London & Partners Limited

Registered number 07493460

Directors' report and financial statements

For the year ended 31 March 2016

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Principal activities

London & Partners Limited ("the company"), a company limited by guarantee, is the official promotional company for London. The company promotes London internationally with the aim of attracting overseas companies, events, students and visitors to the capital. The company's work strengthens London's reputation and creates additional jobs and economic growth for the city. The company is not-for-profit, funded by the Mayor of London, a large network of private and public sector partners and other commercial ventures with all income reinvested into the promotion of London. The company is headquartered in London with offices in Beijing, Shanghai, Mumbai, New York, Los Angeles 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 public and private sectors. During the year ended 31 March 2016 the group recorded grant income from the GLA of £11.9m (2015: £11.6m) and raised other grants of £0.2m (2015: £0.3m) and £5.3m (2015: £4.5m) of additional income. The group also generated £2.6m (2015: £4.1m) of value in kind contributions in support of its activities which are provided by partners but are not recorded in the company's financial statements. 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.

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 £1.7m for the year (2015: £3.3m) and net profit after tax of £0.1m (2015: £1.2m). The reduction in revenue and profit for the year reflects the timing of the launch and renewal of the bulk of the domain names which is not the same as the financial year end. In future years this will no longer have an impact as a full year of trading results will be reflected in each financial year. All profits are 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. The subsidiary paid a dividend of £450,000 to London & Partners Limited during the year (2015: £nil).

During 2015/16 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 18:1.

The group surplus for the year reported on page 9 will be carried forward and used in future years' promotional activity.

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. At the date of approval of these financial statements, the directors have received no indication that would suggest that grant funding will not continue. 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

2015/16 saw London & Partners deliver the second year of its three year corporate strategy, realising 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 2015/6 attracting £354m of additional GVA into London's economy – up from £338m in 2014/15 – which resulted in 10,341 jobs being created/supported - up from 8,778 the previous year.

Strategic report *(continued)*

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

Performance review *(continued)*

During the year the company helped 289 overseas companies to set up or expand their business in London, creating 6,337 jobs adding £127m to London's economy. With a focus on key sectors, tech and life sciences, the company's efforts have helped maintain London's position as the world's top city for foreign direct investment. The company also promoted investment opportunities that support infrastructure development and regeneration projects in London, supporting schemes across the capital including Wandsworth, the Royal Docks and Croydon. During the course of the year the company expanded its activities by launching the Mayor of London's International Business Programme. This new intervention is designed to support 800 companies in tech, life sciences and urban sectors to internationalise through a programme of mentoring, bespoke practical support, business leads and trade missions.

The company's work to attract more overseas students saw a significant increase in new prospective students registering on studylondon.ac.uk which enabled the company to refer 36,000 students to London's universities, almost double the previous year's figure, generating an additional £33m of GVA for the London economy.

The company attracted 281 future conferences and congresses to London which will attract 123,855 delegates to the city adding £33m to London's economy. As a result of London & Partners efforts, London hosted the world's largest medical congress, the European Society of Cardiology in July 2015, with 33,000 delegates.

London also attracted and hosted a diverse range of sporting and cultural events during the year that were attracted and facilitated with the support of London & Partners, generating £22m of economic benefit. These included the Rugby World Cup, Track Cycling World Championships, NFL International Series and EuroHockey Championships. In addition, the Lumiere London light festival attracted 1.4 million attendees over 4 nights with £6.3 million direct economic benefit to the capital.

Activity to attract more leisure tourists to London centred on a new marketing campaign "Fans of London" in the spring of 2016, to celebrate the year's blockbuster events and building on the success of the previous year's "Guest of Honour" campaign, the company's most successful ever, reaching 300m people globally and landing three major industry awards. The official online visitor guide, visitlondon.com attracted an impressive 28m unique users adding £136m to London's economy. These initiatives contributed to record tourism figures for the capital of 18.6m visitors from overseas for 2015, an increase of 7% on the previous year.

