London & Partners Limited

Registered number 07493460

Directors' report and financial statements

For the year ended 31 March 2019

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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 a leading world city in which to invest, work, study and visit. It tells London's story brilliantly to an international audience in partnership with organisations and people who have a stake in London's promotion. The company is not-for-profit, funded by the Mayor of London, via a grant from the Greater London Authority (GLA), European and national funds, a network of partners and other commercial ventures run by its subsidiary companies. The group is headquartered in London with offices in Beijing, Shanghai, Shenzhen, Mumbai, Bangalore, New York, Los Angeles, San Francisco, Chicago, Toronto, Paris, Berlin and Munich. The group consists of the parent company, London & Partners Limited, which undertakes the principal activity of the promotion of London, and its four wholly owned subsidiaries which operate the group's overseas branches and run the group's commercial activities.

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 2019 the group recorded grant income from the GLA of £13.7m (2018: £11.9m) and raised other grants of £2.2m (2018: £2.7m) and £10.6m (2018: £11.6m) of additional income. The GLA grant increase represents funding to support the group strategy to expand its presence in overseas markets and other activities in response to Brexit. The group also generated £3.2m (2018: £4.8m) 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 as well as facilities and hospitality donated to support promotional and business events.

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 £4.8m for the year (2018: £4.8m) and net profit after tax of £1.5m (2018: £1.8m). The consistent level of revenue for the year reflects a 28% decrease (2018: 2% decrease) in revenue from domain sales during the year, offset by higher contractual fees. Revenues were impacted by a partner defaulting on a commitment to purchase 50,000 names. Despite the drop in new registrations, DLD has been able to maintain a strong renewal rate of 77% and is the third best-selling city top-level domain name behind Tokyo and New York City. All profits are either retained for the operation of the business or distributed to London & Partners Limited, the company's parent, to fund the parent company's principal not-for-profit activity of the promotion of London.

An additional subsidiary of the company, London & Partners Ventures Limited, which manages most of the group's commercial activities completed its third year of operations in 2018/19. The subsidiary recorded revenue of £2.6m (2018: £3.7m) for the year and net profit after tax of £0.2m (2018: £0.3m). This reflects a decrease in income from the company's ecommerce activities during a period of restructure. A full year of sponsorship of the London Visitor App is included and a lower level of sponsorship of the Travel Tech Lab in comparison to the previous year following its relocation in July 2018. The net profit is calculated after accounting for the costs of all services provided to the company by its parent. All profits are either retained for the operation of the business or distributed to London & Partners Limited, the company's parent, to fund the parent company's principal not-for-profit activity of the promotion of London.

The group surplus for the year reported on page 14 will be carried forward and used in future years' promotional activity.

The balance sheets at 31 March 2019 reflect the depreciation and amortisation of the group's intangible and tangible fixed assets during the year. Debtors in 2019 include a number of significant amounts billed in advance at the end of the year for 2019/20 and accrued income for grants paid in arrears. The decrease in creditors reflects a lower level of deferred income for amounts billed or received in advance.

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

Business review and financial position *(continued)*

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, a three-year grant agreement is in place ending on 31 March 2021. 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

2018/19 marked the first year of a new three-year strategy for the company. The strategy was designed to respond to a changing context due to increased global competition, the uncertainty caused by Brexit, greater digital disruption and the potential of too many tourists visiting central London at certain times. To respond to the changing context the new strategy focuses on generating good growth that benefits London and Londoners by promoting the city as a visitor destination where it has capacity and developing the sectors that will benefit London the most, attracting the culturally curious who will help support London's diverse cultural offer across the city. The group is becoming more focused in its approach, primarily targeting younger, first time visitors to London who bring the most lifetime value and are likely to return as a visitor or as a student, to attend a conference or to set up a business. It is focusing on influencing people earlier in their decision-making to become more predisposed to London and in winning new international audiences by concentrating resources on five core markets of North America, India, China, France and Germany.

Given the current uncertainty about the UK's exit from the EU, the company will continue to focus on attracting new international businesses to London and also work hard to retain international businesses, grow key sectors and attract international talent.

The business plan for 2018-19 set out how over the next three years the company would change the allocation of resources to support the strategy, increasing the spend in the core markets from 48% in 2017/18 to 80% in 2020/21, increasing the share of investment on influencing prior to a decision to come to London from 65% in 2017/18 to 80% in 2020/21; increasing the share of marketing spend on promoting London's overall brand and reputation from zero spend in 2017/18 to 40% in 2020/21.

