

London & Partners Limited

Registered number 07493460

Directors' report and financial statements

For the year ended 31 March 2020



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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 international, trade, investment and promotion agency for London. The company's role is to promote London internationally as a leading world city in which to visit, study, invest, grow and meet. Its work helps achieve good growth for London and Londoners and has supported over 70,000 jobs since it was founded in 2011. 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 2020 the group recorded grant income from the GLA of £13.8m (2019: £13.7m) and raised other grants of £1.8m (2019: £2.2m) and £10.7m (2019: £10.6m) of additional income. The group also generated £3.8m (2019: £3.2m) 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 operates the registry for all domain names ending in .london. The subsidiary recorded revenue of £5m for the year (2019: £4.9m) and net profit after tax of £3.7m (2019: £1.6m). The level of revenue for the year reflects a 1% decrease (2019: 28% decrease) in revenue from domain sales during the period offset by higher contractual income following the conclusion of contract negotiations in December 2019. A higher level of profit has been generated due to a one-off contract change fee. 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 manages most of the group's commercial activities. The subsidiary recorded revenue of £2.9m (2019: £2.6m) for the year and net profit after tax of £0.01m (2019: £0.2m). This reflects a decrease in income from the company's ecommerce activities, sponsorship and other income streams, outweighed by income from operating a domestic tourism campaign for a consortium of London organisations. 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 2020 reflect the depreciation and amortisation of the group's intangible and tangible fixed assets during the year. Debtors in 2020 include a number of significant amounts billed in advance at the end of the year for 2020/21 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.

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. 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

2019/20 was a year of consolidation building on the changes that were put in place in the previous year to deliver against the new set of objectives. The fourth quarter took place against a backdrop of the start of the coronavirus pandemic and its impact on our international markets as well as within the UK. The company's response to the pandemic is covered later in the report.

2019/20 was the second year of the company's three-year strategy. 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 leading to risks of over-tourism seen in other popular European tourism cities. 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 company 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. In addition, given the current uncertainty around the terms of the UK's exit from the EU, the company continues to also work hard to retain international businesses, grow key sectors and attract international talent to the capital.

A new set of measures and key performance indicators was required to deliver the new strategy to focus on brand and audience engagement and change in perception as well as gross value added (GVA). Some of these were not in place in the first year of the strategy.

Key Performance Indicator	Target 2019/20	Actual 2019/20	Target 2018/19	Actual 2018/19
Total GVA attributed from delivering economic benefit (from FDI, Trade, Growth, Conventions, Major Events and International Students)	£190m	£201m	£190m	£213m
Audience Engagement	20.6m engagements	31.6m engagements	2.5m engagements	9.39m engagements
Brand Engagement	11.8m engagements	32.1m engagements		
Audience Perception	8% uplift on audience perception	7% uplift on audience perception		
Brand Perception	4% uplift on brand perception	0% uplift on brand perception		
Non-GLA Funding to L&P	£13.8m	£12.8m	£14.1m	£12.0m

The company performed well in this context meeting the majority of its targets including the targets for additional gross value added (GVA) to the London economy from our activities and our brand/audience engagement work. Our

Strategic report (continued)

Review of the group's business (continued)

Performance review (continued)

audience perception activity, although slightly below target has performed extremely well for the first year of a challenging period. Brand Perception is practically more challenging to measure and there are key learnings that will be taken forward into 2020/2021.

Funding from non-GLA sources was below target due to reduced income throughout the year from advertising and affiliates on visitlondon.com which was further affected by the challenges presented in the fourth quarter by the impact of the coronavirus pandemic.

Key Highlights

The 'Business' directorate of London & Partners facilitates collaboration across foreign direct investment (FDI), Trade, Growth and Business Tourism with an increased focus on sectors of the economy. Despite Brexit and the uncertainty facing global businesses, the company helped 99 overseas companies to set up or expand their business in London, supporting 5,488 jobs adding £102m to London's economy in London's key sectors.

The key accounts team to support existing international investors based in London with their growth plans continued to perform strongly. During the year over 266 meetings with key accounts took place and the team presented or attended 185 events. A key win for the team was supporting Lidl with their expansion plans to open more stores across London resulting in £14m GVA and the creation of 900 new jobs over three years.