During the year, London & Partners continued to strengthen London's reputation in three key areas: culture, life sciences and technology, generating £270m of AVE (Advertising Value Equivalent) through positive media coverage. Working with 60 partners, the company organised its second London Autumn Season which shone the spotlight on the city's top museums and galleries. Abroad, London was showcased to the world through Mayoral trade missions and events such as South by South West in Texas and BioJapan, telling London's story to hundreds of investors and influencers. London & Partners was one of the founders of the inaugural London Technology Week and 2015 saw the initiative grow in scale to over 220 events taking place across the city celebrating London's position as a leading centre for tech innovation. In addition, the company helped launch EdTechUK, to accelerate the growth of the UK's education technology sector and saw its TravelTech Lab go from strength to strength – supporting London's tourism, travel and hospitality technology entrepreneurs to raise some £4m in funding.

London & Partners subsidiary company, Dot London Domains Limited continued to thrive, celebrating the importance of small businesses across the city via the inaugural Dot London Small Business Awards. In addition the company supported the capital's digital dominance with the launch of a new website, hotels.london.

The company also advanced its corporate objective to be a world-leading promotional company improving its ranking from 86th to 44th in The Sunday Times 100 Best Not-for-Profit Organisations to work for, in addition to being awarded an additional 'learning and development' accolade.

A more detailed review of the year's activities can be found at http://www.londonandpartners.com/about-us/our-annual-results.

Strategic report *(continued)*

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

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.

Future prospects/outlook

The company is entering the final 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. A key priority will be to counter any negative sentiment around the UK's decision to leave the European Union and to continue to support and attract international businesses in the capital and maintain London's reputation as a welcoming and outward looking city that is open for business. London & Partners will focus additional resource in supporting companies to trade internationally with the launch of Phase II of the Mayor of London's International Business Programme which the company will run in conjunction with five delivery partners. In addition London & Partners will be to continue to secure funding from sources other than the GLA grant to allow the company to continue to scale-up its activities. A new subsidiary company, London & Partners Ventures Limited has been created which will now manage the majority of London & Partners' commercial activities.

The company will also develop a number of strategies during the year. These include a ten-year tourism strategy for London based on extensive consultation, data analysis and new audience insight. The strategy, which is being developed on behalf of the London Enterprise Panel (LEP) goes beyond London & Partners promotional remit and will set out a measurable action plan to galvanise the industry and boost business and leisure tourism in the capital. In addition, the company will develop a new strategic plan for the next two years. The plan will take into account of the impact of Brexit on London & Partners audiences, changing market conditions, the priorities of the new Mayor and the views of businesses and sector groups in the capital to determine the goals for the organisation.

London & Partners' promotional strategy for 2014-17 and business plan for 2016-17 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.

Strategic report *(continued)*

Corporate Governance *(continued)*

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 6.

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.

Board Meetings

The board manages the company through a series of formal meetings throughout the year. During the year to 31 March 2016, the Board met for its four scheduled 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 three 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 2016.

Strategic report *(continued)*

Corporate Governance *(continued)*

Board Committees *(continued)*

Remuneration Committee
The Remuneration Committee currently comprises two non-executive directors and the Chairman of the Board. The Chief Executive Officer and Head of HR 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 once in the year to 31 March 2016.

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 2016.

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.

By order of the board

Andrew Cooke
Andrew Cooke
Director

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

20 July 2016

Directors' report

The directors present their strategic report, directors' report and financial statements for the year ended 31 March 2016.

Directors

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

Sir Edward Lister, Chairman (term expired 6 May 2016)
Gordon Innes, Chief Executive
Alan Bishop (3)
Mark Boleat (1, 2)
Jean-Louis Bravard (1, 2)
Andrew Cooke, Chief Operating Officer and Deputy Chief Executive
Sandie Dawe (1)
Professor Sir Robert Lechler
Anne Morrison (appointed 1 June 2015)
Kevin Murphy (3)
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 (term expired 6 May 2016)

Directors' interests

A register of directors' interests is published on the company's corporate website at http://www.londonandpartners.com/about-us/our-board

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 (2015: none). 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.

Directors' report *(continued)*

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the strategic report, 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 group and the company and of the profit or loss of the group and the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and 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.