The company underwent a significant restructure to realign it to deliver the new objectives. Additional funding of £1.3m was also secured from the GLA to support the opening of new international offices in Chicago, Toronto, Shenzhen, Bangalore, Berlin, Munich and Paris. Staffing was re-balanced with 15% of staff based in market at the end of the year compared to 8% at the start.

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

Performance review *(continued)*

A new set of measures and key performance indicators were required to deliver the new strategy to focus on brand engagement and change in perception as well as gross value added (GVA). Some of the measures were only agreed and set during the year and therefore set a benchmark for more robust targets in 2019/20.

Key Performance Indicator	Target 2018/19	Actual 2018/19	Target 2017/18	Actual 2017/18
Total GVA attributed from delivering economic benefit			£311m	£392m
Total number of jobs created or retained			5,331	7,343
GVA target for Retention and Growth	£15m	£25m		
GVA Target for FDI, Trade, Conventions, Major Events and International Students	£190m	£213m		
Brand – Audience engagement with our marketing content	2.5m engagements	9.39m engagements		
Non-GLA Grant Funding to L&P	£14.1m	£12.0m	£13.5m	£15.9m

The 'Business' directorate facilitates collaboration across foreign direct investment (FDI), Trade, Growth and Business Tourism with an increased focus on sectors. Despite Brexit and the uncertainty facing global businesses, the company helped 123 overseas companies to set up or expand their business in London, supporting 2,188 jobs adding £95m to London's economy in London's key sectors.

To respond to Brexit, a new key accounts team was established focused on supporting existing companies based in London and supporting them with their growth plans. During the year over 150 meetings with key accounts took place and the team presented or attended 125 events. In response to many companies' concerns about the availability of talent, a new talent toolkit went live. This is an authoritative online portal to support businesses in the recruitment and development of talent in London, providing facts to address a key Brexit concern.

The Mayor's International Business Programme (MIBP) continued to go from strength to strength with 215 companies joining the programme which supports companies in the life sciences, technology, urban and creative sectors to scale their activities through international expansion. The programme organised 14 trade missions including accompanying the Mayor of London, Sadiq Khan, on a visit to France, and the Deputy Mayor for Business, Rajesh Agrawal, on missions to Germany, Netherlands and China. The Business Growth Programme (BGP), designed to support small and medium businesses grow their business in London also continued to perform strongly. The team held over 130 workshops and events to support over 280 new companies on the programme, bringing the total of companies supported to nearly 450. Key activities included four cohort launches which brought together all the founders joining the programme and the first BGP Pitch evening with nine companies pitching for investment. In February 2019 London & Partners hosted the inaugural London Business Awards which saw over 700 influencers, stakeholders, partners and businesses come together for an evening of awards and networking. The event was an opportunity to shine a light on the successes of companies supported by London & Partners' MIBP, BGP and FDI programmes which have supported over 2,500 companies to make their growth ambitions a reality.

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

Performance review (*continued*)

The company's work to attract more overseas students continued to engage significant numbers on its digital platform, StudyLondon.ac.uk, generating an additional £29m of GVA for the London economy. London & Partner's two prospective student facing websites, www.studylondon.ac.uk and its mandarin language counterpart, www.london.cn, continued to fulfil their remit to provide inspiring content about studying in London, alongside reliable and comprehensive information on the practical aspects of choosing and applying to a London University. To counter concerns that London is unwelcoming to international students, Study London ran a major campaign in October 2018, the International Student Welcome. Eight students from a range of countries and universities were treated to a unique tour of London and its quirkier attractions. The campaign reached nearly seven million individuals and received 140,000 social media interactions in core target markets. This was followed by a campaign to promote London's summer schools. 48 summer schools were listed and the campaign was supported in China by a competition to win one of two fully-funded places at a London summer school. The competition attracted 3,000 applicants.

The company supported 209 events and future conferences and congresses to London which will attract 250,851 delegates to the city adding £58m to London's economy. This included 23 city-wide conventions which collectively contributed £29m in economic value.

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 £15m of economic benefit. These included the sixth annual RideLondon Festival of Cycling, Major League Baseball, support for the Hockey World Cup, Track Cycling World Cup and the NFL International Series. The company also supported the delivery of the 500 days to go until the UEFA Euros 2020 and the 100 days to go for the Cricket World Cup 2019 campaigns.

