

Company Registration No: 07493460 (England and Wales)

LONDON & PARTNERS LIMITED
GROUP REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023



LONDON & PARTNERS LIMITED

COMPANY INFORMATION

Directors

E J Campbell
L F Citron
H Dawber
D J Field
C M Hayward
B R Johnson
M Larizadeh
M Malhotra
E B Malinger
J P Pisani
T Rajah
N V Rughani
M D Taylor
J C Wright

Company number

07493460

Registered office

169 Union Street
London
SE1 0LL

Auditor

RSM UK Audit LLP
Chartered Accountants
Third Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

LONDON & PARTNERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and financial statements for the year ended 31 March 2023.

Principal activities

London & Partners Limited ("the company"), a company limited by guarantee, is the business growth and destination agency for London. The company's mission is to create economic growth that is resilient, sustainable and inclusive.

Since its formation in 2011, the company has supported the creation of over 71,000 jobs for the Capital. The company is a not-for-profit social enterprise, 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, 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 2023, the group recorded a deficit of £0.573m which is a larger deficit than the prior year of £0.015m. The position was impacted by a combination of increased costs as the organisation commenced its transition to a new funding regime via UK Shared Prosperity Funds and planned for the addition of new services in life sciences and small business. The position during the year ended 31 March 2023 included an increase in income of £9.0m across both grant income and from the provision of services. The group recorded grant income from the GLA of £20.3m (2022: £14.6m) and raised other grants of £1.5m (2022: £1.2m) and £7.4m (2022: £4.4m) of additional income. The group also generated £3.3m (2022: £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 operates the registry for all domain names ending in London. The subsidiary recorded revenue of £0.9m for the year (2022: £0.9m) and net profit after tax of £0.3m (2022: £0.2m). The level of revenue for the year reflects a 6% decrease (2022: 4% decrease) in revenue from domain sales during the period. 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 £2.5m (2022: £1.4m) for the year and net profit after tax of £0.4m (2022: £0.1m). This reflects an increase in income from the company's ecommerce activities, sponsorship and other income streams as a result of ongoing recovery after the COVID-19 pandemic and the subsequent impact on London Tourism. 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 balance sheets at 31 March 2023 shows the group had net assets of £3.8m and net current assets of £3.3m and reflect the depreciation and amortisation of the group's intangible and tangible fixed assets during the year. Debtors in 2023 include a number of significant amounts billed in advance at the end of the year 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.

LONDON & PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Performance review

The year ending 31 March 2023 has been a critical year for London's recovery from the pandemic. It has also been a critical year for London & Partners on our path to sustainable financial operational outcomes. It remains a complex and challenging environment in which to operate a global business and destination agency. But there are strong reasons to believe that our city has absorbed the challenges of recent years and is now in a strong position to thrive. The same is true for London & Partners.

We started the year with a settled organisation following some structural changes and a new robust commercial strategy of how we planned to grow our non-grant income which provides funds to reinvest in our work for London. We also began to consider how we might extend the scale or scope of our services to grow as an organisation and grow our impact for London.

By the end of 2022/23, we were a large way through a significant transformation programme. The transformation programme established a robust plan for growth whilst protecting 'business-as-usual' activity. The programme covered our proposed growth in life sciences, establishing a new service for small business support and expanding our already successful high growth activity. We also undertook a review of our corporate systems and processes to ensure we were able to manage growth effectively.

In terms of executing the plan for the year, teams continued to deliver strongly for London on 'business-as-usual' activities with significant Gross Value Add (GVA) wins, trade missions, tourism campaign and PR moments. This was coupled with several new initiatives.

As part of our updated scorecard, we also measured Net Promoter Score (NPS) with our GVA generating partners and our commercial partners. As a widely accepted measure of client satisfaction, we delivered scores of 53 and 51 respectively. This is a strong performance and continues to show the value and quality of service that our partners receive from London & Partners.

The centrepiece of our work was to take the LetsDoLondon campaign to international audiences as London continued to recover. The campaign showed a return on investment of 28:1 with £289m of additional spending into the tills of London Businesses. This continued to show the power of the tourism industry coming together with the Mayor of London and London & Partners to act at a scale that none of us could have managed alone.

We continued to define our commercial strategy through investing in necessary tools, capability, and governance to allow us to assess, develop and approve income opportunities and track outcomes once live. Improved governance, planning and robust investment decisions allowed us to grow our non-grant income by 67% this year.

The company performed well in a significantly uncertain context as we shaped and delivered new initiatives to navigate risks and respond to new opportunities. We have either met, or exceeded, our targets.

