London & Partners Limited

Registered number 07493460

Report and financial statements

For the year ended 31 March 2017

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Strategic report

Review of the group's business

Principal activities

London & Partners Limited ("the company"), a company limited by guarantee, is the Mayor of London's official promotional agency. Its purpose is to support the Mayor's priorities by promoting London internationally as the best city in the world in which to invest, work, study and visit. It does this by devising creative ways to promote London and to amplify the Mayor's messages, priorities and campaigns to international audiences. The company is not-for-profit, funded by the Mayor of London via a grant from the Greater London Authority (GLA), a large network of private and public sector partners and other commercial ventures with all income reinvested into the promotion of London. The group is headquartered in London with offices in Beijing, Shanghai, Mumbai, New York, Los Angeles and San Francisco and with representatives in several other countries.

Business review and financial position

The company is supported by a grant from the GLA and other income from the public and private sectors. During the year ended 31 March 2017 the group recorded grant income from the GLA of £11.9m (2016: £11.9m) and raised other grants of £0.2m (2016: £0.2m) and £6.7m (2016: £5.7m) of additional income. The group also generated £2.8m (2016: £2.6m) 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 £4.0m for the year (2016: £1.7m) and net profit after tax of £1.6m (2016: £0.1m). The increase in profit for the year reflects a 15% decrease in revenue from domain sales during a period of research and planning for future marketing activity, which was more than offset by a one-off contract amendment fee. All profits are either retained for the operation of the business or distributed to London & Partners Limited to fund the company's principal not-for-profit activity of the promotion of London. The subsidiary paid a dividend of £1,000,000 to London & Partners Limited during the year (2016: £450,000).

An additional subsidiary of the company, London & Partners Ventures Limited, became operational during the year to manage most of the group's commercial activities. The subsidiary recorded revenue of £2.8m for the year and net profit after tax of £2k. This was a good result for the company in its first period including an increase of 37% in e-commerce revenue compared to the same income stream in London & Partners Limited in the previous period. The net profit in this first period is calculated after accounting for the costs of all services provided to the company by its parent and reflects the costs of some relatively new activities and business development costs. All profits are either retained for the operation of the business or distributed to London & Partners to fund the principal not-for-profit activity of the promotion of London.

During 2016/17 the company continued to make efficiency savings and, since its creation in 2011, has seen an improvement in its return on investment from 13:1 to 14:1.

The group surplus for the year reported on page 13 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.

Strategic report *(continued)*

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

Performance review

2016/17 saw London & Partners deliver the final year of its three-year corporate strategy, realising its mission "To tell London's story brilliantly". The objectives set for the year were to:

- Deliver additional jobs and economic value for London, by convincing visitors, students and businesses to come to and invest in the Capital, and helping London-based businesses to export;
- Strengthen London's reputation as a cultural centre and as a leading destination for life sciences and high technologies;
- Secure support and active engagement from institutions, businesses and high profile individuals with an interest in London's international promotion;
- Build London & Partners' reputation as a world-leading promotional company.

Key performance indicators for the group included: the additional jobs and Gross Value Added (GVA) which were generated solely as a result of its sales and marketing activities; the Advertising Value Equivalent (AVE) of positive media generated by its PR activities; the amount of income generated from sources other than the GLA grant; and staff satisfaction. The group exceeded all of these targets as set out below:

Key Performance Indicator	Target 2016/17	Actual 2016/17
Total GVA attributed from delivering economic benefit	£291m	£341m
Total number of jobs created or supported	8,851	10,130
Advertising Value Equivalent of marketing activity	£175m	£196m
Non-GLA Grant Income	£10.7m	£12.3m
Staff Satisfaction	>85%	88%

During the year the company helped 291 overseas companies to set up or expand their business in London, creating or retaining 6,062 jobs adding £104m to London's economy. Following the EU referendum over 900 existing foreign investors and prospective clients were engaged directly to gauge their sentiment to the result and gain a better understanding of what impact leaving the EU might have on their business. In addition, a new Business Growth Programme was established to identify and help remove barriers to growth for international companies looking to expand in the capital. The company also developed a new City-to-City initiative to develop closer relationships with other key European and global cities to support trade and investment activities for mutual benefits. The company's work in regeneration attracted international developers and investors into schemes in Enfield and the Royal Docks whilst the Mayor's International Business Programme continued to go from strength to strength with 215 companies recruited into the programme during the year. The Programme delivered 11 trade missions including accompanying the Mayor to the US and Europe, in addition to an extensive programme of mentoring and bespoke practical support to help the companies internationalise.