Activity to attract leisure tourists focused on attracting US millennials by promoting a two-city visit to London and Paris linked by Eurostar. The campaign ran from October 2018 to March 2019 with support from Eurostar and the Paris tourism promotional agency and £1m of in-kind support from United Airlines, Marriott Hotels and others. The campaign was supported by trips from three top tier influencers, each with around one million followers. A video by bike stuntman Devin Graham (@devinsupertramp), and parkour "free runners" has generated over 3m views. As a result, the target audience who saw the campaign were 15% more likely to consider visiting London.

During the year the company provided promotional activity supported by the Discover England Fund to encourage tourists from China, India and countries in the Gulf Cooperation Council. This included launching an "Experience England" content hub on Qunar.com, the second-largest online travel agency in China, which receives 14 million views on its homepage every day and is particularly popular with millennial audiences. Qunar saw a 30% growth in flight bookings to England as a result of the activity. #ExperienceEngland has reached over 160m users with 100% positive sentiment across Chinese social media platforms.

In the light of current political uncertainty, London & Partners set up and established London's Global Good News Room, designed to help build London's brand reputation by distributing positive stories, celebrating successes in the city and welcoming new business to the capital. These messages are being distributed through influential multipliers in London and our core markets. The multipliers have been recruited based on their commitment to London's future and their ability to spread our positive messaging among their networks.

During the year, London & Partners continued to strengthen London's reputation as a centre for technology with a wide range of events and activities overseas and in the capital. This included supporting the fourth annual London Tech Week, with over 800 speakers and 200 events making it Europe's largest tech festival. In addition, an activation promoting London as the unicorn capital of Europe took place. The resulting PR story generated 30m reach in core markets with 54% of the reach in North America and 30% in India.

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

Performance review (*continued*)

London & Partners' subsidiary companies, Dot London Domains Limited and London & Partners Ventures Limited, continued to generate profits to be retained for the operation of the business or distributed to London & Partners Limited, the companies' parent, to fund the parent company's principal-not-for-profit activity of the promotion of London. London & Partners Ventures' revenues of £2.6m (2018: £3.7m) for the year and net profit after tax of £0.2k (2019: £0.3k) reflected a decrease in income from the company's ecommerce activities during a period of restructure. Dot London recorded revenue of £4.8m for the year (2018: £4.8m) and net profit after tax of £1.5m (2018: £1.8m). Contract negotiations are nearing completion that will ensure that the company is well positioned for FY19/20. More targeted marketing activity with domain name channels and registrars will help maintain strong renewal rates and grow the Dot London registry.

Delivering the ambitious new strategy and a new set of priorities meant significant changes for the Company. Successfully managing this transition was a key priority for the year with change programmes required across people, processes, systems, infrastructure and data & information. As well as restructuring the organisation with new leadership structures, including a Management Committee and more empowered Senior Leadership Team, the Company implemented new ways of working covering decision-making, planning and measurement. A planned programme of work to upgrade systems and IT infrastructure was committed to including the implementation of a new CRM system to go live in 2019/20.

The non-GLA grant funding to L&P decreased in comparison to the prior year due to timing differences on other grant claims, a lower level of VIK based on campaign activity affected by the restructuring partially offset by higher ring-fenced contributions raised, restructuring of the partnership schemes, the impact of the restructure on e-commerce revenues as noted above and timing of profits versus funding in Dot London towards the end of the year.

For the fifth year running London & Partners was rated as one of The Sunday Times 100 Best Not-for-Profit Organisations to work for. The company strongly believes that promoting a global city to an international audience takes diversity of thought, perspective and culture and that providing a diverse and inclusive work place is the right thing to do. It also believe that its commitment to diversity and inclusion is reflected in its vision, values and employment practices. An Equality, Diversity & Inclusion Council was formed during the year to oversee the work of existing staff network groups, encouraging employees to bring their whole self to work and helping attract a more diverse workforce in the future. During the year a new mental wellness group was formed to join the existing groups focused on Women, Origins (ethnicity), LGBTQ+ and charitable activities. The groups organise a wide range of events for staff and to champion London as a welcoming inclusive city to our international audiences.