The data are clear. By the end of the year, we had grown the London economy by £211m against a target of £178m which means we have grown our impact beyond pre-pandemic levels. This included significant FDI projects such as a leading European fintech setting up their UK HQ in London as they also build their footprint across the UK; one of India's leading VFX companies, a major Chinese Traveltech and global travel agency and a new entrant to the Consumer electronics world setting up both its Global HQ and a flagship store in London's West End.

LONDON & PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Performance review (*continued*)

Our Net Promoter Scores (NPS) demonstrate the strength of our relationship with members and partners and the value international businesses place on the support we provide in making them choose London. Most notable is strong NPS performance in our Tourism members, which comes as we deliver intensive work to support London's recovery in the crucial sector.

According to the Consultancy group Bain (who developed the metric) within NPS scores, above 0 is good, above 20 is favourable, above 50 is excellent, and above 80 is world class.

Our financial management has been diligent throughout. Through an increase in our income and by taking great care of our outgoings we have protected our financial position, giving us a platform to invest in future growth and positive step towards financial sustainability.

Key Performance Indicator	Target 2022/23	Actual 2022/23	Target 2021/22	Actual 2021/22
Total GVA attributed from delivering economic benefit (from FDI, Trade, Growth, Conventions, Major Events and International Students)	£178m	£211m	£120m	£199m
Client satisfaction Measured as Net Promoter Score	>0	53	>0	49
GVA business lines:	>0	51	>0	44
Income business lines:				
Non-GLA Funding to L&P	£7.4m	£7.4m	£3.0m	£3.0m

Key Highlights

London & Partners is focused on growth and recovery. The changes we put in place during the pandemic worked and in 2022/23 we focused on the following areas:

Improving our financial position

In 2022/23 we've strengthened our commercial governance by improving management information on profitability, strengthening scrutiny of activity through the quarterly cycle, introduced a structured new product development process and refreshed our commercial corporate governance by creating a new Commercial Committee.

Refreshing our scale-up support

Supporting London-based businesses to grow internationally is critical to our mission. In FY 2022/23, we've created a new programme for scale-ups; focused on internationalisation and trade export; developed a new commercial model combining grants, sponsors and participants fees; prepared for the transition of Grow London that will be launched in Q1 23/24. As well, we've started focusing on the small London businesses by creating a bespoke team responsible for assisting and helping the entrepreneurs.

LONDON & PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Performance review (*continued*)

London's Tourism Vision

We've launched the 2030 Tourism Vision that is inclusive, resilient and sustainable and establishes London's role as a gateway for UK tourism. London & Partners started the work on a new Tourism Strategy that will be finalised in 2024.

Hybrid team culture

Hybrid working brought deep and permanent changes to the workplace, but throughout the year we've tried to define what culture means to us, how to create belonging, meaning and shared values that will translate into motivation, satisfaction, and retention.

Below we have summarised the performance across the key pillars of London & Partners.

FDI

The company helped 120 overseas companies to set up or expand their business in London, supporting over 5,500 jobs over the next three years and adding £97m to London's economy in London's key sectors. Investments came from multiple different countries confirming London's global appeal to investors and long-term confidence in London as an investment destination.

Opportunity London

During 2022/23, London & Partners launched Opportunity London, a public-private partnership to broker institutional capital investment into real estate, energy and infrastructure. This initiative responds to the city's significant needs for investment to address challenges such as housing, town centre regeneration, retrofit, EV charging, renewables and more. It is a public-private partnership supported by the Mayor of London, London Councils, the City of London Corporation and a group of private sector partners. London & Partners is one of two delivery partners, alongside New London Architecture (NLA). During 2022/23, the key activities for Opportunity London were: London's presence at the MIPIM real estate trade show; meetings with capital investors, including in Tokyo and Seoul; shaping the public-private partnership and securing cross-party support; fundraising for future activities.

Looking ahead to 2023/24, this will be a year of maturity for Opportunity London. It will become established as an autonomous team with its own CEO, reporting to the CEOs of London & Partners and New London Architecture. It will create a clear strategy and delivery plan for the year and will publish London's first ever capital investment prospectus. It will deliver and curate London's presence at key events including UK Real Estate Investment Forum, London Real Estate Forum and MIPIM 2024.

West End Future Occupiers

This programme was created to respond to the impact of the pandemic on ground floor occupiers in the West End. At the height of the pandemic, the city was facing very high vacancy rates in locations such as Oxford Street. This programme was created in partnership with Westminster City Council, two Business Improvement Districts and a consortium of real estate owners. It aimed to develop a pipeline of innovative retail, hospitality and leisure companies who could take space in the West End to refresh the offer in the district. It also ran marketing and communication activities to promote the benefits of the West End as a destination to expand a global consumer brand.