The Mayor's International Business Programme (MIBP) continued to go from strength to strength with 256 companies joining the programme which supports companies in the life sciences, financial business services & technology, urban and creative sectors to scale their activities through international expansion. These activities generated £24m of additional GVA to the London economy. The programme organised 12 trade missions, including accompanying the Deputy Mayor for Business, Rajesh Agrawal, on a mission to Hong Kong and China and a female founders' mission to New York.

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 420 workshops and events to support over 285 new companies on the programme, bringing the total of companies supported to 981. Key activities included 4 cohort launches which brought together all the founders joining the programme and a BGP Pitch evening with nine companies pitching for investment.

In March 2020 the company hosted the second annual London Business Awards which saw over 450 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.

The company's work to attract more overseas students continued to engage significant numbers on its digital platform, StudyLondon.ac.uk, generating an additional £22m of GVA for the London economy. London & Partner's two prospective student facing websites, www.study london.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. A campaign focused on attracting Indian students to study in London launched in May to coincide with the Cricket World Cup. The hero video showed Indian students using cricket to make friends, settle into their institutions and enhance their study in London, and demonstrated London's welcoming attitude to students. The campaign received almost 4 million engagements, substantially exceeding target. Study London's International Student Welcome campaign took place in the third quarter of the year, reaching prospective audiences in the US, China and India with innovative user generated content. The messaging emphasised how easy it is for international students to integrate in London and to feel welcome. The campaign received more than 2.5m, substantially exceeding targets.

Strategic report (continued)

Review of the group's business (continued)

Performance review (continued)

The company supported 169 events and future conferences and congresses to London which will attract 127,694 delegates to the city adding £48.3m GVA or £147m economic value to London's economy. This included 22 city-wide conventions which collectively contributed £14.7m GVA or £44m 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 £2.7m of economic benefit. These included the seventh annual RideLondon Festival of Cycling, ICC Cricket World Cup, Major League Baseball London Series, World Para Swimming Championships, and the NFL London Games. The company had also been closely involved with maximising the benefit of hosting the Euro 2020 tournament and associated fringe programme in London including the tournament's 100 Days to Go moment. However, the tournament has now been postponed for a year due to the coronavirus pandemic.

Activity to attract leisure tourists focused on US millennials by promoting a two-city visit to London and Paris linked by Eurostar. The campaign ran for the first time from October 2018 to March 2019 and was repeated from June-August 2019 with support from Eurostar and the Paris tourism promotional agency and in-kind support from Marriott Hotels and others. The campaign had a global reach of 14.7m, with target audience engagements of 6.7m. As a result, Eurostar saw an uplift in booking of 24%, perceptions of London increased by 7%.

The company supported a new Domestic Tourism Consortium made up of industry stakeholders including the GLA and Transport for London, Business Improvement Districts, landlords and destinations to promote London to domestic visitors. London & Partners is the delivery partner for the Consortium, tasked with leading and executing an "always on" programme of activities and marketing campaigns to address a 3% decline year on year in domestic day visits. Following the development of a marketing strategy the consortium launched its "Let's Do London" campaign in October 2019 targeted at young adults and families with children in London and the South East. The campaign was halted early in mid-March due to the coronavirus outbreak. However, it performed strongly reaching 162 million with total engagements of 7.2 million among target audiences.

During the year the company focused on a number of activities to build London's brand reputation. This included the continuation of London's Global Good News Room, which distributes positive stories, celebrates successes in the city and highlights new business to the capital. These messages are being distributed through influential multipliers in London and our core markets. Users on the WhatsApp channel now exceed 1,000 members and we ran two events for communications professionals in London.

In addition, the company developed a new campaign focused on building London's brand in China. Initiatives included a visit to London of SINA Weibo in April, a successful Golden Week campaign as part of an Experience England project working with Manchester and the Lake district, as well as a very positive Chinese New Year campaign.

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 fifth annual London Tech Week, providing branding, marketing and communications around the SIBOS congress and exhibition to promote London as the best city for financial services and fintech as well as attendance at the Slush convention in Finland which generated significant leads across a range of sectors.