Auditor

RSM UK Audit LLP was appointed as auditor on 2 February 2016.

Disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

Andrew Cooke
Director

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

20 July 2016

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

We have audited the group and parent company financial statements (the "financial statements") on pages 9 to 30. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 more fully explained in the Statement of Directors' Responsibilities on page 6 and 7, 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 Financial Reporting Council's website at http://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 parent company's affairs as at 31 March 2016 and of the group's profit 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 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.

RSM UK Audit LLP

Jonathan Da Costa (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor, One London Square
Cross Lanes
Guildford
Surrey, GU1 1UN

21 July 2016

Consolidated Statement of Income and Retained Earnings

For the year ended 31 March 2016

	Note	Year ended 31 March 2016	Year ended 31 March 2015
		£000	£000
Income			
Turnover from domain registry services	2	**1,743**	3,292
Turnover from other activities	2	**5,752**	4,525
Grants	2	**12,117**	11,955
Total income		**19,612**	19,772
Expenditure			
Cost of sales of domain registry services	2	**1,219**	1,195
Programme costs of promotional activities	6	**6,269**	5,591
Staff costs		**9,228**	8,895
Other operating costs		**2,614**	2,459
Total expenditure		**19,330**	18,140
Operating surplus		**282**	1,632
Interest receivable and similar income		**10**	7
Surplus on ordinary activities before taxation	4	**292**	1,639
Taxation	7	**(46)**	(190)
Surplus on ordinary activities after taxation and surplus for the financial year		**246**	1,449
Retained Earnings at 1 April		**891**	(558)
Retained Earnings at 31 March		**1,137**	891

This statement is presented in place of a Consolidated Statement of Comprehensive Income and Consolidated Statement of Changes in Retained Earnings as the only changes to retained earnings during the year arise from the surplus for the year.

Statements of Financial Position
at 31 March 2016

	Note	**Group 2016 £000**	Group 2015 £000	**Company 2016 £000**	Company 2015 £000
Fixed assets					
Intangible assets	*8*	**54**	131	**54**	131
Tangible assets	*9*	**543**	649	**543**	649
		597	780	**597**	780
Current assets					
Debtors due within one year	*11*	**3,404**	2,376	**2,873**	1,310
Cash at bank and in hand		**3,521**	2,507	**1,969**	1,286
		6,925	4,883	**4,842**	2,596
Current liabilities					
Creditors: amounts falling due within one year	*12*	**(6,021)**	(4,556)	**(4,369)**	(2,979)
Net current assets/(liabilities)		**904**	327	**473**	(383)
Total assets less current liabilities		**1,501**	1,107	**1,070**	397
Creditors: amounts falling due after more than one year	*13*	**(364)**	(216)	**(176)**	(155)
Net assets		**1,137**	891	**894**	242
Reserves					
Profit and loss account	*15*	**1,137**	891	**894**	242
Total reserves		**1,137**	891	**894**	242

The financial statements on pages 9 to 30 were approved by the board of directors and authorised for issue on 20 July 2016 and are signed on its behalf by:

Gim Inn

Gordon Innes
Director

Company Statement of Changes in Reserves
for the year ended 31 March 2016

	Profit and Loss Account £000
Balance at 1 April 2014	**30**
Surplus and total comprehensive income for the year	212
Balance at 31 March 2015	**242**
Surplus and total comprehensive income for the year	652
Balance at 31 March 2016	**894**

Consolidated Statement of Cash Flows

for the year ended 31 March 2016

	Note	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Operating activities			
Cash generated from/(used in) operations	*16*	**1,215**	(736)
Interest received	*16*	**10**	7
Income taxes paid		**(158)**	-
Net cash from/(used in) operating activities		**1,067**	(729)
Investing activities			
Purchase of tangible fixed assets	*9*	**(53)**	(702)
Net cash used in investing activities		**(53)**	(702)
Net increase/(decrease) in cash and cash equivalents		**1,014**	(1,431)
Cash and cash equivalents at beginning of year		**2,507**	3,938
Cash and cash equivalents at end of year		**3,521**	2,507
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		**3,521**	2,507