At the end of 2022/23, the decision was taken to end the programme at the end of Q1 2023/24. This reflected the changed market conditions - vacancy rates across the West End had plummeted thanks to a very strong recovery. In discussion with partners, we therefore agreed that the programme was no longer needed. It was designed as a crisis response and the crisis had thankfully eased. The programme ceased at the end of Q1 2023/24 as planned, though learnings from it have been taken forward in the visitor experience strategy.

The Mayor's International Business Programme

The Mayors International Business Programme (MIBP) continued to go from strength to strength. During 2022/23 we saw over 100 companies join the programme which supports companies in financial business services & technology, urban, creative and life science sectors to scale their activities through international expansion.

LONDON & PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Performance review (*continued*)

The programme was back to delivering content in a hybrid way with some events being physical and some delivered virtually alongside our partners, mentors and experts to meet the needs of the companies taking part.

The programme delivered nine physical international trade visits and one virtual trade mission across various sectors to scope and explore overseas markets such as North America, Europe and India.

This year is the last year that the MIBP will be funded through European Regional Development Funding (ERDF) and at the end of March we saw the programme come to an end having completed all its ERDF targets – 1647 (C8), 784 (C1) and 784 (C4) with the final evaluation citing an ROI of 64:1. We have now redesigned the delivery of our high growth services as we transition from European Regional Development Fund to UK Shared Prosperity Fund funding.

The Business Growth Programme

The Business Growth Programme (BGP) concluded in December 2022.

Over the course of its final nine months, the programme provided invaluable support to two cohorts of 100 companies. Notably, the eligibility criteria were adjusted to include companies falling under the early stage exporting category, with the intention of fostering a pipeline of businesses for the Mayors International Business Programme. Collaborating with the Department of Business & Trade, the London & Partners team offered essential assistance to those companies as they embarked on their journey towards international trade. We also had the opportunity to take companies to Paris and Helsinki as part of two international trade missions helping companies to explore new European markets whilst attending flagship conferences in VivaTech and SLUSH.

Throughout its duration, the programme remained committed to its diversity and inclusion strategy, ensuring that underrepresented founders were given support across both cohorts.

Additionally, the programme achieved all its European Regional Development Funding (ERDF) targets, making a significant impact on the business landscape:

- 410 Jobs Created
- 110 New Products to Market
- 169 New Businesses Supported
- 999 Businesses Supported

The programme has undoubtedly contributed to the growth and prosperity of numerous businesses while fostering a more inclusive and thriving entrepreneurial ecosystem.

Moreover, the programme was ranked by Beauhurst as the second largest accelerator in the UK. The programme generated £8.13 of GVA for every £1 of ERDF funding.

Business Tourism and Major Events

2022/2023 has been a strong rebound year for London following the challenging previous years. We not only saw a large influx of business resulting from pent up demand, but also the beginnings of a return to face to face events taking precedence over virtual events. This also echoed the strength of London as a destination where delegates and event planners felt safe and took advantage of the global nature of our economy to pursue multiple business activities off the back of attending a London based event. The team attended multiple trade shows and future business indications were strong, particularly from the North American market. Promoting London as a Sustainable destination for events continues to be key and we have worked with the industry and many of our members and partners to gain green accreditations and raise the importance of this for future meetings.

LONDON & PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Performance review (*continued*)

The London Convention Bureau supported a large number of confirmed future conferences and congresses to London which will attract a significant number of delegates to the city adding £35m in GVA. This included 5 citywide events with close to 35,000 delegates.

Major Events have seen a similar return with a new pipeline of future events returning and opening up opportunities; we have had particular success in the e-sports arena and continue to promote London as one of the worlds' top sports and e-sports destinations.

London 2030 Tourism Vision

Working alongside the industry and key stakeholders in the tourism sector, London & Partners launched the London 2030 Tourism Vision in October 2022. In the six years since the last vision was published, London and the tourism sector have faced many challenges from Brexit to the climate emergency. However, none was more impactful than the COVID-19 pandemic when the industry stood still for nearly two years. With the return of visitors into our great city, we saw the opportunity to take stock and revisit our ambition for London as a tourism destination. As a group we aligned on a new north star: Making London a brilliant experience for visitors and Londoners alike. Underpinning this ambition are four pillars:

- Managing the destination – how we expand our tourism offer, improve data sharing and increase visitor knowledge;
- Maximising our impact for Londoners – how the tourism drives positive change for London and Londoners;
- Leading in sustainability – the industry's role in supporting London and the UK's sustainability goals;
- Redefining our measure of success – focusing on visitor satisfaction in addition to the established metrics of footfall and spend.