Strategic report *(continued)*

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

Performance review (*continued*)

The company's work to attract more overseas students attracted more prospective students than ever before to its digital platform, StudyLondon.ac.uk, and referred more than 40,000 students to London's universities, generating an additional £26m of GVA for the London economy. For the first time, the company hosted an International Student Showcase and Innovation awards which generated 260 pieces of print media and 2 million views on social media.

The company supported 854 events and future conferences and congresses to London which will attract 200,785 delegates to the city adding £39.5m to London's economy. A number of large and prestigious congresses were attracted to the city including the European Respiratory Society, worth £73m to the London economy, as well as the Alzheimer's Association and American Association of Dentistry.

London also secured 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 £24m of economic benefit. These included the fourth annual RideLondon Festival of Cycling and the NFL International Series. In addition, the company's major events team supported the Greater London Authority's presence at the Olympic Games in Rio de Janeiro, and worked with the organisers, Artichoke and the City of London, on the Great Fire 350 festival.

Activity to attract more leisure tourists to London included the conclusion of the "Fans of London" Campaign resulting in over 5m video views leading to over 1.2m visits to visitlondon.com and 2,900 pieces of international media coverage. The Mayor of London launched the fourth London Autumn Season Campaign designed to shine a spotlight on the diverse range of cultural attractions taking place in the city. Funds were also secured from the Discover England Fund to run a pilot project to test the appeal of "open jaw" ticketing with London and Manchester with visitors from the Gulf Cooperation Council countries. The official online visitor guide, VisitLondon.com broke its personal best in attracting 29.4m unique visitors to the site and accruing 1 million Facebook Fans. Throughout the year VisitLondon.com's social media channels encouraged visitors to attend events such as Summer in the City, The BFG Dream Jar Trail and Chinese New Year. These initiatives contributed to record tourism figures for the capital of 19.1m visitors from overseas for 2016, an increase of 2.6% on the previous year.

During the year, London & Partners continued to strengthen London's reputation as a centre for life sciences and technology. Co-founded by London & Partners, London Tech Week is now Europe's largest technology festival. The June 2016 showcase drew more than 40,000 people to 300 live events across the city. London's Traveltech Lab, run by London & Partners in partnership with The Trampery, also continued to go from strength to strength. At the year-end there were 63 full, associate or alumni members of the community and the Lab had helped them raise £19m in funding to date. New partners were secured for the Lab during the year including IBS PLC and The Collinson Group. To support London's life science cluster, the company launched a Digital Health Campaign at BIO-Europe, Europe's largest partnering conference serving the global biotech community. The initiative was developed and delivered in conjunction with MedCity and the Department for International Trade and showcased Cambridge, London and Oxford as the "golden triangle" for digital health investment.

London & Partners' subsidiary company, Dot London Domains Limited continued to perform strongly and maintained its position as the number two city top-level domain behind New York City with renewal rates at 75% and new registrations exceeding 1,000 a month largely from organic growth. A new marketing strategy was developed during the year with the appointment of a marketing agency which should show results in the year ahead.

The company also advanced its corporate objective to be a world-leading promotional company maintaining a Top 50 ranking in The Sunday Times 100 Best Not-for-Profit Organisations to work for, in addition to being awarded an additional accolade for staff well-being. The company also landed three coveted awards for the 2015 leisure tourism campaign "Guest of Honour", winning both the Grand Prix and Travel &Tourism categories in the World Media Awards and the Leisure & Sport top accolade in the Brand Republic Digital Awards. The company's work in conjunction with the Mayor's office on the 'London Is Open' campaign was also recognised at the International Congress and Convention Association awards, winning best marketing campaign.