Notes

(forming part of the financial statements for the year ended 31 March 2016)

1. Accounting policies

General information

London & Partners Limited ("the company") is a not-for-profit company limited by guarantee domiciled and incorporated in the United Kingdom. The address of the company's registered office and principal place of business is 2 More London Riverside, London, SE1 2RR. The group consists of London & Partners Limited and all of its subsidiaries. The company's and the group's principal activities are to promote London to visitors, businesses and students.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

First time adoption of FRS 102

These consolidated and company financial statements are the first consolidated and company financial statements of London & Partners Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102"). The consolidated and company financial statements of London & Partners Limited for the year ended 31 March 2015 were prepared in accordance with UK GAAP. The impact of the adoption of FRS 102 for the first time is summarised in note 21.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 chapter 35 'Transition to FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 chapter 35 'Transition to FRS'. Adjustments are recognised directly in retained earnings at the transition date.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

Company Statement of Income and Retained Earnings

As permitted by s408 Companies Act 2006, the company has not presented its own Statement of Income and Retained Earnings. The company's surplus for the year was £652,000 (2015: £212,000) and there were no other movements on company reserves in the current or prior year.

Notes *(continued)*

1. Accounting policies *(continued)*

Basis of consolidation

The consolidated financial statements incorporate those of London & Partners Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 March 2016 with the exception of London & Partners Ventures Limited which will produce its first set of financial statements for the period ended 31 March 2017.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless there is evidence of impairment of the asset transferred.

Going concern

The accounts have been prepared on the going concern basis not-withstanding the current grant funding arrangements which are due for renewal at 31 March 2017. Whilst future years' grant funding has not yet been approved, formal confirmation will be sought in September 2016 and while there is no guarantee that it will be successful, at the date of approval of these financial statements, the directors are confident that it will be renewed based on correspondence with the GLA to date. 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 (assuming renewal) 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. Accordingly the directors' opinion is that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include the adjustment that would result if the company was unable to continue as a going concern.

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.

Functional and presentational currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the company.

Foreign currencies

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All translation differences are taken to the surplus or loss for the year.

The assets and liabilities of overseas subsidiaries are translated into the group's presentation currency at the exchange rate ruling at the reporting date. Income and expenditure of such undertakings are translated at the average rates of exchange during the year which the directors consider to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in the income and expenditure account and accumulated in reserves.

Government grants

Capital based government grants are initially 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 when receivable in the period to which they relate with the relevant cost when any associated performance conditions are met.

Notes *(continued)*

1. Accounting policies (*continued*)

Turnover

Turnover from membership fees and other activities is recognised at the fair value of the consideration received or receivable for sale of services to external customers in the period to which the service is delivered, taking into account trade discounts, settlement discounts and volume rebates where applicable. Turnover is shown net of VAT.

Turnover from domain registry services generated by one of the group's subsidiaries 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 Statement of Financial Position 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.

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.

Dividend income from the company's subsidiaries is recognised when the company's right to receive payment is established.

Intangible fixed assets and amortisation

Intangible fixed assets are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. The value of internally generated intangible assets and intangible assets owned by the company with no associated cost (such as rights acquired through participation in joint ventures) is not recorded in the Statement of Financial Position.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Software	-	2-3 years

The directors have chosen this amortisation period as it represents the useful life of the intangible assets within the business.

Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently at cost net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost to the estimated residual value of the 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.

Notes *(continued)*

1. Accounting policies (*continued*)

Investments

In the separate accounts of the company, interests in subsidiaries are measured at cost less any accumulated impairment losses.

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 unless the company is able to demonstrate that a development project: is technically feasible and will generate an asset that will be available for use or sale; that the company intends to and is able to complete the project with adequate resources available and to use or sell the asset; and that the asset will generate probable future measurable economic benefits. If all of these conditions exist the research & development cost of producing the asset are capitalised as an intangible asset and amortised over the estimated useful life of the asset.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Grant funded activities are not considered to be subject to tax. Certain of the group's sources of income are, however, 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, current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

The group as lessee – operating leases

All leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

The group as lessor – operating leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

Notes *(continued)*

1. Accounting policies *(continued)*

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The holiday year for all group companies ends at the reporting date. Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

The group operates a defined contribution 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.