The London 2030 Tourism Vision is now informing business strategies across the spectrum of organisations within the tourism sector – many who are aligned with our ambition. London & Partners is also using the Vision to inform its own strategies across demand generation, destination management, sustainability, business tourism and major events. These strategies are being developed and will be implemented in the coming years.

VisitLondon

2022/23 has seen significant growth in ecommerce revenues from the prior year through our VisitLondon channels reflecting the ongoing recovery of the tourism industry following the pandemic. This helped to generate £1.6m in revenue.

Tourism Marketing

Working alongside the London Tourism Recovery Board, the GLA and TfL, London & Partners delivered Let's Do London, an international and domestic visitor recovery marketing campaign to fast track the capital's visitor recovery. Launched in Times Square, New York City in May 2022 by the Mayor of London, Sadiq Khan, this campaign was London & Partners' most successful campaign to date delivering £289 million additional visitor spend, 585,000 additional visitors and a 28:1 return on investment.

Insights

During the year the company focused on providing intelligence to its key audiences, partners and broader stakeholders on key topics. Quarterly insights reports equipped our teams with latest insights relevant for both investors and tourism industry. They also formed the basis of tourism insights webinars directed to partners to provide a holistic picture of the status of tourism and traveller sentiment.

LONDON & PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Performance review (*continued*)

Sustainability

London & Partners published its Sustainability progress report in line with our pledge to Race to Zero via the SME Climate Hub where we have committed to measuring and reporting on our carbon footprint annually and to developing and implementing robust carbon reduction initiatives. We have updated our policies and procedures to integrate our sustainability ethos.

Stakeholder relations

Understanding the priorities and objectives of our stakeholders and partners is key to our success. In the year ending 31 March 2023, London & Partners has established a new Stakeholder Relations team looking after L&P's corporate relationship with Greater London Authority, London boroughs, wider London organisations and central Government.

Throughout the year we've designed the service and recruited experienced staff. The team's purpose is to provide a conduit and support for L&P teams, ensure a consistent L&P narrative with stakeholders and provide relevant support for the leadership of the organisation.

Within this, our Borough Relations team lead on engaging with London's 32 boroughs and the businesses within them.

As part of the wider stakeholder engagement, we've set up four advisory groups for GrowLondon, Tourism, Life Sciences and Small Business.

Technology and infrastructure

We have been focusing on the security and performance of our platforms this year. Working with our new Technology partner, we are now regularly inspecting for vulnerabilities, have implemented managed patching and have improved many areas of security. The Web platforms have now migrated to a new management platform improving optimisation and security. A new Cyber Awareness training schedule has been rolled out to all staff.

Our people

We have been recruiting at pace this year as new roles are created to support our transformation programme and our anticipated growth. A new approach to Talent Attraction and recruitment has been supported with a newly setup function within the People Team.

London & Partners' last Staff Survey provided the best results since 2016, being recognised as a 1 Star organisation through the B-Heard Best Companies Survey which signifies 'very good' levels of workplace engagement.

Principal risks and uncertainties

We have put plans in place to address how we can support the development of our people, and this is being driven by our refreshed Learning and Development Strategy. We will be leveraging our hybrid way of working to ensure that our people remain engaged with the company as we continue to grow and operate in new areas.

The group continues to identify and manage key risks to the business. A risk register which reviews key risks impacting on delivery and mitigations 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 Group also have specific policies and processes in place to reduce and manage specific forms of risk, for example a crisis response playbook and a crisis communications structure. Both include written guides for managing acute events, with contingencies and fail-safes built in to make sure that senior owners are named and have deputies.

LONDON & PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties (*continued*)

Additionally, annual and in-year planning cycles include discussions of external and operational risks, with mitigations identified.

The principal risks and uncertainties faced by the group, including financial risks, are considered to be:

- The operational and economic impact of continued global and political volatility. The impact of geopolitical events and conflicts directly impacts our clients as global trade flows evolve and tourism sentiment is impacted.
- Inflation and cost of living which directly impacts our supply chain and staff welfare. As we face an extended period of high inflation, there is a risk to our delivery plans arising from uncertainty over planning input costs.
- The risk of fraud is heightened by increasingly sophisticated cyber-attacks with the potential for financial loss, reputational risk, disruption to business and loss of personal data. This risk is increased by remote working as we adopt a hybrid working pattern.
- The COVID-19 pandemic's continued impact on London's reputation and London & Partners' ability to change sentiment with key audiences.
- There are risks associated with GLA grant income in future years as well as more immediate risks to commercial income streams which were previously impacted by COVID-19 and now face increased competition and adverse impacts of market forces.
- 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.
- Inorganic growth as we take responsibility for new activities, which places increased pressure on corporate services and critical capacity within the business.

