped the awards for Ultimate Sports City and the two-day festival of cycling, Ride London, won Sports Event of the Year.

Activity to attract more leisure tourists to London centred on a global marketing campaign and competition to find London's official guest of honour with 27 million views of the promotional video. Visitlondon.com also saw a 22% increase in visitors to the website adding £141m to London's economy. These initiatives contributed to record tourism figures for the capital of 17.4m visitors from overseas for 2014, an increase of 3.5% on the previous year.

A new objective for 2014-15 was to strengthen London's reputation in three key areas: culture, life sciences and technology. A new marketing campaign "Autumn in London is GREAT" was developed in partnership with the UK Government's GREAT campaign to bring together and promote London's leading cultural institutions, reaching over 70m people through social media. London & Partners was one of the founders of the inaugural London Technology Week celebrating London's position as a leading centre for tech innovation with over 200 events taking place across the city. In addition a new co-working space – the Traveltech Lab - was created at the company's London offices in collaboration with The Trampery to encourage technology start-ups in the travel and tourism sector. The company worked with the GLA to support the creation and launch of MedCity, to help develop the growth of the London-Oxford-Cambridge life sciences sector. In addition, it also helped plan and deliver the Mayor of London's international business delegations to South East Asia and the US East Coast generating media coverage and securing export deals for many of the delegates.

London & Partners subsidiary company, Dot London Domains Limited commenced the sale of domains during the year, with over 60,000 sold by the year end. A significant marketing campaign supported the launch with a number of leading London organisations championing the new domain such as Fortnum & Mason, London Symphony Orchestra and the Museum of London.

The company also advanced its corporate objective to be a world-leading promotional company by becoming one of The Sunday Times 100 Best Not-for-Profit Organisations to work for. A corporate social responsibility strategy was developed with staff participating in an NSPCC Big Assembly focusing on child safety and the Thames Tidy. Other initiatives within the company supported charitable causes with The Paddington Trail raising over £460,000 for the NSPCC and RideLondon generating over £10m for charities including the British Heart Foundation and Centrepoint.

A more detailed review of the year's activities can be found at www.londonandpartners.com/about-us/review-of-the-year-14-15.

Principal risks and uncertainties

The company continues to identify and manage key risks to the business. A risk register which reviews key risks impacting on delivery is reviewed monthly by the Executive Team. These risks are reviewed quarterly by the Audit and Finance Committee with significant changes to risks flagged to the Board. The principal risks and uncertainties that the company faces are considered to be:

- The challenges of ensuring that London & Partners strategy is aligned with the GLA and other stakeholders.
- The impact of external events on London's reputation
- Managing human resources effectively and ensuring there is clear succession planning and talent development given that London & Partners is a knowledge-intensive business
- The need to generate greater levels of commercial income to realise the company's ambition.

Strategic report *(continued)*

Review of the company's business *(continued)*

Future prospects/outlook

The company is entering the second year of its three year strategy. The aim will be to continue to maintain the momentum set out in the strategy of attracting jobs and growth to London now, while building London's reputation for the future. The objectives will be similar to the previous year, with the addition of a greater focus on helping London businesses to export. The company will work with the GLA to deliver a bigger London export programme. A key priority will be to continue to secure funding from sources other than the GLA grant to allow London & Partners to continue to scale-up its activities. A new subsidiary company, London & Partners Ventures will be created which will manage the majority of London & Partners' commercial activities.

Given the changing market conditions, the outcome of the national election, the production of an Economic Development Plan by the London Enterprise Panel (LEP) and the prospect of a change of Mayor in 2016, the company is embarking on a consultation exercise with key stakeholders to determine whether there should be any amendment to the current strategy. In addition, funding has been secured from the LEP for London & Partners to undertake a comprehensive tourism strategy for the capital that will go well beyond the company's promotional role – and also look at product development, skills, infrastructure and other barriers to continued tourism growth.