To support the delivery of the company's objectives and to support its continued drive for efficiencies, the company embarked on some major systems developments during the year. This included the implementation of Salesforce as the new CRM system across the organisation to help drive more efficient reporting, data-led strategic decision making, and to help us manage relationships more effectively. In addition, the company continued the migration of our websites to Sitecore and embarked on a major programme to move our remaining on-premise servers into the cloud and strengthen our cyber security.

For the sixth 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 believes that its commitment to diversity and inclusion is reflected in its vision, values and employment practices. The company continued its work in this area supported by an Equality, Diversity & Inclusion Council made

Strategic report (continued)

Review of the group's business (continued)

Performance review (continued)

up of network groups focused on Women, Origins (ethnicity), LGBTQ+, Mental Wellness and charitable activities. The groups organised a wide range of events for staff and to champion London as a welcoming inclusive city to our international audiences.

The wellness of staff was paramount in the company's response to the coronavirus pandemic. Employees adapted well to remote working during lockdown and additional measures were put in place to support them. This included a Mental Wellness programme – a three-part approach consisting of individual support from trained Mental Health First Aiders, a programme of mental wellness activity and access to resources featuring mental health best practice; a social programme of curated activity was put in place to connect people across the organisation and give people opportunities to meet outside their immediate team; and the creation of the London & Partners Academy – a curated programme of training opportunities largely delivered by employees as an opportunity for peer learning. In addition, a further programme, L&P Flex, was introduced to manage resource across the business during a period of changing business requirements and potential staff unavailability, so that priority activity could continue.

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

- The impact of the coronavirus pandemic on the resilience of London & Partners business, its employees and the communities it supports, particularly the tourism and hospitality industry.
- 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 recession over the next 12 months as a result of coronavirus 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. This risk is increased by remote working as a result of coronavirus.
- The continued coronavirus pandemic's impact on London's reputation and London & Partners' ability to change sentiment with key audiences.
- The impact of coronavirus and continued remote working on staff well-being and morale resulting in a less productive and creative workforce.
- There are risks associated with GLA grant income in future years as well as more immediate risks to commercial income streams which are severely impacted by coronavirus including partnership schemes, advertising and e-commerce.
- 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 international, trade, investment and promotion agency for London.

Future prospects/outlook

A business plan for 2020-2021 had been approved by the London & Partners board in February 2020. However, following the rapid spread of coronavirus globally, a revised plan and budget was put in place in April 2020. This includes a new mission for the company for the year – "We will work to keep London's global brand, our communities and London & Partners resilient, and prepare for recovery." Based on this mission, the strategy for the year falls into two phases: resilience and recovery, recognising that moving from one phase to the other will happen at different

Strategic report (continued)

Review of the group's business (continued)

Future prospects/outlook (continued)

times for different audiences and markets. An insights-led process to define and monitor trigger points has been developed. The plan has been based on the premise that the majority of the financial year will be directly affected by social distancing controls.

A set of principles have been developed to focus the approach for the year:

- To retain our focus on good growth.
- To focus on our existing audiences, but give more consideration to domestic consumers in the recovery phase.
- To focus on our existing communities first.
- To "think virtual first" to find new routes to support our communities.
- To protect our financial stability.

The focus in the resilience phase will be to maintain a resilient pipeline of businesses that remain interested in doing business in London; supporting the resilience of London's business communities by providing a significant programme of virtual events; and ensuring the company's resilience through close management of its finances and supporting the well-being of its staff. In the recovery phase we will prepare and execute a return to business as usual activities phased across our audiences. This will include a significant campaign to drive domestic led consumer confidence to support London businesses and developing and maintain a pipeline across our business audiences, converting according to demand. 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 with some tactical support of secondary markets that are less impacted by the coronavirus pandemic. A key focus for the second half of the year will be to ensure 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 are in place.

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 recognising that income from ecommerce and advertising revenues will be significantly impacted by the drop in consumer demand and visitors to London. Cost savings have been put in place including wage constraints, and only recruiting essential staff when there are vacancies and redeploying staff from non-essential to priority tasks. The company will be moving to lower cost London premises in March 2021 which will provide greater opportunity for flexible working and collaboration with partners. It will also continue to realise the benefits of new and improved systems and processes including better customer insights, client delivery and account management from the Salesforce CRM implemented in 19/20 and cost savings from the migration of websites to Sitecore and servers to the cloud.