Mitigations have included:

- Deeper co-working with our industry clients and partners to support their resilience and recovery, demonstrating value and retaining their support.
- Investment in our IT infrastructure and training to ensure our cyber security is fit for purpose - this includes continuous security assessments across our IT estate and applying for cyber certifications.
- Data led campaigns to address London's reputation at each phase of the recovery supported by both Mayoral and industry funding.
- Long term financial and strategic planning at Board and executive level to understand and respond to the ongoing financial and operational impact of inflation.
- Specific plans to support L&P staff morale and wellbeing, including in person events where appropriate, and online social activity.
- Creating a robust structure to commercial decision making thereby improving our investment decisions to target long term sustainable revenue growth.
- 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 business growth and destination agency for London.

LONDON & PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Future prospects/outlook

Against a backdrop of considerable economic and geopolitical challenge London & Partners has a role alongside partners to support London's economy to become stronger, more sustainable and fairer. This is explicit in the company's mission to create economic growth that is resilient, sustainable, and inclusive.

The year ahead is focussed on growth. London & Partners plan to grow our impact through relaunched scale up support programme and grow commercial revenues; growth in remit through a new offer to small and micro businesses; and growth in depth by bringing in deep expertise in the Life Science sector. The anchor point throughout this growth will be maintaining a financially sustainable organisation that continues to deliver high value outcomes for London.

The company will continue focus on two key areas of the economy as we have in previous years. First, the visitor economy which provides 1 in 7 jobs in the city and has been particularly badly affected by the pandemic and current economic environment. Second, the high growth sectors which are driving job creation, economic efficiency, and solving societal challenges. Companies in these sectors will be supported to thrive, using the company's international network and expertise to create opportunities for global growth. In addition, as custodians of London's global brand, growing London's global reputation to support economic growth will continue to be a priority.

In addition, the company plans to create a new service, funded by UK Shared Prosperity Funding and supported by the GLA, to deliver support to small and micro businesses. The service will help those organisations to navigate to the business support that they need to become more financially resilient. With circa one million small and micro businesses in London, this significantly deepens the economic and social impact we have for London and Londoners.

To support the delivery these priorities, London & Partners is undertaking a change programme to both improve the delivery of services but also to extend the breadth of depth of its economic impact. The programme provides a structured and robust framework for the organisation as we undertake some the largest changes to the organisation since inception. These include:

- Designing and building a new small and micro business provision for London.
- Redesigning the delivery of our high growth services as we transition from European Regional Development Fund to UK Shared Prosperity Fund funding.
- Transfer of asset, activities, and liabilities from MedCity into London & Partners to deepen our offer within the life sciences sector.
- Review of our core corporate systems infrastructure and processes to support the delivery of leading class support services within the organisation.
- Defining London's tourism vision 2030 by bringing together the industry to create a plan for a sustainable future.

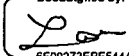
The group will continue to generate commercial income through its subsidiary companies London & Partners Ventures and Dot London Domains Limited to generate a profit that can be reinvested into the promotion of London. The commercial strategy for the organisation will continue to be reviewed and updated with the aim to maximise profits through existing and new revenue streams.

Evolving our existing delivery whilst broadening our scope will continue to enhance our ability to deliver our mission - to create economic growth that is resilient, sustainable and inclusive.

LONDON & PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

By order of the board

DocuSigned by:

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Laura Citron
Director

London & Partners Limited
1st Floor
169 Union Street
London
SE1 0LL

23 January 2024

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LONDON & PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and consolidated financial statements of London & Partners Limited (Company registration no. 07493460) and its subsidiary undertakings ("the group") for the year ended 31 March 2023.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Rajesh Agrawal	Chair (2,3)	(resigned 26 November 2023)
Elizabeth Campbell		(appointed 18 May 2023)
Laura Citron	Chief Executive Officer	
Howard Dawber		(appointed 18 December 2023)
Dominic Field		
Christopher Michael Hayward		(appointed 1 September 2022)
Benjamin Johnson		(appointed 18 May 2023)
Massy Larizadeh	(1,2*)	
Manju Malhotra	(3)	
Eyal Boris Malinger		(appointed 1 January 2023)
Catherine McGuinness		(resigned 31 August 2022)
Gabriella Neudecker		(resigned 30 November 2022)
Joanne Pisani		(appointed 18 May 2023)
Tamara Rajah		
Professor Reza Razavi		(resigned 18 May 2023)
Nayan Rughani		(appointed 1 July 2023)
Allen Simpson		(resigned 1 July 2023)
Mark Taylor	(1,3*)	
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 (2022: none).