Strategic report *(continued)*

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

Performance review (*continued*)

Following the appointment of a new Mayor and administration in City Hall in May 2017, the GLA undertook an internal review of the funding, governance and effectiveness of London & Partners in the second half of the year to ensure GLA funding results in the best possible promotion of London. The review was undertaken in the changing context of the new Mayor's priorities, the result of the EU referendum and increasing competition with other cities. The review concluded that the overall structure of the group and company was correct, that staff at all levels had a good reputation as experts in their field and that the organisation had contributed to a more effective international promotion of London since 2011. It made a number of recommendations relating to governance, funding, efficiencies, measuring success and to ensure greater alignment with City Hall. Good progress against many of the recommendations had been made by the year end.

Gordon Innes resigned as CEO of London & Partners and left the group in October 2016. A decision was made not to recruit his successor until the results of the GLA review were concluded. Andrew Cooke, COO, took the role of Acting CEO until Laura Citron took up her appointment as CEO in May 2017.

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

Principal risks and uncertainties

The group 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, including financial risks, that the group faces are considered to be:

- London's attractiveness being impacted as a result of uncertainty created by the process of the UK leaving the EU
- The impact of external events particularly further terrorist incidents, on London's reputation
- Planned changes at Board level and potential change at senior management level leads to a lack of continuity and loss of knowledge and experience which impacts on performance
- External issues (e.g. Brexit, a strengthening labour market) impact on the group's access to a skilled workforce
- Increased threat of cyber-attack means the group's systems may be compromised impacting our performance and reputation
- A greater reliance on commercial revenue and other funding sources, in addition to the GLA grant, results in a greater level of risk which could lead to a shortfall in funding which would impact on the company's activities.
- Financial processes and management do not keep pace with the growth in the size and complexity of the company and its subsidiaries resulting in less effective financial management
- Growth in programmes that are funded in arrears could lead to issues with cash flow.

The company's financial objective is to generate additional funding from sources and initiatives, that are aligned with the wider corporate objectives, to leverage the grant from the GLA and extend the reach and impact of the company's activities. Dividends from subsidiary companies and any surplus from London & Partners Limited are reinvested to fund the company's not-for-profit activities as the Mayor of London's official promotion company.

Strategic report *(continued)*

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

Future prospects/outlook

With the arrival of Laura Citron as CEO, a new three-year strategy for London & Partners is being developed which takes account of the uncertainty whilst the UK leaves the European Union, the broader geo-political landscape, increasing competition from global cities and the recommendations of the GLA review, notably to ensure greater alignment with the Mayor's priorities.

Priorities for 2017-18 will be to grow London's global reputation by winning new international audiences for London and protecting the city's reputation particularly with audiences who have concerns about the uncertainty created as negotiations commence to leave the European Union. This will be done by using the Mayor's messaging and amplifying his campaigns internationally. Given the current uncertainty, the company will not just focus on attracting new international businesses to London but also on working with existing businesses in the capital to safeguard jobs. The company's work on leisure and business tourism will respond to the insights identified in the new Tourism Vision for London to 2025, to be published in August 2017. This includes focusing on converting first time visitors who offer the greatest lifetime value to London, helping to disperse visitors across the city and to deliver growth in off-peak periods to reduce congestion.

The company will continue to extend its reach through mutually beneficial relationships with organisations that have a stake in London's international promotion. The priority will be to secure resources to augment the core grant from the GLA and to partner with organisations to amplify activity. The company will continue to strive to become more efficient and effective, through implementing the European Foundation for Quality Management (EFQM) Framework and strengthening its offer as an employer of choice through the Best Companies Programme.

London & Partners' business plan for 2017-18 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 Group'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' purpose;
- 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 10.

Strategic report *(continued)*

Corporate Governance *(continued)*

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 2017, the Board met for its four scheduled meetings and two additional extraordinary meetings to discuss the response to the EU referendum and the recruitment of the new CEO. 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 2017.

Remuneration Committee
The Remuneration Committee currently comprises one non-executive director 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 2017.

Nomination Committee
The Nomination Committee currently comprises four non-executive directors and the Chairman of the Board. 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 three times during the year to 31 March 2017.

Strategic report *(continued)*

Corporate Governance *(continued)*

Policies

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

By order of the board

Andrew Cooke
Director

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

24 July 2017

Directors' report

The directors present their strategic report, directors' report and financial statements for the year ended 31 March 2017.