Financial instruments

The group has elected to apply the provisions of section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

The group has only basic financial instruments and has not chosen to designate financial instruments as at fair value through profit or loss. Accordingly, the group has taken advantage of the financial instrument disclosure exemptions provided by FRS 102 Chapter 11 'Basic Financial Instruments'.

The company holds warrants to purchase shares in TLDH Ltd, a service provider of its subsidiary Dot London Domains Limited. These are not included in the financial statements as the directors have assessed that the fair value of the warrants is £nil (2015: £nil).

Notes *(continued)*

1. Accounting policies (*continued*)

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and areas of judgement that are critical to the financial statements are described below:

- The going concern assumption, as noted above, is considered to be appropriate based on assumptions regarding future grant funding arrangements and other cash flows.
- An accrual is estimated for the potential dilapidation costs at the end of the lease of the company's offices
- A provision for potential closure costs is held by the GLA on behalf of the company

2 Income

The following income was recognised in 2015/16 in accordance with the accounting policies noted above. All income is derived from activities undertaken from the United Kingdom.

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Grant income		
GLA grant	**11,891**	11,648
Other grants	**226**	307
Total grant income	**12,117**	11,955
Turnover from other activities		
Income from partners	**3,040**	3,158
Other income	**2,712**	1,367
Total turnover from other activities	**5,752**	4,525

Dot London

The company's subsidiary Dot London Domains Limited launched the .london domain name in 2014 and has generated the following results:

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Revenue from domain registry services	**1,743**	3,292
Cost of sales of domain registry services	**(1,219)**	(1,195)
Gross profit from the sale of domain registry services	**524**	2,097

Notes *(continued)*

3 Interest receivable and similar income

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Bank interest receivable	**10**	7
	10	7

4 Surplus on ordinary activities before taxation

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
The surplus on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation, depreciation and other amounts written off tangible fixed assets and intangible assets:		
Owned	**236**	225
(Gain)/loss on foreign currency translation	**(22)**	7
Operating lease rentals (note 20)	**966**	880
Operating lease rental income	**(58)**	(65)

Fees payable to the company's auditors in respect of both audit and non-audit services are as follows:

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Audit services – statutory audit of parent and consolidated accounts	**20**	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 services – statutory audit of subsidiary accounts	**10**	9
Audit of statement of grant expenditure	**-**	4
Other services relating to taxation	**-**	12

Notes *(continued)*

5 Remuneration of directors

In respect of the directors of London & Partners Limited:

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Directors' emoluments	**361**	355
Company pension contributions included in directors' emoluments (including those made by salary sacrifice)	**65**	64

Retirement benefits are accruing to the following number of directors under:	**Number of directors 2016**	Number of directors 2015
Group personal pension plan	**2**	2

The aggregate of emoluments of the highest paid director were £178,469 (2015: £185,679) which consisted of salary payments of £126,034 (2015: £135,477), performance related bonus pay as approved by the remuneration committee of £28,765 (2015: £26,218) and company pension contributions made to a group personal pension plan of £23,670 (2015: £23,984).

6 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 2016	Number of employees Group 2015
Promotional activities	**141**	129
Management and administration	**20**	19
	161	148

Notes *(continued)*

6. Staff numbers and costs *(continued)*

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 2016 £000	Group 2015 £000
Wages and salaries	**7,017**	6,915
Social security costs	**752**	674
Pension costs	**786**	718
Payroll costs of staff numbers analysed above	**8,555**	8,307
Seconded staff (seconded to London & Partners by third parties)	**317**	423
Temporary staff and contractors	**356**	165
Staff costs as presented in the income & expenditure account	**9,228**	8,895
Temporary staff and contractors presented within programme costs	**162**	96

7 Taxation

Analysis of charge in period

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
UK corporation tax	**63**	213
Adjustments in respect of prior year	**(21)**	(32)
Total current tax	**42**	181
Deferred tax		
Origination and reversal of timing differences	4	9
Total deferred tax	4	9
Tax on surplus on ordinary activities	46	190

Notes *(continued)*

7 Taxation *(continued)*

Factors affecting the tax charge for the current period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below.