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 group's business *(continued)*

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 Corporate Board and quarterly by the Audit and Finance Committee with significant changes to risks flagged to the London & Partners Board. The principal risks and uncertainties, including financial risks, that the group faces are considered to be:

- Uncertainty and lack of clarity about the terms of the UK's exit from the EU raise concerns amongst international businesses and talent in London which may slow down foreign direct investment or make existing international companies consider leaving the city.
- The UK leaves the EU without any deal causing confusion amongst potential and existing investors, dissuading visitors from coming to London and damaging London's reputation
- There is a global and/or regional economic slowdown over the next 12 months which results in weaker demand from London & Partners' key audiences.
- The constant risk of fraud is heightened by increasingly sophisticated cyber-attacks with the potential for financial loss, disruption to business and loss of personal data.
- Unforeseen external events, impact on London's reputation and London & Partners' ability to change sentiment with key audiences.
- Whilst steps have been taken to ensure GDPR compliance, there is an ongoing need for staff to be aware of the regulation and requests from suppliers, partners, or members of the public which could put a burden on staff and could lead to reputational damage if data is mishandled.
- Brexit and high workloads impact on staff well-being and morale resulting in a less productive and creative workforce.
- The group's core platform costs and salaries increase year on year but grant funding is not index-linked impacting on our ability to leverage additional funds and reducing the amount that is directly spent on London's promotion.
- Financial processes and management do not keep pace with the growth in the size and complexity of the group resulting in less effective financial management.
- Growth in programmes that are funded in arrears could lead to cash flow issues.

The group's overall financial objective is to maintain sustainable funding to enable London & Partners to continue to fulfil its strategic objectives. The group aims to attract contributions from partners, sources and initiatives that are aligned with the wider corporate objectives, to leverage the grant from the GLA and extend the reach 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.

Future prospects/outlook

The focus for 2019-20 is to deliver the second year of the group's three-year strategy by continuing to shift the resource allocation to focus on core markets, reaching audiences earlier and investing in London's global brand. The group will continue to refine its methodology relating to how it measures its activity to reflect the new strategy recognising that setting firm GVA targets in an increasingly uncertain economic and political environment is difficult.

A key focus will be to ensure that the company is prepared for the UK leaving the EU ensuring communication plans, messages and mechanisms to update our audiences on the short and longer-term impact of the UK's exit under different scenarios are in place. There will therefore be a focus on addressing short-term perceptions of London among our core audiences. This will be done in a number of ways, including focussing on retention of businesses and talent, continuing to enhance London & Partners' global footprint and developing a positive, credible narrative for London which refocuses audiences on the capital's long-term strengths.

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

Future prospects/outlook (*continued*)

The company's approach to attracting international businesses will continue to be focused around five core international markets and key sectors which will drive the city's growth. Programmes to support trade and growth will be expanded with additional funding from the European Regional Development Funds. Major events will continue to be used to reach key audiences, including maximising the opportunities from hosting the Cricket World Cup and American football (NFL), basketball (NBA) and baseball (MLB) games in London. The company will also continue to attract millennial first-time visitors by continuing the joint leisure tourism campaign with Paris to attract US visitors and working with Chinese online travel agents to target Chinese visitors. Activity to attract international students will include campaigns focused on summer schools and student welcome.

The group will continue to generate commercial income through its subsidiary companies London & Partners Ventures and Dot London Domains Limited to generate a profit that can be reinvested into the promotion of London. It will also continue to realise the benefits of new and improved systems and processes including a new CRM system resulting in better customer insights and client delivery and Insights Portal to understand and improve service to audiences.

London & Partners' strategy for 2018-2021 and business plan for 2019-20 can be downloaded at www.londonandpartners.com/about-us/business-strategy.

By order of the board

Andrew Cooke
Director

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

31 July 2019

Directors' report

The directors present their strategic report, directors' report and financial statements for the year ended 31 March 2019.

Directors

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

Rajesh Agrawal, Chair (2,3)
Laura Citron, Chief Executive Officer
Mike Brown
Andrew Cooke, Managing Director, Operations and Governance
Sandie Dawe (1,2*,3)
Massy Larizadeh (1, 3*)
Professor Sir Robert Lechler (2)
Catherine McGuinness (1)
Anne Morrison (term expired 1 June 2018) (3)
Tamara Rajah (appointed 17 May 2018)
Sacha Romanovitch (1)
Mark Taylor (appointed 17 May 2018)
Joanna Wright (appointed 20 September 2018) (1*)

1=Member of the Audit & Finance Committee
2=Member of the Remuneration Committee
3=Member of the Nomination Committee
*= Chair of the 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 group's corporate website at
http://www.londonandpartners.com/about-us/our-board

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 (2018: none). The company holds warrants to purchase shares in Minds & Machines Group Ltd, a service delivery provider of its subsidiary Dot London Domains Limited (see note 1).