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

LONDON & PARTNERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Going concern

The accounts have been prepared on the going concern basis. Whilst future years' grant funding has not yet been approved, formal confirmation will be sought in 2024 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.

Credit, liquidity and cash flow risk

The group manages cash flow through 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

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments and risk management.

Auditor

Pursuant to section 487(2) 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.

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 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 included in the link below.

LONDON & PARTNERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Corporate Governance (*continued*)

The company continued to develop its corporate governance during the year. Additional steps include:

- Publication of an independent audit of the company's annual results against its key performance indicators.

Further information can be found on the company's corporate website,
<https://www.londonandpartners.com/about-us/governance-and-transparency>.

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 11.

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 2023, 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.

LONDON & PARTNERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Board Committees

The board is supported by the Audit and Finance, Remuneration, Nomination and Commercial 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 three non-executive directors. The Chief Executive, Managing Director (Strategy and Operations) and Finance Director, are also invited to attend meetings (unless they have a conflict of interest) as are external auditors when required. The committee's principal responsibilities are financial management and reporting; internal control and risk assessment; and external audit. The committee met four times in the year to 31 March 2023.

Remuneration Committee

The Remuneration Committee currently comprises two non-executive directors and the Chairman of the Board. The Chief Executive and People & Talent Director, are also invited to attend meetings unless 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 2023.

Nomination Committee

The Nomination Committee currently comprises two non-executive directors and the Chairman of the Board. The Chief Executive and Managing Director (Strategy and Operations) 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, and consider succession planning for directors and senior executives. The committee met once during the year to 31 March 2023.

Commercial Committee

The Commercial Committee currently comprises two non-executive directors. The committee's principal responsibilities are to monitor the implementation of the Commercial Strategy, to review business cases for significant new-income-generating activity and to review and challenge new commercial opportunities. The Chief Executive, Managing Director (Marketing), Managing Director (Destination & Commercial) and Finance Director are invited to attend unless they have a conflict of interest. The committee met twice during the year to 31 March 2023.

By order of the board

DocuSigned by:

6F90273EBF544A8...
Laura Citron
Director

London & Partners Limited
1st Floor
169 Union Street
London
SE1 0LL

23 January 2024

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LONDON & PARTNERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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 group and company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the group and the company and of the profit or loss of the group and the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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.

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 2023 which comprise a Consolidated Statement of Comprehensive Income, Statements of Financial position, Statements of Changes in Equity, Consolidated Statement of Cashflows and notes to the financial statements, including 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 2023 and of the group's loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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.

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 15, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, and evaluating advice from external tax advisors.


We do not consider there to be any significant laws and regulations which have an indirect impact on the financial statements.

The group audit engagement team identified the risk of management override of controls, recognition of non-GLA grant income and recognition of domain revenue, deferred income and associated costs as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, agreeing the income recognised to supporting documentation and recalculating the revenue and deferred income position based on the source data.

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

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LONDON & PARTNERS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023	2022
		£000	£000
Income			
Turnover from domain registry services	3	862	917
Turnover from other activities	3	6,501	3,492
Grants	3	21,801	15,755
Other operating income	4	-	4
Total income		<u>29,164</u>	<u>20,168</u>
Expenditure			
Cost of sales of domain registry services		107	382
Programme costs of promotional activities		9,699	5,643
Staff costs	5	12,703	11,952
Other operating costs		7,096	2,146
Total expenditure		<u>29,605</u>	<u>20,123</u>
Operating (deficit)/surplus		(441)	45
Interest receivable and similar income	7	59	12
Interest payable and similar charges	8	-	(2)
(Deficit)/surplus before taxation	4	<u>(382)</u>	<u>55</u>
Taxation	9	(191)	(70)
Deficit after taxation and deficit for the financial year		<u><u>(573)</u></u>	<u><u>(15)</u></u>

LONDON & PARTNERS LIMITED

(Company Registration Number: 07493460)