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)
Rajesh Agrawal, Chairman (appointed 6 May 2016) (2,3)
Gordon Innes, Chief Executive Officer (resigned 14 October 2016)
Laura Citron, Chief Executive Officer (appointed 2 May 2017)
Alan Bishop (3)
Mike Brown (appointed 16 May 2017)
Mark Boleat (term expired 30 April 2017) (1, 2)
Jean-Louis Bravard (1, 2)
Andrew Cooke, Chief Operating Officer
Sandie Dawe (1)
Professor Sir Robert Lechler
Catherine McGuiness (appointed 15 May 2017) (1)
Anne Morrison (3)
Kevin Murphy (3)
Hilary Riva (3)
Derek White (resigned 31 August 2016)

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

Board Observers

Ben Johnson (Senior Mayoral Advisor - Business and Digital Policy)
Leah Kreitzman (Mayoral Director, External and International Affairs)
Justine Simons OBE (Deputy Mayor, Culture and the Creative Industries)

Directors' interests

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

Research and development

The group commenced two development projects during the year to upgrade web technology for visitlondon.com and the group's other websites and to develop a London visitor app to enhance the visitor experience of London. Both projects are progressing well.

Financial instruments

The group 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 group utilises foreign exchange forward contracts for significant payments in foreign currencies. There were no forward contracts open at the year-end (2016: none). The company holds warrants to purchase shares in Minds + Machines Group 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.

Credit, liquidity and cash flow risk

The group manages cash flow by detailed forecasting and business planning. The core grant and a number of other income streams are received in advance which enables the group to manage other programmes which are funded in arrears. The group has no loans or other credit instruments.

Directors' report *(continued)*

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.

Information included in the Strategic Report

Certain items required to be presented in the Directors' Report, such as commentary on future developments and risk management, have been included in the Strategic Report.

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 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;
- 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

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

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

Andrew Cooke
Director

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

24 July 2017

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

Opinion on financial statements
We have audited the group and parent company financial statements (the "financial statements") on pages 13 to 33. 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".

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 2017 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.

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 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 and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

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.

Respective responsibilities of directors and auditor
As more fully explained in the Directors' Responsibilities Statement set out on page 11, 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.

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.

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

4/8/ 2017

Consolidated Statement of Income and Retained Earnings

For the year ended 31 March 2017

	Note	Year ended 31 March 2017	Year ended 31 March 2016
		£000	£000
Income			
Turnover from domain registry services	2	4,030	1,743
Turnover from other activities	2	6,743	5,752
Grants	2	12,163	12,117
Total income		**22,936**	19,612
Expenditure			
Cost of sales of domain registry services		695	1,219
Programme costs of promotional activities		7,369	6,269
Staff costs	3	10,487	9,228
Other operating costs		3,359	2,614
Total expenditure		**21,910**	19,330
Operating surplus		**1,026**	282
Interest receivable and similar income	7	4	10
Surplus before taxation	8	**1,030**	292
Taxation	9	(547)	(46)
Surplus after taxation and surplus for the financial year		**483**	246
Retained Earnings at 1 April		**1,137**	891
Retained Earnings at 31 March		**1,620**	1,137

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

31 March 2017

	Note	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Fixed assets					
Intangible assets	*10*	**659**	54	**215**	54
Tangible assets	*11*	**533**	543	**533**	543
		1,192	597	**748**	597
Current assets					
Debtors due within one year	*13*	**2,212**	3,404	**2,340**	2,873
Cash at bank and in hand		**3,964**	3,521	**877**	1,969
		6,176	6,925	**3,217**	4,842
Current liabilities					
Creditors: amounts falling due within one year	*14*	**(5,364)**	(6,021)	**(3,282)**	(4,369)
Net current assets/(liabilities)		**812**	904	**(65)**	473
Total assets less current liabilities		**2,004**	1,501	**683**	1,070
Creditors: amounts falling due after more than one year	*15*	**(384)**	(364)	**(197)**	(176)
Net assets		**1,620**	1,137	**486**	894
Reserves					
Retained earnings	*17*	**1,620**	1,137	**486**	894
Total reserves		**1,620**	1,137	**486**	894

The Company's loss and total comprehensive income for the year were £408,000 (2016: surplus and total comprehensive income £652,000).