London & Partners' corporate strategy for 2014-17 and business plan for 2015-16 can be downloaded at www.londonandpartners.com/about-us/business-strategy.

Corporate Governance

The Board is committed to high standards of corporate governance as an important part of an effective and efficient approach to managing the company and its subsidiaries (together "the Group"). The Company's policies are monitored to ensure that they are appropriate for the nature, status, size and circumstances of the business, and are explained below.

The Board

The Board's primary tasks are to:

- Be responsible for the management of the company's business, as set out in the Articles of Association;
- Provide strategic leadership on the development of strategies, policies and plans to discharge London & Partners' purposes;
- Monitor the performance of London & Partners, to ensure that it meets its strategic objectives and targets;
- Promote high standards of propriety, best practice and the efficient and effective use of staff and resources.

Directors

The directors who held office during the year and since the end of the year were as listed in the Directors' Report on page 5.

Appointment, removal and re-election of Directors

The board of directors comprises the chairman and one other non-executive director appointed by the Mayor, up to two executive directors appointed by directors, and eight non-executive directors, to fill vacancies for a term not exceeding twelve months at the expiry of which the appointee must retire and be re-appointed by the members. Directors are appointed for a three year term after which they must retire but are eligible for re-appointment.

Strategic report *(continued)*

Corporate Governance *(continued)*

Board Meetings

The board manages the company through a series of formal meetings throughout the year. During the year to 31 March 2015, the Board met for its four scheduled meetings as well as for two extraordinary meetings. The board delegates specific responsibilities to board committees with the role and responsibilities of each committee set out in clearly defined Terms of Reference. Prior to the start of each financial year,.a schedule of dates for that year's board meetings is compiled to align with the company's financial calendar although this may be supplemented by additional meetings as and when required.

Director's Conflict of Interest

The company has effective procedures in place to deal with conflicts of interest. The Board is aware of the other commitments and interests of its directors, and changes to these commitments and interests are reported to the Board.

Board Committees

The Board is supported by the Audit and Finance, Remuneration and Nomination Committees. Their specific responsibilities are set out below. In addition there is an informal sub-group of the board that reviews the company's commercial strategy. The minutes of committee meetings are circulated to all committee members and reports on each are given by the relevant committee chairman to the board.

Audit and Finance Committee
The Audit and Finance Committee currently comprises two non-executive directors and one lay member. The Chief Operating Officer and Finance Director are also invited to attend meetings (unless they have a conflict of interest) as are external auditors when required. The committee's principal responsibilities are financial management and reporting; internal control and risk assessment; and external audit. The committee met four times in the year to 31 March 2015.

Remuneration Committee
The Remuneration Committee currently comprises two non-executive directors and the Chairman of the Board. The Chief Executive Officer and HR Manager are also invited to attend meetings unless he or she has a conflict of interest. The committee's principal responsibilities are to recommend to the Board the company's policy on remuneration of the Chief Executive and Executive Team and to monitor and review the company's overall remuneration policy and performance-related or bonus schemes. The Committee met twice in the year to 31 March 2015.

Nominations Committee
The Nominations Committee currently comprises three non-executive directors. The Chief Executive and Chief Operating Officer are also invited to attend meetings unless they have a conflict of interest. The committee's principal responsibilities are to review the structure, size and composition of the Board; consider succession planning for directors and senior executives. The committee met twice during the year to 31 March 2015.

Policies

The company's procurement policy, travel and expenses policy, gifts and hospitality policy and reward and recognition policy are published on the company's corporate website, www.londonandpartners.com.

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2015.