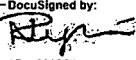
**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Note	Group		Company	
		2023 £000	2022 £000	2023 £000	2022 £000
Fixed assets					
Intangible assets	10	30	55	30	55
Tangible assets	11	559	633	559	633
Investments	12	-	-	100	100
		<u>589</u>	<u>688</u>	<u>689</u>	<u>788</u>
Current assets					
Debtors due within one year	13	4,025	3,033	3,352	3,136
Debtors due after more than one year	13	25	48	-	-
Cash at bank and in hand		3,421	5,123	1,200	1,544
		<u>7,471</u>	<u>8,204</u>	<u>4,552</u>	<u>4,680</u>
Creditors: amounts falling due within one year	14	(4,147)	(4,394)	(3,237)	(3,314)
Net current assets		<u>3,324</u>	<u>3,810</u>	<u>1,315</u>	<u>1,366</u>
Total assets less current liabilities		<u>3,913</u>	<u>4,498</u>	<u>2,004</u>	<u>2,154</u>
Creditors: amounts falling due after more than one year	15	(110)	(126)	-	-
Provisions for liabilities	16	(7)	(3)	(7)	(3)
Net assets		<u>3,796</u>	<u>4,369</u>	<u>1,997</u>	<u>2,151</u>
Reserves					
Retained earnings	19	3,796	4,369	1,997	2,151
Total reserves		<u>3,796</u>	<u>4,369</u>	<u>1,997</u>	<u>2,151</u>

As permitted by s408 Companies Act 2006, the company has not presented its own statement of comprehensive income in these financial statements. The company's deficit for the year was £154,000 (2022: surplus of £583,000).

The financial statements on pages 19 to 39 were approved by the board of directors and authorised for issue on 23 January 2024 2024 and are signed on its behalf by:

Nayan Rughani
Director

DocuSigned by:

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LONDON & PARTNERS LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

GROUP	Retained earnings £000
Balance at 1 April 2021	4,384
Deficit and total comprehensive expense for the year	(15)
Balance at 31 March 2022	<u>4,369</u>
Deficit and total comprehensive income for the year	(573)
Balance at 31 March 2023	<u><u>3,796</u></u>

COMPANY	Retained earnings £000
Balance at 1 April 2021	1,568
Surplus and total comprehensive income for the year	583
Balance at 31 March 2022	<u>2,151</u>
Deficit and total comprehensive income for the year	(154)
Balance at 31 March 2023	<u><u>1,997</u></u>

LONDON & PARTNERS LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
Operating activities			
Cash (used in) generated from operations	20	(1,602)	64
Interest received		59	12
Interest paid		-	(2)
Income taxes paid		(24)	2
		<u> </u>	<u> </u>
Net cash (outflow)/inflow from operating activities		(1,567)	76
		<u> </u>	<u> </u>
Investing activities			
Purchase of intangible fixed assets	10	(8)	(38)
Purchase of tangible fixed assets	11	(127)	(466)
		<u> </u>	<u> </u>
Net cash used in investing activities		(135)	(504)
		<u> </u>	<u> </u>
Net decrease in cash and cash equivalents		(1,702)	(428)
		<u> </u>	<u> </u>
Cash and cash equivalents at beginning of year		5,123	5,551
		<u> </u>	<u> </u>
Cash and cash equivalents at end of year		3,421	5,123
		<u> </u>	<u> </u>
Relating to:			
Bank balances and short-term deposits included in cash at bank and in hand		3,421	5,123
		<u> </u>	<u> </u>

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

Company 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 169 Union Street, London, SE1 0LL.

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.

The financial statements are prepared in sterling, which is the functional currency of the company and group. Monetary amounts in these financial statements are rounded to the nearest £1,000.

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 Companies House, Crown Way, Cardiff, CF14 3UZ.

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 2023.

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.

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

Going concern

The accounts have been prepared on the going concern basis. Whilst future years' grant funding has not yet been approved, formal confirmation will be sought in 2024 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.

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.

Other government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Turnover

Turnover from membership fees and other activities is recognised at the fair value of the consideration received or receivable 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.

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.

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

Turnover (continued)

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, and deposits held at call with banks.

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.

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

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.

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	-	over the period of the lease

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

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.

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

Taxation (continued)

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.

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.

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

Foreign currencies

Transactions in currencies other than the functional currency (foreign currency) 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. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2. 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, judgements 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 Group are reliant on funding from the GLA. The current GLA Grant Agreement with London & Partners Limited provides funding for the period up to 31 March 2024, which is subject to the Mayor's approval of the final 2024-25 GLA Budget in March 2024. London & Partners have obtained confirmation from the GLA that there is no information to suggest that this will not be approved or that this funding will no longer be available. Management's judgement is therefore applied in the preparation of the financial statements, and they consider that the going concern assumption is appropriate based on the assumptions regarding future grant funding arrangements and other cash flows.

The directors do not consider there to be any key sources of estimation uncertainty that affect the financial statements.

3. Income

The following income was recognised in 2022/23 in accordance with the accounting policies noted above. All income is derived from activities undertaken from the United Kingdom.