A new people plan has been developed to support the company's employees during the coronavirus pandemic with a greater focus on mental wellbeing and learning and development. The company will also deliver on the commitment made in its statement issued as a result of the Black Lives Matter protests to accelerate its journey to become a more diverse and inclusive organisation. By working closely with its diversity and inclusion network groups, the aim is to make London & Partners an organisation that reflects and champions the diversity of the city that it promotes.

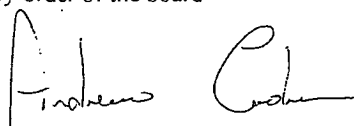
The pandemic hit London hospitality, leisure and retail sectors hard. In a normal year, over 60% of overnight stays in London are from intentional visitors, and the loss of that consumer group has been significant to the company. In response, London & Partners has led a campaign to encourage Londoners to support their city's hospitality and cultural offering. The market for trade and investment has also been impacted. But the company has continued to perform strongly, as its chosen sectors (including digital and med tech innovators) have proven resilient. On line and virtual events have been developed and strongly supported, including the recent highly successful London Tech Week and Silicon Valley Comes to UK programme. The company's commercial income was also detrimentally affected by Covid 19 and has been offset by strong cost management and control. Income received by the GLA has also been affected by Covid 19. Notwithstanding, the GLA has confirmed that funding for London and Partners is in place for 2021/22 in line with forecast.

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

Future prospects/outlook (continued)

London & Partners' strategy for 2018-2021 and business plan for 2020-21 can be downloaded at www.londonandpartners.com/about-us/business-strategy.

By order of the board

A handwritten signature in black ink, appearing to read 'Andrew Cooke', written over a light blue horizontal line.

Andrew Cooke
Director

London & Partners Limited
6th floor
2 More London Riverside
London SE1 2RR
16th December 2020

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)
Mike Brown (resigned 30 June 2020)
Laura Citron, Chief Executive Officer
Andrew Cooke, Managing Director, Operations and Governance
Sandra Dawe (1,2*) (term expired 17 September 2020)
Dominic Field (appointed 28 May 2020)
Massy Larizadeh (1, 3*)
Professor Sir Robert Lechler (term expired 20 February 2020) (2)
Chirs MacLeod (appointed 9 July 2020)
Manju Malhotra (appointed 28 May 2020)
Catherine McGuinness (1)
Tamara Rajah
Professor Reza Razavi (appointed 28 May 2020)
Sacha Romanovitch (2)
Mark Taylor (2)
Joanna Wright (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 (2019: none).

Going concern

The accounts have been prepared on the going concern basis notwithstanding the current grant funding arrangements which are due for renewal at 31 March 2021. Whilst future years' grant funding has not yet been approved, formal confirmation will be sought in 2021 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

Directors' report (continued)

Going concern (continued)

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.

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.

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.

Directors' report (continued)

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.

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 up to eleven 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.

Directors' report (continued)
Corporate Governance (continued)

Board Committees (continued)

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 five times in the year to 31 March 2020.

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 they have 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 2020.

Nomination Committee

The Nomination Committee currently comprises two non-executive directors 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 four times during the year to 31 March 2020.


Transparency and Corporate Governance

The company strengthened its corporate governance during the year following the development of a new transparency policy in 2018/19. Additional steps include:

- Introducing a regular newsletter for London Assembly members and other stakeholders, to highlight the company's core successes and to inform them of upcoming activity.
- Procured an external firm to conduct an independent review of the company's annual results against its key performance indicators, commencing with an audit of the 2019/20 results.

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
Director

London & Partners Limited
6th floor
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London SE1 2RR
16th December 2020

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.

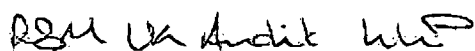
Auditor's responsibilities for the audit of the financial statements

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.