The financial statements on pages 13 to 33 were approved by the board of directors and authorised for issue on 24 July 2017 and are signed on its behalf by:

Rajesh Agrawal
Chairman

Company Statement of Changes in Reserves
For the year ended 31 March 2017

	Retained Earnings £000
Balance at 31 March 2015	**242**
Surplus and total comprehensive income for the year	652
Balance at 31 March 2016	**894**
Loss and total comprehensive income for the year	(408)
Balance at 31 March 2017	**486**

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	Note	**Year ended 31 March 2017 £000**	Year ended 31 March 2016 £000
Operating activities			
Cash generated from operations	*18*	**1,497**	1,215
Interest received	*18*	**4**	10
Income taxes paid		**(86)**	(158)
Net cash from operating activities		**1,415**	1,067
Investing activities			
Purchase of intangible fixed assets	*10*	**(770)**	-
Purchase of tangible fixed assets	*11*	**(202)**	(53)
Net cash used in investing activities		**(972)**	(53)
Net increase in cash and cash equivalents		**443**	1,014
Cash and cash equivalents at beginning of year		**3,521**	2,507
Cash and cash equivalents at end of year		**3,964**	3,521
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		**3,964**	3,521

Notes

(forming part of the financial statements for the year ended 31 March 2017)

1. Accounting policies

General information

London & Partners Limited ("the company") is a private not-for-profit company limited by guarantee, and is registered, domiciled and incorporated in England 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.

Reduced disclosures

The Company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:

- 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 Instrument Issues' – Carrying amounts for financial instruments measured at amortised cost or cost less impairment; interest income/expense and net gains/losses for financial instruments measured at amortised cost; loan defaults or breaches and descriptions of hedging relationships.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the company are consolidated in the financial statements of London & Partners Limited. which are available from its registered office, 6th floor, 2 More London Riverside, London, SE1 2RR.

Company Statement of Income and Retained Earnings

As permitted by s408 Companies Act 2006, the company has not presented its own statement of comprehensive income as it prepares group accounts and the company's individual statement of financial position shows the company's profit or loss for the financial year.

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 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.

Notes *(continued)*

1. Accounting policies *(continued)*

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 2018. Whilst future years' grant funding has not yet been approved, formal confirmation will be sought in 2017 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 12 months from the date of approval of the financial statements 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.

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.

Notes *(continued)*

1. Accounting policies *(continued)*

Turnover (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.

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

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. Current tax is based on taxable profit for the year.

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.

Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting 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 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.

Leases

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.

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.

The group capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following for website and other development projects: (a) The technical feasibility of completing the development so the intangible asset will be available for use or sale. (b) Its intention to complete the development and to use or sell the intangible asset. (c) Its ability to use or sell the intangible asset. (d) How the intangible asset will generate probable future economic benefits. (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset. (f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

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 and apps	-	2-3 years
Names & trademarks	-	5 years

The directors have chosen these amortisation periods as they represent the useful life of the intangible assets within the business. The directors consider these useful lives to be appropriate due to the rapid pace of technological change.

All research expenditure and development expenditure that does not meet the above conditions is expensed as incurred.

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

Notes *(continued)*

1. Accounting policies *(continued)*

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.

Investments

In the separate accounts of the company, interests in subsidiaries are measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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, group and other receivables (including accrued income) and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement constitutes a financing transaction, 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 the income and expenditure account.

Basic financial liabilities

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

The company holds warrants to purchase shares in Minds + Machines Group 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 £78,000 (2016: £nil) and is not material to the financial statements.

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
- A provision for doubtful debts has been recorded based on the directors' assessments of the risk of recovery

2 Income

The following income was recognised in 2016/17 in accordance with the accounting policies noted above. All income is derived from activities undertaken from the United Kingdom.

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Grant income		
GLA grant	**11,919**	11,891
Other grants	**244**	226
Total grant income	**12,163**	12,117
Turnover from the provision of services		
Income from partners	**3,900**	3,040
Other income	**2,843**	2,712
Domain registry services	**4,030**	1,743
Total turnover from the provision of services	**10,773**	7,495

The Company received a grant of £11.9m from the Greater London Authority (GLA) for the international promotion of London.

Notes *(continued)*

3 Staff numbers and costs

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

	Number of employees Group 2017	Number of employees Group 2016	**Number of employees Company 2017**	Number of employees Company 2016
Promotional activities	**154**	141	**140**	127
Management and administration	**24**	20	**24**	20
	178	161	**164**	147

All UK staff are employed by London & Partners Limited. Certain employees are seconded to Dot London Domains Limited and London & Partners Ventures Limited by London & Partners Limited with corresponding inter-company charges for the respective cost.