Going concern

The accounts have been prepared on the going concern basis based on the directors' assessment of the group's financial position and the forecast for the next 12 months. At the date of approval of these financial statements, a three year grant agreement is in place ending on 31 March 2021 and 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 several 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.

Directors' responsibilities in the preparation of 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 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;
- 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 to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report *(continued)*

Corporate Governance

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

The Board

The Board's primary tasks are to:

- Be responsible for the management of the group'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 8.

Appointment, removal and re-election of Directors

The board of directors comprises the Chair 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 group through a series of formal meetings throughout the year. During the year to 31 March 2019, 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 group's financial calendar although this may be supplemented by additional meetings as and when required.

Director's Conflict of Interest

The group 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. 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 four non-executive directors. The Chief Executive, Managing Director, Operations & Governance and Director, Finance 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 2019.

Directors' 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 and Director, 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 Management Committee 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 2019.

Nomination Committee
The Nomination Committee currently comprises one non-executive director and the Chairman of the Board. The Chief Executive and Managing Director Operations & Governance 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 2019.

Transparency and Corporate Governance

The company strengthened its corporate governance during the year including the development of a new transparency policy following a public consultation. As a result, the company will now:
- Publish all expenditure over £250
- Conduct an independent audit of its annual results against its key performance indicators
- Publish a more comprehensive annual review including a detailed breakdown of our expenditure against business lines
- Publish details of the organisations that have received assistance (except where they have asked for their details to be kept confidential)
- Adopt public procurement regulations and publish tenders
- Publish an organisation chart of senior staff with numbers of staff within salary brackets
- Publish full minutes of Board meetings, terms of reference of L&P board and sub-committees and delegation of authority of decision-making
- Make it easier to find information on the company's website about governance, transparency measures and decision-making.

Further information and the items noted above as published can be found on the company's corporate website, https://www.londonandpartners.com/about-us/governance-and-transparency

By order of the board

Andrew Cooke

Andrew Cooke
Director

London & Partners Limited
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31 July 2019

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

Opinion
We have audited the financial statements of London & Partners Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise a Consolidated Statement of Income and Retained Earnings, Statements of Financial Position, Company Statement of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- 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
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
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

2 August 2019

Consolidated Statement of Income and Retained Earnings

For the year ended 31 March 2019

	Note	**Year ended 31 March 2019**	Year ended 31 March 2018
		£000	£000
Income			
Turnover from domain registry services	*2*	**4,916**	4,786
Turnover from other activities	*2*	**5,636**	6,845
Grants	*2*	**15,910**	14,571
Total income		**26,462**	26,202
Expenditure			
Cost of sales of domain registry services		**541**	734
Programme costs of promotional activities		**7,078**	8,221
Staff costs	*3*	**12,228**	11,948
Other operating costs		**5,471**	4,442
Total expenditure		**25,318**	25,345
Operating surplus		**1,144**	857
Interest receivable and similar income	*7*	**11**	3
Surplus before taxation	*8*	**1,155**	860
Taxation	*9*	**(396)**	(485)
Surplus after taxation and surplus for the financial year		**759**	375
Retained Earnings at 1 April		**1,995**	1,620
Retained Earnings at 31 March		**2,754**	1,995

This statement is presented in place of a Consolidated Statement of Comprehensive Income and a 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 2019

	Note	**Group 2019 £000**	Group 2018 £000	**Company 2019 £000**	Company 2018 £000
Fixed assets					
Intangible assets	*10*	**335**	778	**288**	508
Tangible assets	*11*	**466**	488	**466**	488
		801	1,266	**754**	996
Current assets					
Debtors due within one year	*13*	**5,658**	5,845	**3,917**	3,772
Debtors due after more than one year	*13*	**85**	812	**-**	-
Cash at bank and in hand		**4,218**	3,364	**929**	647
		9,961	10,021	**4,846**	4,419
Current liabilities					
Creditors: amounts falling due within one year	*14*	**(7,612)**	(8,467)	**(4,676)**	(4,648)
Net current assets/(liabilities)		**2,349**	1,554	**170**	(229)
Total assets less current liabilities		**3,150**	2,820	**924**	767
Creditors: amounts falling due after more than one year	*15*	**(396)**	(825)	**(239)**	(218)
Net assets		**2,754**	1,995	**685**	549
Reserves					
Retained earnings	*17*	**2,754**	1,995	**685**	549
Total reserves		**2,754**	1,995	**685**	549

The Company's surplus and total comprehensive income for the year were £136,000 (2018: surplus and total comprehensive income £63,000).