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

Consolidated Statement of Income and Retained Earnings

For the year ended 31 March 2019

	Note	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Income			
Turnover from domain registry services	2	5,032	4,916
Turnover from other activities	2	5,678	5,636
Grants	2	15,534	15,910
Total income		26,244	26,462
Expenditure			
Cost of sales of domain registry services		25	541
Programme costs of promotional activities		5,905	7,078
Staff costs		12,776	12,228
Other operating costs	3	3,955	5,471
Total expenditure		22,661	25,318
Operating surplus		3,583	1,144
Interest receivable and similar income	7	17	11
Surplus before taxation	8	3,600	1,155
Taxation	9	(912)	(396)
Surplus after taxation and surplus for the financial year		2,688	759
Retained Earnings at 1 April		2,754	1,995
Retained Earnings at 31 March		5,442	2,754

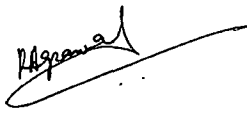
This statement is presented in place of a Consolidated Statement of Comprehensive Income and a Consolidated Statement of Changes in Retained Earnings as the only changes to retained earnings during the year arise from the surplus for the year.

Statements of Financial Position
 at 31 March 2020

		Group	Group	Company	Company
	Note	2020	2019	2020	2019
		£000	£000	£000	£000
Fixed assets					
Intangible assets	10	161	335	146	288
Tangible assets	11	304	466	305	466
		<u>465</u>	<u>801</u>	<u>451</u>	<u>754</u>
Current assets					
Debtors due within one year	13	3,608	5,658	3,497	3,917
Debtors due after more than one year	13	80	85	-	-
Cash at bank and in hand		6,298	4,218	308	929
		<u>9,986</u>	<u>9,961</u>	<u>3,805</u>	<u>4,846</u>
Current liabilities					
Creditors: amounts falling due within one year	14	(4,855)	(7,612)	(2,814)	(4,676)
		<u>5,131</u>	<u>2,349</u>	<u>991</u>	<u>170</u>
Net current assets					
		<u>5,596</u>	<u>3,150</u>	<u>1,442</u>	<u>924</u>
Total assets less current liabilities					
		<u>5,596</u>	<u>3,150</u>	<u>1,442</u>	<u>924</u>
Creditors: amounts falling due after more than one year	15	(154)	(396)	-	(239)
		<u>5,442</u>	<u>2,754</u>	<u>1,442</u>	<u>685</u>
Net assets					
		<u>5,442</u>	<u>2,754</u>	<u>1,442</u>	<u>685</u>
Reserves					
Retained earnings	16	5,442	2,754	1,442	685
		<u>5,442</u>	<u>2,754</u>	<u>1,442</u>	<u>685</u>
Total reserves					
		<u>5,442</u>	<u>2,754</u>	<u>1,442</u>	<u>685</u>

The Company's surplus and total comprehensive income for the year were £233,000 (2019: surplus and total comprehensive income £136,000).

The financial statements on page 14-34 were approved by the board of directors and authorised for issue on 16th December and are signed on its behalf by:


Rajesh Agrawal
 Chairman

Company Statement of Changes in Reserves
 for the year ended 31 March 2020

	Retained earnings £000
Balance at 1 April 2017	486
Surplus and total comprehensive income for the year	63
Balance at 31 March 2018	<hr/> 549
Surplus and total comprehensive income for the year	136
Balance at 31 March 2019	<hr/> 685
Surplus and total comprehensive income for the year	757
Balance at 31 March 2020	<hr/> 1,442 <hr/>

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

	<i>Note</i>	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Operating activities			
Cash generated from operations	17	2,863	1,662
Interest received		17	11
Income taxes paid		(568)	(536)
		<hr/>	<hr/>
Net cash from operating activities		2,312	1,137
		<hr/>	<hr/>
Investing activities			
Purchase of intangible fixed assets	10	(97)	(22)
Purchase of tangible fixed assets	11	(135)	(261)
		<hr/>	<hr/>
Net cash used in investing activities		(232)	(283)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		2,080	854
Cash and cash equivalents at beginning of year		4,218	3,364
Cash and cash equivalents at end of year		6,298	4,218
		<hr/> <hr/>	<hr/> <hr/>
Relating to:			
Bank balances and short-term deposits included in cash at bank and in hand		6,298	4,218
		<hr/> <hr/>	<hr/> <hr/>

Notes

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

E. 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 2020.

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)

E. Accounting policies (continued)

Going concern

The accounts have been prepared on the going concern basis notwithstanding the current grant funding arrangements which are due for renewal at 31 March 2021. Whilst future years' grant funding has not yet been approved, formal confirmation will be sought in 2021 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. 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. 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)

E. 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)

E. 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)

E. 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)

E. 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 2019/20 in accordance with the accounting policies noted above. All income is derived from activities undertaken from the United Kingdom.