Directors

The directors who held office during the year and since the end of the year were as follows:

Sir Edward Lister, Chairman (appointed 9 March 2015)
Kit Malthouse, Chairman (resigned 6 March 2015)
Gordon Innes, Chief Executive
Alan Bishop (3)
Mark Boleat (2)
Jean-Louis Bravard (1, 2)
Andrew Cooke
Sandie Dawe (appointed 18 September 2014) (1)
Professor Sir Robert Lechler
Anne Morrison (appointed 1 June 2015)
Kevin Murphy (3)
Guy Parsons (resigned 5 October 2014)
Hilary Riva (3)
Derek White

1=Member of the Audit & Finance Committee
2=Member of the Remuneration Committee
3=Member of the Nominations Committee

Board Observers

Munira Mirza

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. The company holds warrants to purchase shares in TLDH Ltd, a service delivery provider of its subsidiary Dot London Domains Limited.

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). At the date of approval of these financial statements, the directors have no reason to believe that grant funding will not continue.

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
Director

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

28 July 2015

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;
- 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 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.

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 2015 which comprise the group income and expenditure accounts, the group and parent company balance sheets, the group cash flow statements, 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 6, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of the group's surplus 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 Strategic Report and 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, 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.

Grant Thornton UK LLP

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

28 July 2015

Consolidated Income and Expenditure Account
For the year ended 31 March 2015

	Note	Year ended 31 March 2015 £000	Year ended 31 March 2014 Re-stated* £000
Income			
Revenue from domain registry services	2	3,292	-
Grants	2	11,955	11,481
Commercial contributions and other income	2	4,525	4,159
Total income		**19,772**	15,640
Expenditure			
Cost of sales of domain registry services	2	1,195	-
Programme costs of promotional activities		5,591	7,085
Staff costs	5	8,895	7,958
Other operating costs		2,459	2,695
Total expenditure		**18,140**	17,738
Operating surplus/(loss)	3	**1,632**	(2,098)
Interest receivable and similar income	6	**7**	10
Surplus/(loss) on ordinary activities before taxation		**1,639**	(2,088)
Tax on surplus/(loss) on ordinary activities	7	**(190)**	4
Surplus/(loss) on ordinary activities after taxation		**1,449**	(2,084)

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

* The financial statements for the prior year ended 31 March 2014 have been adjusted to remove the value in kind contributions from income and expenditure as the directors consider that their presentation in a note to the financial statements is more appropriate – see note 2. The restatement has no effect on the loss for the year.

Balance Sheets
at 31 March 2015

	Note	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
Fixed assets					
Intangible assets	*8*	-	-	66	66
Tangible assets	*9*	780	780	237	237
		780	780	303	303
Current assets					
Debtors	*11*	2,376	1,310	1,955	2,087
Cash at bank and in hand		2,507	1,286	3,938	2,488
		4,883	2,596	5,893	4,575
Creditors: amounts falling due within one year	*12*	(4,487)	(2,910)	(6,565)	(4,659)
Net current assets/(liabilities)		396	(314)	(672)	(84)
Total assets less current liabilities		1,176	466	(369)	219
Creditors: amounts falling due after more than one year	*13*	(216)	(155)	(120)	(120)
Net assets/(liabilities)		960	311	(489)	99
Reserves					
Profit and loss account	*14*	960	311	(489)	99
		960	311	(489)	99

These financial statements of London & Partners Limited (registered number 07493460) were approved by the board of directors on 28 July 2015 and were signed on its behalf by:

Edward Lister

Sir Edward Lister
Chairman

Consolidated Cash Flow Statement

for the year ended 31 March 2015

	Note	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Cash flow statement			
Cash flow from operating activities	*16*	**(736)**	(990)
Returns on investments and servicing of finance	*17*	**7**	10
Capital expenditure and financial investment	*17*	**(702)**	(151)
Tax paid		**-**	(96)
Cash on deposit for subsidiary – released		**-**	188
Decrease in cash in the period		**(1,431)**	(1,039)
Reconciliation of net cash flow to movement in net debt	*18*		
Decrease in cash in the year			
Change in net debt resulting from cash flows		(1,431)	(1,039)
Movement in net debt in the year		(1,431)	(1,039)
Net debt at the start of the year		3,938	4,977
Net debt at the end of the year		2,507	3,938