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

	Group 2017 £000	Group 2016 £000	**Company 2017 £000**	Company 2016 £000
Wages and salaries	**7,895**	7,017	**7,354**	6,574
Social security costs	**958**	752	**912**	729
Pension costs	**901**	786	**853**	751
Payroll costs of staff numbers analysed above	**9,754**	8,555	**9,119**	8,054
Seconded staff (seconded to London & Partners by third parties)	**425**	317	**425**	317
Temporary staff and contractors	**308**	365	**308**	365
Staff costs as presented in the income and expenditure account	**10,487**	9,228	**9,852**	8,727

Notes *(continued)*

4 Remuneration of directors

In respect of the directors of London & Partners Limited:

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Directors' emoluments	**292**	361
Company pension contributions included in directors' emoluments (including those made by salary sacrifice)	**56**	65

	Number of directors 2017	Number of directors 2016
Retirement benefits are accruing to the following number of directors under:		
Group personal pension plan	**2**	2

The aggregate of emoluments of the highest paid director were £178,771 (2016: £178,469) which consisted of salary payments of £109,223 (2016: £126,034), performance related bonus pay as approved by the remuneration committee of £27,843 (2016: £28,765) and company pension contributions made to a group personal pension plan of £41,707 (2016: £23,670).

5 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 £1,103,913 (2016: £1,128,634).

6 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 £901,000 (2016: £786,000).

At 31 March 2017 contributions amounting to £80,401 (2016: £132,725) 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)*

7 Interest receivable and similar income

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Bank interest receivable	**4**	10
	4	10

8 Surplus before taxation

	Year ended 31 March 2017	Year ended 31 March 2016
	£000	£000
The surplus before taxation is stated after charging/(crediting):		
Amortisation, depreciation and other amounts written off tangible fixed assets and intangible assets:		
Owned	**374**	236
Loss on foreign currency translation	**12**	22
Operating lease rentals (note 20)	**978**	966

Fees payable to RSM UK Audit LLP in respect of both audit and non-audit services are as follows:

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Audit services – statutory audit of parent and consolidated accounts	**21**	20
Audit services – statutory audit of subsidiary accounts	**14**	10

Notes *(continued)*

9 Taxation

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Current tax		
UK corporation tax	**540**	63
Adjustments in respect of prior year	**-**	(21)
Total tax on surplus	**540**	42
Deferred tax		
Origination and reversal of timing differences	7	4
Total deferred tax	7	4
Total tax on ordinary activities	**547**	46

Factors affecting the tax charge for the current period

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below.

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Group surplus on ordinary activities before tax	**1,030**	292
Group surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	**206**	58
Effects of:		
Income/expenses not deductible/(taxable) for tax purposes	**341**	(20)
Capital allowances for the period (in excess of)/lower than depreciation	**(7)**	25
Adjustments in respect of the prior year	**-**	(21)
Origination and reversal of timing differences	**7**	4
Tax expense	**547**	46

Notes *(continued)*

9 Taxation (continued)

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 17% (2016: 18%) 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.

10 Intangible assets

	Group Software & Other assets £000	Group Total £000	Company Software & other assets £000	Company Total £000
Cost				
At 1 April 2016	624	624	624	624
Additions	770	770	239	239
At 31 March 2017	1,394	1,394	863	863
Amortisation				
At 1 April 2016	570	570	570	570
Charge for the year	165	165	78	78
At 31 March 2017	735	735	648	648
Carrying amount:				
At 31 March 2017	**659**	**659**	**215**	**215**
At 31 March 2016	54	54	54	54

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

Notes *(continued)*

11. Tangible fixed assets

	Leasehold improvement, furniture & fittings	IT equipment	Total
	£000	£000	£000
Group and company			
Cost			
At 1 April 2016	605	250	855
Additions	1	201	202
Disposals	(6)	(117)	(123)
At 31 March 2017	600	334	934
Depreciation			
At 1 April 2016	141	171	312
Charge for the year	115	94	209
Disposals	(3)	(117)	(120)
At 31 March 2017	253	148	401
Carrying amount:			
At 31 March 2017	**347**	**186**	**533**
At 31 March 2016	464	79	543

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

Notes *(continued)*

12 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 (2016: £nil).