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Grant income		
GLA grant	13,756	13,693
Other grants	1,778	2,217
Total grant income	15,534	15,910
Turnover from the provision of services		
Income from partners	2,758	2,923
Other commercial income	2,920	2,713
Domain registry services	5,032	4,916
Total turnover from the provision of services	10,710	10,552

The company received a grant of £13.8m (2019: £13.7) 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 2020	Number of employees Group 2019	Number of employees Company 2020	Number of employees Company 2019
Promotional activities	187	179	159	159
Management and administration	25	25	25	25
	<u>212</u>	<u>204</u>	<u>184</u>	<u>184</u>

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 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Wages and salaries	10,233	9,406	8,657	7,837
Social security costs	1,388	1,137	1,168	977
Pension costs	1,153	1,060	981	928
Payroll costs of staff numbers analysed above	<u>12,774</u>	<u>11,603</u>	<u>10,806</u>	<u>9,742</u>
Seconded staff (seconded to London & Partners by third parties)	58	139	-	139
Temporary staff and contractors	267	486	267	440
Staff costs as presented in the income and expenditure account	<u>13,099</u>	<u>12,228</u>	<u>11,073</u>	<u>10,321</u>

Notes (continued)

4 Remuneration of directors

In respect of the directors of London & Partners Limited:

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Directors' emoluments	298	331
Company pension contributions included in directors' emoluments (including those made by salary sacrifice)	50	52
	<hr/>	<hr/>
	Number of directors 2020	Number of directors 2019
Retirement benefits are accruing to the following number of directors under:		
Group personal pension plan	2	2
	<hr/>	<hr/>

The aggregate of emoluments of the highest paid director were £149,318 (2019: £169,920) which consisted of salary payments of £134,733 (2019: £123,879), performance related bonus pay as approved by the remuneration committee of £nil (2019: £32,612) and company pension contributions made to a group personal pension plan of £14,585 (2019: £13,429).

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 £848,636 (2019: £949,166). The decision was taken not to pay Management Committee bonuses relating to 2019/20 given the impact of Coronavirus on the company and the communities it supports.

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 £1,153,000 (2019: £1,060,000).

At 31 March 2020 contributions amounting to £112,849 (2019: £84,564) 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 2020 £000	Year ended 31 March 2019 £000
Bank interest receivable	17	11
	<u>17</u>	<u>11</u>

8 Surplus before taxation

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
<i>The surplus before taxation is stated after charging/(crediting)</i>		
Amortisation, depreciation and other amounts written off tangible fixed assets and intangible assets:		
Owned	566	748
(Gain)/Loss on foreign currency translation	15	12
Operating lease rentals (note 19)	1,329	1,113
	<u>1,329</u>	<u>1,113</u>

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 2020 £000	Year ended 31 March 2019 £000
Audit services – statutory audit of parent and consolidated accounts	24	23
Audit services – statutory audit of subsidiary accounts	17	17
Non-audit services	38	10
	<u>38</u>	<u>10</u>

Notes (continued)

9 Taxation

Analysis of charge in period

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
UK corporation tax	929	417
Adjustments in respect of prior year	(10)	(6)
Total current tax	919	411
<i>Deferred tax</i>		
Origination and reversal of timing differences	(8)	(15)
Total deferred tax	(8)	(15)
Tax on surplus on ordinary activities	912	396

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% (2019: 19%). The differences are explained below.