Reconciliations of movements in reserves
for the year ended 31 March 2015

	Group Year ended 31 March 2015 £000	Company Year ended 31 March 2015 £000	Group Year ended March 2014 £000	Company Year ended 31 March 2014 £000
Surplus(deficit) for the financial period	**1,449**	**212**	(2,084)	(1,561)
Net addition to/(reduction in) reserves	**1,449**	**212**	(2,084)	(1,561)
Opening reserves	**(489)**	**99**	**1,595**	**1,660**
Closing reserves	**960**	**311**	(489)	99

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 value in kind contributions disclosed in note 2.

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 2017, 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. At the date of approval of these financial statements, the directors have no reason to believe that grant funding will not continue.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2015. 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.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost. Internally generated intangible assets and intangible assets owned by the company with no associated cost (such as rights acquired through participation in joint ventures) are not capitalised.

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.

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
Leasehold improvements, fixtures, fittings and furniture	-	to the end of the lease in 2020

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 the income and expenditure account.

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.

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.

Value in kind contributions are valued by the directors at a reasonable estimate of their fair value and are disclosed in note 2. In previous years the value of these contributions has been credited to income and charged to expenditure with no net impact on the result for the year. In 2014/15 the directors decided that it is more appropriate to disclose these items in a note to the financial statements. The prior year results have been restated accordingly as described in note 2.

Revenue from domain registry services operated by the company's subsidiary represents fees for domain name registration and related services (excluding VAT) arising from the provision of registry services. Registration fees are recognised as revenue in the accounting period in which the services are provided. Revenue received in advance of the accounting period to which it relates is recorded in the balance sheet as deferred income. Revenue from registration fees is presented in the income statement after deducting any discounts given to customers. Revenue from the auction of domain names is recognised on the date of the auction for the portion of the revenue that represents the purchase of the right to register the name and over the period in which registry services are provided for the portion of the revenue that represents the registration fee.

Notes *(continued)*

1 Accounting policies *(continued)*

Income (continued)

Revenue arising from contractual arrangements included in the Company's Registry Services Agreement with its Registry Service Provider is recognised when the income is independent of fees to customers for domain name registration and related services and when the company has no future obligations in respect of the income.

Income from other services is recognised when the services are provided. Income from re-charging certain agreed expenses paid on behalf of third parties is presented as income with the related cost shown within total expenditure.

Leases

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

Expenditure

Expenditure is accounted for on an accruals basis.

Post retirement benefits

The group operates a defined contributions 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. Unpaid contributions at the balance sheet date are included in accruals and paid into the plan within one month.

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.

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: domain registry services, bank interest, profits from rental income and certain other 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 recoverability of VAT on inputs. Expenses are recorded at cost inclusive of VAT and recoverable VAT is deducted from other operating charges.

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. The company holds 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 2014/15 in accordance with the accounting policies noted above.

	Year ended 31 March 2015 £000	Year ended 31 March Restated 2014 £000
Grant income		
Core GLA grant	**11,648**	11,476
Total GLA grants	**11,648**	11,476
Other grants	**307**	5
Total grant income	**11,955**	11,481
Commercial contributions and other income		
Commercial contributions	**3,158**	2,984
Other income	**1,367**	1,175
Total commercial contributions and other income	**4,525**	4,159

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
GLA grant		
Received during the year	**11,552**	11,354
Carried forward from prior years for specific purposes	**96**	122
Total grant income	**11,648**	11,476

Notes *(continued)*

2 Income *(continued)*

Value in kind

The company received value in kind contributions in support of its activities. These are disclosed here in the notes to the financial statements but are not recorded in the income and expenditure account as they were in previous years. The income and expenditure account shown on page 8 and the amounts shown above in note 2 have been adjusted for this change with no effect on the net result for the year.

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Value in kind from corporate partners and others	**4,236**	2,188

Value in kind received includes contributions to the media and production costs of leisure tourism promotional campaigns, facilities and hospitality donated to support promotional and business events and office space donated for the use of FDI clients.