The financial statements on pages 14 to 34 were approved by the board of directors and authorised for issue on 31 July 2019 and are signed on its behalf by:

Rajesh Agrawal
Chairman

Company Statement of Changes in Reserves
for the year ended 31 March 2019

	Retained earnings £000
Balance at 1 April 2017	**486**
Surplus and total comprehensive income for the year	63
Balance at 31 March 2018	549
Surplus and total comprehensive income for the year	136
Balance at 31 March 2019	**685**

Consolidated Statement of Cash Flows
for the year ended 31 March 2019

	Note	**Year ended 31 March 2019**	Year ended 31 March 2018
		£000	£000
Operating activities			
Cash generated from operations	*18*	**1,662**	856
Interest received		**11**	3
Income taxes paid		**(536)**	(668)
Net cash from operating activities		**1,137**	191
Investing activities			
Purchase of intangible fixed assets	*10*	**(22)**	(599)
Purchase of tangible fixed assets	*11*	**(261)**	(192)
Net cash used in investing activities		**(283)**	(791)
Net increase/(decrease) in cash and cash equivalents		**854**	(600)
Cash and cash equivalents at beginning of year		**3,364**	3,964
Cash and cash equivalents at end of year		**4,218**	3,364
Relating to:			
Bank balances and short-term deposits included in cash at bank and in hand		**4,218**	3,364

Notes

(forming part of the financial statements for the year ended 31 March 2019)

1. Accounting policies

General information

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

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 Instruments' – 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; and
- 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 its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies to obtain economic benefits). All financial statements are made up to 31 March 2018.

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 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, a three year grant agreement is in place ending on 31 March 2021 and the directors have no reason to believe that grant funding will not continue. 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 adjustments 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.

From 1 July 2017 the company has amended the policy described above to include the following treatment for revenue from premium names. Where the fee from initial registration is higher than the subsequent renewal fee (arising mainly from the registration of "premium names"), the difference between the initial registration fee and the ongoing renewal fee (the "premium") is recognised at the date of registration with the balance recognised over the registration period.

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 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 the income and expenditure account 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.

The best estimate of expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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 can demonstrate all the following for website and other 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 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 the income and expenditure account.

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 and are subsequently carried at amortised cost, being the transaction price less any amounts settled and any impairment losses.

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 not material to the financial statements. The warrants expired at nil value on 18 May 2019 and were not exercised.

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; and
- The directors have assessed the characteristics of the group's intangible assets and consider them appropriate to be capitalised and have estimated the useful economic life of the group's intangible assets taking into account the nature of each asset individually, the current plans of the company for utilising those assets and the comparable life of other technology products in the market place.

2 Income

The following income was recognised in 2018/19 in accordance with the accounting policies noted above. All income is derived from activities undertaken from the United Kingdom.

	Year ended 31 March 2019	Year ended 31 March 2018
	£000	£000
Grant income		
GLA grant	**13,693**	11,914
Other grants	**2,217**	2,657
Total grant income	**15,910**	14,571
Turnover from the provision of services		
Income from partners	**2,923**	3,129
Other commercial income	**2,713**	3,716
Domain registry services	**4,916**	4,786
Total turnover from the provision of services	**10,552**	11,631

The company received a grant of £13.7m (2018: £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 (including executive directors) during the year, analysed by category, was as follows:

	Number of employees Group 2019	Number of employees Group 2018	**Number of employees Company 2019**	Number of employees Company 2018
Promotional activities	**179**	177	**159**	163
Management and administration	**25**	23	**25**	23
	204	200	**184**	186

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 were as follows:

	Group 2019 £000	Group 2018 £000	**Company 2019 £000**	Company 2018 £000
Wages and salaries	**9,406**	9,378	**7,837**	8,765
Social security costs	**1,137**	1,044	**977**	964
Pension costs	**1,060**	1,038	**928**	986
Payroll costs of staff numbers analysed above	**11,603**	11,460	**9,742**	10,715
Seconded staff (seconded to London & Partners by third parties)	**139**	138	**139**	138
Temporary staff and contractors	**486**	350	**440**	350
Staff costs as presented in the income and expenditure account	**12,228**	11,948	**10,321**	11,203