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Current tax reconciliation		
Group surplus on ordinary activities before tax	**292**	1,639
Group surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 21%)	**58**	344
Effects of:		
Net losses not deducted	**-**	15
Income/expenses not (taxable)/deductible for tax purposes	**(20)**	2
Losses utilised	**-**	(142)
Capital allowances for the period lower than/(in excess of) depreciation	**25**	(6)
Adjustments in respect of the prior year	**(21)**	(32)
Origination and reversal of timing differences	**4**	9
Tax expense	**46**	190

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 18% (2015: 20%) 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 assets

	Software & other intangible assets £000	Total £000
Group and company		
Cost		
At 31 March 2015 and 2016	624	624
Amortisation		
At 1 April 2015	493	493
Charge for the year	77	77
At 31 March 2016	570	570
Net book value		
At 31 March 2016	54	54
At 31 March 2015	131	131

The amortisation charge for the year is recognised in other operating costs.

9. Tangible fixed assets

	Leasehold improvement, furniture, fixtures & fittings £000	IT equipment £000	Total £000
Group and company			
Cost			
At 1 April 2015	601	201	802
Additions	4	49	53
At 31 March 2016	605	250	855
Depreciation			
At 1 April 2015	29	124	153
Charge for the year	112	47	159
At 31 March 2016	141	171	312
Net book value			
At 31 March 2016	464	79	543
At 31 March 2015	572	77	649

Notes *(continued)*

10 Fixed asset investments

Company

The cost of the company's investments in subsidiaries is below £1,000 and is unchanged since the prior year. There is no provision held against this balance (2015: £nil).

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	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 & Partners Ventures Limited	UK	Inactive	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.

11 Debtors

	Group 2016 £000	Group 2015 £000	**Company 2016 £000**	Company 2015 £000
Amounts falling due within one year:				
Trade debtors	**1,445**	688	**1,230**	538
Amounts owed by group undertakings	**-**	-	**250**	41
Other debtors	**141**	122	**141**	117
Prepayments and accrued income	**1,818**	1,566	**1,252**	614
	3,404	2,376	**2,873**	1,310

Prepayments and accrued income in the group in 2016 includes £109,000 (2015: £61,000) of prepaid registry service fees in respect of a period after more than one year.

Notes *(continued)*

12 Creditors: amounts falling due within one year

	Group 2016 £000	Group 2015 £000	**Company 2016 £000**	Company 2015 £000
Trade creditors	**1,837**	1,304	**1,184**	630
Amounts owed to group undertakings	**-**	-	**192**	172
Corporation tax	**97**	213	**86**	65
Other taxation and social security	**251**	40	**270**	150
Other creditors	**141**	78	**141**	78
Accruals and deferred income	**3,695**	2,921	**2,496**	1,884
	6,021	4,556	**4,369**	2,979

13 Creditors: amounts falling due after more than one year

	Group 2016 £000	Group 2015 £000	**Company 2016 £000**	Company 2015 £000
Accruals and deferred income	**364**	216	**176**	155
	364	216	**176**	155

14 Financial instruments

The carrying amount of the group and company's financial instruments at 31 March were:

	Group 2016 £000	Group 2015 £000	**Company 2016 £000**	Company 2015 £000
Financial assets:				
Debt instruments measured at amortised cost	**5,316**	3,504	**3,549**	2,123
Financial liabilities at amortised cost	**3,338**	2,853	**2,634**	1,972

Notes *(continued)*

15 Reserves

Group	**Profit and loss account £000**
At 1 April 2015	891
Surplus for the year	246
At 31 March 2016	**1,137**

Company	**Profit and loss account £000**
At 1 April 2015	242
Surplus for the year	652
At 31 March 2016	**894**

The reserves of the group represent the following:

Profit and loss account

The surplus for the year arises from 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.