Dot London

The company's subsidiary Dot London Domains Limited launched the .london domain name during the year and generated the following results:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Revenue from domain registry services	**3,292**	-
Cost of sales of domain registry services	**(1,195)**	-
Gross profit from the sale of domain registry services	**2,097**	-

3 Notes to the income and expenditure account

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
The surplus/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned	**225**	188
Loss/(gain) on foreign currency translation	**7**	15
Hire of plant and machinery - operating leases	**14**	18
Hire of other assets - operating leases	**866**	837
Pre-launch costs	**-**	460

Pre-launch costs in the prior year were incurred by Dot London Domains Limited in preparation for the launch of the new domain name for London in April 2014.

Notes *(continued)*

3 Notes to the income and expenditure account (*continued*)

Auditors' remuneration:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Audit of these financial statements	**24**	24
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	**9**	6
Audit of statement of grant expenditure	**4**	5
Other services relating to taxation	**12**	9

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 2015 £000	Year ended 31 March 2014 £000
Directors' emoluments	**355**	346

The aggregate of emoluments of the highest paid director were £185,679 (2014: £182,070) which consisted of salary payments of £135,477, performance related bonus pay as approved by the remuneration committee of £26,218 and company pension contributions made to a group personal pension plan of £23,984.

	Number of directors 2015	Number of directors 2014
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 2015	Number of employees Group 2014
Promotional activities	**129**	124
Management and administration	**19**	19
	148	143

All UK staff are employed by London & Partners Limited. Certain employees are seconded to Dot London Domains Limited by London & Partners Limited with a corresponding inter-company charge for the respective cost. The aggregate people costs incurred by the group were as follows:

	Group 2015 £000	Group 2014 £000
Wages and salaries	**6,915**	6,346
Social security costs	**674**	687
Pension costs	**718**	463
Payroll costs of staff numbers analysed above	**8,307**	7,496
Seconded staff (seconded to London & Partners by third parties)	**423**	263
Temporary staff and contractors	**165**	199
Staff costs as presented in the income & expenditure account	**8,895**	7,958
Temporary staff and contractors presented within programme costs	**96**	80
Total people cost	**8,991**	8,038

Notes *(continued)*

6 Other interest receivable and similar income

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Bank interest receivable	7	10
	7	10

7 Taxation

Analysis of charge in period

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
UK corporation tax		
Current tax on income for the period	213	32
Adjustments to prior year charge	(32)	(41)
Total current tax	181	(9)
Deferred tax		
Origination/reversal of timing differences	9	5
Total deferred tax	9	5
Tax on profit/(loss) on ordinary activities	190	(4)

Notes *(continued)*

7 Taxation *(continued)*

Factors affecting the tax charge for the current period

The current tax charge for the period is lower than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below.

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Current tax reconciliation		
Surplus/(loss) on ordinary activities before tax	**1,639**	(2,088)
Current tax at 21% (2014: 23%)	**344**	(480)
Effects of:		
Net losses not deducted	**15**	387
Expenses not deductible for tax purposes	**2**	1
Losses (utilised)/carried forward	**(142)**	120
Capital allowances for period (in excess of)/lower than depreciation	**(6)**	4
Total current tax charge (see above)	**213**	32

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 20% (2014: 21%) 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.