Notes *(continued)*

4 Remuneration of directors

In respect of the directors of London & Partners Limited:

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Directors' emoluments	**319**	351
Company pension contributions included in directors' emoluments (including those made by salary sacrifice)	**52**	53

	Number of directors 2019	Number of directors 2018
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 £160,590 (2018: £172,587) which consisted of salary payments of £107,018 (2018: £104,884), performance related bonus pay as approved by the remuneration committee of £15,165 (2018: £27,600) and company pension contributions made to a group personal pension plan of £38,408 (2018: £40,103).

5 Remuneration of key management personnel

The total remuneration of the management Committee including the executive directors, who are considered to be the key management personnel of the group, was £937,675 (2018: £1,413,849).

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 £1,060,000 (2018: £1,038,000).

At 31 March 2019 contributions amounting to £84,564 (2018: £82,597) 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 2019 £000	Year ended 31 March 2018 £000
Bank interest receivable	**11**	3
	11	3

8 Surplus before taxation

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
The surplus before taxation is stated after charging/(crediting)		
Amortisation, depreciation and other amounts written off tangible fixed assets and intangible assets:		
Owned	**748**	717
(Gain)/Loss on foreign currency translation	**12**	(46)
Operating lease rentals (note 19)	**1,113**	962

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

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Audit services – statutory audit of parent and consolidated accounts	**23**	22
Audit services – statutory audit of subsidiary accounts	**17**	15
Non-audit services	**10**	7

Notes *(continued)*

9 Taxation

Analysis of charge in period

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
UK corporation tax	**417**	481
Adjustments in respect of prior year	**(6)**	(11)
Total current tax	**411**	470
Deferred tax		
Origination and reversal of timing differences	**(15)**	15
Total deferred tax	**(15)**	15
Tax on surplus on ordinary activities	**396**	485

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 19% (2018: 19%). The differences are explained below.

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Group surplus before tax	**1,155**	860
Group surplus multiplied by the standard rate of corporation tax in the UK of 19 % (2018: 19%)	**219**	163
Effects of:		
Income/expenses not deductible for tax purposes	**156**	416
Capital allowances for the period lower than/(in excess of) depreciation	**3**	3
Adjustments in respect of the prior year	**(6)**	(11)
Origination and reversal of timing differences	**(6)**	15
Deduction for R&D expenditure	**-**	(26)
Deferred tax not recognised	**25**	(52)
Other adjustments	**5**	(23)
Tax expense	**396**	485

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% (2018: 17%) 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 2018	1,980	1,980	1,343	1,343
Additions	22	22	22	22
At 31 March 2019	2,002	2,002	1,365	1,365
Amortisation				
At 1 April 2018	1,202	1,202	835	835
Charge for the year	465	465	242	242
Disposals				
At 31 March 2019	1,667	1,667	1,077	1,077
Net book value				
At 31 March 2019	335	335	288	288
At 31 March 2018	778	778	508	508

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

Included in the carrying value of Software and Other Assets are some capitalised costs in respect of the Visit London website and the London Visitor App. The carrying amount of £ 280,000 (2018: £707,000) which has a remaining average amortisation period of 1 years (2018: 2 years) is considered by the Directors to be individually material.

Notes *(continued)*

11. Tangible fixed assets

	Leasehold improvement, furniture & fittings £000	IT equipment £000	Total £000
Group and company			
Cost			
At 1 April 2018	631	442	1,073
Additions	144	117	261
Disposals	0	(6)	(6)
At 31 March 2019	775	553	1,328
Depreciation			
At 1 April 2018	366	219	585
Charge for the year	142	141	283
Disposals	0	(6)	(6)
At 31 March 2019	508	354	862
Net book value			
At 31 March 2019	**267**	**199**	**466**
At 31 March 2018	265	223	488

The depreciation 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 (2018: £nil).

The undertakings in which the group's and company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held Group	Company
Subsidiary undertakings				
London & Partners International	UK	Holding company	**100%**	100%
London & Partners (US) Limited*	USA	Inward investment	**100%**	-
Dot London Domains Limited	UK	Registry operator	**100%**	100%
London & Partners Ventures Limited	UK	E-Commerce	**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%
Visit London Limited	UK	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 R22 except for London & Partners (US) Limited whose registered office address is 2711 Centerville Road, Suite 400, City of Wilmington, Delaware 19808, USA.