The company's subsidiary undertakings are:

	Nature of business	Class and percentage of shares held Group	Company
Subsidiary undertakings			
London & Partners International	Holding company	**100%**	100%
London & Partners (US) Limited*	Inward investment	**100%**	-
Dot London Domains Limited	Registry Operator	**100%**	100%
London & Partners Ventures Limited	E-Commerce	**100%**	100%
London Convention Bureau Limited	Dormant	**100%**	100%
London Tourist Board Limited	Dormant	**100%**	100%
London Tourism Limited	Dormant	**100%**	100%
Tourism London Limited	Dormant	**100%**	100%
Visit London Limited	Dormant	**100%**	100%

*Interest held indirectly via London & Partners International.

The address of the registered office of all of the above companies is 6th floor, 2 More London Riverside, London SE1 2RR except for London & Partners (US) Limited whose registered office address is 2711 Centerville Road, Suite 400, City of Wilmington, Delaware 19808, USA.

13 Debtors

	Group 2017 £000	Group 2016 £000	**Company 2017 £000**	Company 2016 £000
Amounts falling due within one year:				
Trade debtors	**349**	1,445	**37**	1,230
Amounts owed by group undertakings	**-**	-	**1,079**	250
Other debtors	**68**	141	**48**	141
Prepayments and accrued income	**1,795**	1,818	**1,176**	1,252
	2,212	3,404	**2,340**	2,873

Prepayments and accrued income in the group in 2017 includes £94,000 (2016: £109,000) of prepaid registry service fees in respect of a period after more than one year.

Notes *(continued)*

14 Creditors: amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Trade creditors	**1,472**	1,837	**1,259**	1,184
Amounts owed to group undertakings	**-**	-	**189**	192
Other taxation and social security	**225**	251	**173**	270
Corporation tax	**540**	97	**64**	86
Other creditors	**159**	141	**101**	141
Accruals and deferred income	**2,968**	3,695	**1,496**	2,496
	5,364	6,021	**3,282**	4,369

15 Creditors: amounts falling due after more than one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Accruals and deferred income	**384**	364	**197**	176
	384	364	**197**	176

Accruals and deferred income falling due after more than one year relate to accruals for leasehold costs and deferred income from domain registry revenue in respect of future years.

16 Financial instruments

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

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Financial assets:				
Debt instruments measured at amortised cost	**587**	1,797	**1,238**	1,830
Financial liabilities at amortised cost	**3,687**	3,677	**2,963**	2,685

Notes *(continued)*

17 Reserves

Group	**Profit and loss account £000**
At 1 April 2016	1,137
Surplus for the year	483
At 31 March 2017	**1,620**

Company	**Profit and loss account £000**
At 1 April 2016	894
Loss for the year	(408)
At 31 March 2017	**486**

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 subsidiaries, Dot London Domains Limited and London & Partners Ventures 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)*

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

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Surplus after tax	**483**	246
Adjustments for: Depreciation, amortisation and impairment charges	**374**	236
Increase in provisions	**21**	21
Loss on disposal of tangible fixed assets	**3**	-
Interest receivable	**(4)**	(10)
Taxation	**547**	46
Operating cash flows before movements in working capital	**1,424**	539
Decrease/(increase) in trade and other debtors	**1,192**	(1,028)
(Decrease)/increase in trade and other creditors	**(1,119)**	1,704
Cash generated from operations	**1,497**	1,215

Notes *(continued)*

19 Commitments

The group as lessee:

At 31 March 2017, the group was committed to the following total future minimum lease payments in respect of non-cancellable operating leases:

	2017 Land & buildings £000	**2017 Other £000**	2016 Land & buildings £000	2016 Other £000
Amounts due:				
Within one year	858	18	800	31
Between one and five years	2,096	-	2,858	18
Total	2,954	18	3,658	49

The group as lessor:

At 31 March 2017, the group had contracted with tenants under non-cancellable operating leases for the following future minimum lease payments:

	2017 Land & buildings £000	2016 Land & Buildings £000
Amounts due:		
Within one year	**10**	13
Total	**10**	13

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

20 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.