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Group surplus before tax	3,080	1,155
Group surplus multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	585	219
<i>Effects of:</i>		
Income/expenses not deductible for tax purposes	306	156
Capital allowances for the period lower than/(in excess of) depreciation	2	3
Adjustments in respect of the prior year	2	(6)
Origination and reversal of timing differences	(10)	(6)
Deferred tax not recognised	19	25
Other adjustments	8	5
Tax expense	912	396

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 19% (2019: 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 2019	2,002	2,002	1,365	1,365
Additions	97	97	97	97
At 31 March 2020	<u>2,099</u>	<u>2,009</u>	<u>1,462</u>	<u>1,462</u>
Amortisation				
At 1 April 2019	1,667	1,667	1,077	1,077
Charge for the year	271	271	238	238
At 31 March 2020	<u>1,938</u>	<u>1,938</u>	<u>1,315</u>	<u>1,315</u>
Net book value				
At 31 March 2020	<u>161</u>	<u>161</u>	<u>147</u>	<u>147</u>
At 31 March 2019	<u>335</u>	<u>335</u>	<u>288</u>	<u>288</u>

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 London App. The carrying amount of £26,000 (2019: £280,000) which has a remaining average amortisation period of 1 year (2019: 1 year) 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 2019	775	553	1,328
Additions	20	115	135
Disposals	-	(176)	(176)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	795	492	1,287
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2019	508	354	862
Charge for the year	158	137	295
Disposals	-	(174)	(174)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	666	317	983
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2020	129	175	304
	<hr/>	<hr/>	<hr/>
At 31 March 2019	267	199	466
	<hr/>	<hr/>	<hr/>

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 (2019: £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
<i>Subsidiary undertakings</i>				
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%
London & Partners Events 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 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	720	1,786	493	595
Amounts owed by group undertakings	-	-	427	340
Other debtors	375	358	107	38
Prepayments and accrued income	2,513	3,514	2,470	2,944
	3,608	5,658	3,497	3,917

Notes (continued)

13 Debtors (continued)

Amounts falling due after more than one year:

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Prepayments and accrued income	80	85	-	-
	<u>80</u>	<u>85</u>	<u>-</u>	<u>-</u>

14 Creditors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade creditors	1,202	2,162	782	1,868
Amounts owed to group undertakings	-	-	126	145
Other taxation and social security	309	921	512	272
Corporation tax	580	228	66	-
Other creditors	332	244	266	177
Accruals and deferred income	2,432	4,057	1,062	2,214
	<u>4,855</u>	<u>7,612</u>	<u>2,814</u>	<u>4,676</u>

15 Creditors: amounts falling due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Accruals and deferred income	154	396	-	239
	<u>154</u>	<u>396</u>	<u>-</u>	<u>239</u>

Accruals and deferred income falling due after more than one year relate 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 £14,000 (2019: £19,000).

Notes (continued)

16 Reserves

Group	Retained Earnings
	£000
At 1 April 2019	2,754
Surplus for the year	2,688
	<hr/>
At 31 March 2020	5,442
	<hr/> <hr/>
Company	Retained Earnings
	£000
At 1 April 2019	685
Surplus for the year	757
	<hr/>
At 31 March 2020	1,442
	<hr/> <hr/>

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)

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

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Surplus after tax	2,688	759
Adjustments for: Depreciation, amortisation and impairment charges	566	748
Profit on disposal of tangible fixed assets	2	
Increase/(Decrease) in provisions	(200)	21
Interest receivable	(17)	(11)
Taxation	912	396
	<hr/>	<hr/>
Operating cash flows before movements in working capital	3,951	1,913
(Increase)/decrease in trade and other debtors	2,055	914
Increase/(decrease) in trade and other creditors	(3,143)	(1,165)
	<hr/>	<hr/>
Cash generated from operations	2,863	1,662
	<hr/> <hr/>	<hr/> <hr/>

18 Commitments

The group as lessee:

At 31 March 2020, the group was committed to the following total future minimum lease payments in respect of non-cancellable operating leases:

	2020 Land & buildings £000	2020 Other £000	2019 Land & buildings £000	2019 Other £000
Amounts due:				
Within one year	992	15	1,119	14
Between one and five years	56	2	698	14
	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,048	17	1,817	28
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

19 Commitments (continued)

The group as lessor:

At 31 March 2020, the group had contracted with tenants under non-cancellable operating leases for the following future minimum lease payments:

	2020	2019
	Land & buildings	Land & Buildings
	£000	£000
Amounts due:		
Within one year	10	10
	<hr/>	<hr/>
Total	10	10
	<hr/>	<hr/>

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 (2019: \$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.