The dormant companies listed above are exempt from the requirement for audit under Section 479A of the Companies Act 2006.

13 Debtors

Amounts falling due within one year:

	Group 2019 £000	Group 2018 £000	**Company 2019 £000**	Company 2018 £000
Trade debtors	**1,786**	3,597	**595**	1,208
Amounts owed by group undertakings	**-**	-	**340**	960
Other debtors	**358**	40	**38**	39
Prepayments and accrued income	**3,514**	2,208	**2,944**	1,565
	5,658	5,845	**3,917**	3,772

Notes *(continued)*

13 Debtors *(continued)*

Amounts falling due after more than one year:

	Group 2019 £000	Group 2018 £000	**Company 2019 £000**	Company 2018 £000
'rade debtors	-	508	-	-
Prepayments and accrued income	**85**	304	-	-
	85	812	-	-

14 Creditors: amounts falling due within one year

	Group 2019 £000	Group 2018 £000	**Company 2019 £000**	Company 2018 £000
Trade creditors	**2,162**	1,608	**1,868**	654
Amounts owed to group undertakings	-	-	**145**	128
Other taxation and social security	**921**	580	**272**	374
Corporation tax	**228**	343	-	-
Other creditors	**244**	193	**177**	123
Accruals and deferred income	**4,057**	5,743	**2,214**	3,369
	7,612	8,467	**4,676**	4,648

15 Creditors: amounts falling due after more than one year

	Group 2019 £000	Group 2018 £000	**Company 2019 £000**	Company 2018 £000
Accruals and deferred income	**396**	825	**239**	218
	396	825	**239**	218

Accruals and deferred income falling due after more than one year related to accruals for leasehold costs and deferred income from domain registry services in respect of future years. The amount falling due after more than 5 years is £19,000 (2018: £19,000).

Notes *(continued)*

16 Financial instruments

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

	Group 2019 £000	Group 2018 £000	**Company 2019 £000**	Company 2018 £000
Financial assets:				
Debt instruments measured at amortised cost	**4,439**	5,204	**2,786**	3,164
Financial liabilities:				
Financial liabilities measured at amortised cost	**3,966**	3,978	**3,646**	2,985

17 Reserves

Group	**Retained Earnings £000**
At 1 April 2018	1,995
Surplus for the year	759
At 31 March 2019	**2,754**

Company	**Retained Earnings £000**
At 1 April 2018	549
Surplus for the year	136
At 31 March 2019	**685**

The reserves of the group represent the following:

Retained Earnings

The surplus for the year arises from 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 2019 £000	Year ended 31 March 2018 £000
Surplus after tax	**759**	375
Adjustments for: Depreciation, amortisation and impairment charges	**748**	717
Increase in provisions	**21**	21
Interest receivable	**(11)**	(3)
Taxation	**396**	485
Operating cash flows before movements in working capital	**1,913**	1,595
(Increase)/decrease in trade and other debtors	**914**	(4,445)
Increase/(decrease) in trade and other creditors	**(1,165)**	3,706
Cash generated from operations	**1,662**	856

19 Commitments

The group as lessee:

At 31 March 2019, the group was committed to the following total future minimum lease payments in respect of non-cancellable operating leases:

	2019 Land & buildings £000	**2019 Other £000**	2018 Land & buildings £000	2018 Other £000
Amounts due:				
Within one year	**1,119**	**14**	863	2
Between one and five years	**698**	**14**	1,334	15
Total	**1,817**	**28**	2,197	17

Notes *(continued)*

19 Commitments *(continued)*

The group as lessor:

At 31 March 2019, the group had contracted with tenants under non-cancellable operating leases for the following future minimum lease payments:

	2019	2018
	Land & buildings	Land & Buildings
	£000	£000
Amounts due:		
Within one year	**10**	10
Total	**10**	10

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

20 Guarantees

The company has provided a guarantee in favour of the Internet Corporation for Assigned Names and Numbers (ICANN) for $145,301 (2018: $145,301) to ensure the continued service and operation of the .london domain registry, currently maintained by a subsidiary, in the unlikely event of the group being unable to do this.

21 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 UK Hospitality. In the opinion of the directors there is no ultimate controlling party.