8 Intangible fixed assets

Group and company	**Websites, domain names & other intangible assets £000**	**Total £000**
Cost		
At 1 April 2014 and 31 March 2015	300	300
Amortisation		
At 1 April 2014	234	234
Charge for the year	66	66
At 31 March 2015	300	300
Net book value		
At 31 March 2015	-	-
At 31 March 2014	66	66

Notes *(continued)*

9 Tangible fixed assets

	Leasehold improvement, furniture, fixtures & fittings £000	IT equipment £000	Total £000
Group and company			
Cost			
At 1 April 2014	1	679	680
Additions	601	101	702
Disposals	(1)	(255)	(256)
At 31 March 2015	601	525	1,126
Depreciation			
At 1 April 2014	-	443	443
Charge for the year	30	129	159
Disposals	(1)	(255)	(256)
At 31 March 2015	29	317	346
Net book value			
At 31 March 2015	**572**	**208**	**780**
At 31 March 2014	1	236	237

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	Group	Class and percentage of shares held Company
Subsidiary undertakings				
London & Partners International	UK	Holding company	**100%**	100%
London & Partners (US) Limited*	USA	Inward investment	**100%**	-
Dot London Domains Limited	UK	Registry Operator	**100%**	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%

*Interest held indirectly via London & Partners International.

Notes *(continued)*

11 Debtors

	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
Trade debtors	688	538	632	590
Amounts owed by group undertakings	-	41	-	234
Other debtors	289	284	280	236
Prepayments and accrued income	1,399	447	1,043	1,027
	2,376	1,310	1,955	2,087

Prepayments and accrued income in 2015 includes £61,000 (2014:£nil) of prepaid registry service fees in respect of a period after more than one year.

12 Creditors: amounts falling due within one year

	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
Trade creditors	1,304	630	2,233	2,206
Amounts owed to group undertakings	-	172	-	138
Taxation and social security	105	215	292	292
Other creditors	78	78	56	56
Accruals and deferred income	3,000	1,815	3,984	1,967
	4,487	2,910	6,565	4,659

13 Creditors: amounts falling due after more than one year

	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
Accruals and deferred income	216	155	120	120
	216	155	120	120

Notes *(continued)*

14 Reserves

Group	**Profit and loss account £000**	**Total £000**
At 1 April 2014	(489)	(489)
Surplus for the year	1,449	1,449
At 31 March 2015	**960**	**960**

The surplus for the year arises from the unspent commercial income in the company and the trading profits of the company's subsidiary, Dot London Domains Limited. These funds will be utilised in future years in the promotion of London.

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

Company	**Profit and loss account £000**	**Total £000**
At 1 April 2014	99	99
Surplus for the year	212	212
At 31 March 2015	**311**	**311**

15 Pension scheme

Group personal pension plan

The group operates a defined contribution 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 £718,000 (2014: £463,000). The pension charge has increased during the year following the introduction of auto-enrolment and the reporting of salary sacrifice contributions as employer contributions.

At 31 March 2015 contributions amounting to £61,697 (2014: £44,835) were payable to the UK plan and are included in creditors. The company has no other liability in respect of the pension scheme.

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.

Notes *(continued)*

16 Reconciliation of operating surplus to operating cash flows

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Surplus/(loss) on ordinary activities	**1,449**	(2,084)
Depreciation, amortisation and impairment charges	**225**	188
Movement on provisions	**35**	72
Increase in debtors	**(421)**	(380)
(Decrease)/increase in creditors	**(2,024)**	1,214
Net cash outflow from operating activities	**(736)**	(990)

17 Analysis of cash flows

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Returns on investment and servicing of finance			
Interest received	*6*	7	10
Capital expenditure and financial investment			
Purchase of tangible fixed assets	*9*	702	151

18 Analysis of net debt

	At 1 April 2014 £000	Cash flow £000	At 31 March 2015 £000
Cash in hand and at bank	3,938	(1,431)	2,507
Total	3,938	(1,431)	2,507

19 Related party disclosures

The company is controlled by its members, who are the Mayor of London, ABTA, 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.

Notes *(continued)*

20 Commitments

At 31 March 2015, the company was committed to the following annual payments in respect of operating leases:

	2015 Land & buildings £000	**2015 Other £000**	2014 Land & buildings £000	2014 Other £000
Leases that expire in:				
< 1 year	69	-	35	3
2-5 years	-	31	-	8
> 5 years	762	-	762	-
Total	831	31	797	11