Notes *(continued)*

16 Reconciliation of surplus after tax to net cash generated from/(used in) operations

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Surplus after tax	**246**	1,449
Adjustments for: Depreciation, amortisation and impairment charges	**236**	225
Interest receivable	**(10)**	(7)
Taxation	**46**	190
Increase in provisions	**21**	35
Operating cash flows before movements in working capital	**539**	1,892
Increase in trade and other debtors	**(1,028)**	(421)
Increase/(decrease) in trade and other creditors	**1,704**	(2,207)
Cash generated from/(used in) operations	**1,215**	(736)

17 Retirement benefits

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 £786,000 (2015: £718,000).

At 31 March 2016 contributions amounting to £132,725 (2015: £61,697) 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.

18 Related party transactions and ultimate controlling party

The company has taken advantage of the exemptions provided by Section 33 of FRS102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

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.

19 Remuneration of key management personnel

The total remuneration of the Executive Team including the executive directors, who are considered to be the key management personnel of the group, was £1,128,634 (2015: £1,003,383).

Notes *(continued)*

20 Commitments

The group as lessee:

At 31 March 2016, the group was committed to the following total future minimum lease payments in respect of non-cancellable operating leases:

	2016 Land & buildings £000	**2016 Other £000**	2015 Land & buildings £000	2015 Other £000
Amounts due:				
Within one year	800	31	831	31
Between one and five years	2,858	18	3,048	50
After five years	-	-	572	-
Total	3,658	49	4,451	81

The group as lessor:

At 31 March 2016, the group had contracted with tenants under non-cancellable operating leases for the following future minimum lease payments:

	2016 Land & buildings £000	2015 Land & buildings £000
Amounts due:		
Within one year	**13**	20
Total	**13**	20

The operating leases represent agreements for the licence of office facilities by third parties.

Notes *(continued)*

21 First time adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on:

(i) the consolidated reserves at the date of transition to FRS 102;

(ii) the consolidated reserves at the end of the comparative period;

(iii) the consolidated surplus or loss for the comparative period reported under UK GAAP;

(iv) the company reserves at the date of transition to FRS 102;

(v) the company reserves at the end of the comparative period; and

(vi) the company surplus or loss for the comparative period reported under UK GAAP

are given below.

Reconciliation of consolidated reserves	**1 April 2014 £000**	**31 March 2015 £000**
Consolidated reserves as previously reported under previous UK GAAP	(489)	960
Vacation pay accrual	(69)	(69)
Consolidated reserves reported under FRS 102	**(558)**	**891**

Reconciliation of consolidated surplus	**Year ended 31 March 2015 £000**
Consolidated surplus as previously reported under previous UK GAAP	1,449
Movement on vacation pay accrual	-
Consolidated surplus reported under FRS 102	**1,449**

Reconciliation of company reserves	**1 April 2014 £000**	**31 March 2015 £000**
Company reserves as previously reported under UK GAAP	99	311
Vacation pay accrual	(69)	(69)
Company reserves reported under FRS 102	**30**	**242**

Notes *(continued)*

21 First time adoption of FRS 102 *(continued)*

Reconciliation of company surplus	**Year ended 31 March 2015 £000**
Company surplus as previously reported under previous UK GAAP	212
Movement on vacation pay accrual	-
Company surplus reported under FRS 102	**212**

Vacation pay accrual

The company has recorded an accrual for vacation pay at the end of each financial year under FRS 102 whereas it did not record this accrual under UK GAAP. This has resulted in a decrease in previously reported consolidated and company reserves of £69,000 at the transition date, a decrease in previously reported consolidated and company reserves of £69,000 at the prior year end and no change in the previously reported consolidated and company surplus for the prior year.

Classification of software as an intangible asset

The company has re-classified software from tangible to intangible fixed assets which resulted in no overall change to previously reported consolidated and company reserves at the transition date or at the prior year end and no change in the previously reported consolidated and company surplus for the prior year.

Statement of cash Flows - presentation

Under FRS 102, the Consolidated Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand and deposits repayable on demand) showing changes arising from operating activities, investing activities and financing activities separately. Under previous UK GAAP, the Consolidated Cash Flow Statement presented changes in cash (which includes cash in hand and deposits repayable on demand) under the headings of operating activities, returns on investment and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources and financing.