	2023 £000	2022 £000
Grant income		
GLA grant	20,286	14,588
Other grants	1,515	1,167
	<hr/>	<hr/>
Total grant income	21,801	15,755
	<hr/> <hr/>	<hr/> <hr/>

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3. Income (continued)

	2023	2022
	£000	£000
Turnover from the provision of services		
Income from partners	4,013	2,106
Other commercial income	2,488	1,386
Domain registry services	862	917
	<u> </u>	<u> </u>
Total turnover from the provision of services	7,363	4,409
	<u> </u>	<u> </u>

The company received a grant of £20.3m (2022: £14.6m) from the Greater London Authority (GLA) for the international promotion of London.

4. (Deficit)/surplus before taxation

	2023	2022
	£000	£000
<i>The (deficit)/surplus before taxation is stated after charging/(crediting)</i>		
Government grants	-	(4)
Depreciation of owned tangible fixed assets	201	209
Amortisation of intangible fixed assets	33	40
Loss on foreign currency translation	32	4
Operating lease rentals (note 22)	791	946
Auditor's remuneration for statutory audit	56	49
Auditor's remuneration for:		
- Tax compliance services	13	11
- Other services	13	40
	<u> </u>	<u> </u>

Government grants

The company received a grant totalling £nil (2022: £4,091) from the UK Government in relation to the Coronavirus Job Retention Scheme. The scheme was introduced in March 2020 in an effort to help employers avoid the need to make mass redundancies as a result of the impact of COVID-19. The scheme was available for all UK companies with no attached conditions which may result in the funds needing to be repaid.

5. Staff numbers and costs

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

	Group	
	2023	2022
	No.	No.
Promotional activities	175	155
Management and administration	22	22
	<u> </u>	<u> </u>
	197	177
	<u> </u>	<u> </u>

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5. Staff numbers and costs (continued)

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	
	2023	2022
	£000	£000
Wages and salaries	9,876	9,476
Social security costs	1,251	1,164
Pension costs	1,136	1,114
	<hr/>	<hr/>
Payroll costs of staff numbers analysed above	12,263	11,754
Temporary staff and contractors	440	198
	<hr/>	<hr/>
Staff costs as presented in the income and expenditure account	12,703	11,952
	<hr/> <hr/>	<hr/> <hr/>

6. Directors' remuneration

In respect of the directors of London & Partners Limited:

	2023	2022
	£000	£000
Directors' emoluments	297	538
Company pension contributions included in directors' emoluments	30	63
	<hr/> <hr/>	<hr/> <hr/>
	Number of directors 2023	Number of directors 2022
Retirement benefits are accruing to the following number of directors under:		
Group personal pension plan	2	3
	<hr/> <hr/>	<hr/> <hr/>

The aggregate of emoluments of the highest paid director were £177,637 (2022: £277,842) which consisted of salary payments of £160,900 (2022: £250,420), and company pension contributions made to a group personal pension plan of £16,737 (2022: £27,423).

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 £2,089,947 (2022: £2,191,926). No bonuses were paid in respect of the 2021/22 or 2022/23 financial year.

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7. Interest receivable and similar charges

	2023 £000	2022 £000
Bank interest receivable	59	12

8. Interest payable and similar income

	2023 £000	2022 £000
Other interest payable	-	2

9. Taxation

Analysis of charge in period

	2023 £000	2022 £000
UK corporation tax	170	59
Adjustments in respect of prior year	16	12
Total current tax	186	71

	2023 £000	2022 £000
<i>Deferred tax</i>		
Origination and reversal of timing differences	(4)	(1)
Changes in tax rates	(1)	-
Adjustment in respect of prior periods	10	-
Total deferred tax	5	(1)
Tax on (deficit)/surplus on ordinary activities	191	70

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9. Taxation (continued)

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% (2022: 19%). The differences are explained below.

	2023 £000	2022 £000
Group (deficit)/surplus before tax	(382)	55
Group (deficit)/surplus multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	(73)	10
<i>Effects of:</i>		
Income/expenses not deductible for tax purposes	272	102
Income not taxable	(35)	(55)
Remeasurement of deferred tax	(7)	4
Movement in deferred tax not recognised	-	(3)
Adjustments in respect of the prior year – corporation tax	16	12
Adjustments in respect of the prior year – deferred tax	10	-
Fixed asset differences	8	-
Tax expense	191	70

Factors that may affect future, current and total tax charges

In March 2021, the Chancellor announced that the tax rate would increase from 19% to 25% with effect from 1 April 2023. This rate was substantively enacted by the balance sheet date and therefore has been used in the calculation of deferred tax.

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10. Intangible assets

	Group Software & other assets £000	Company Software & other assets £000
Cost		
At 1 April 2022	2,080	1,443
Additions	8	8
At 31 March 2023	<u>2,088</u>	<u>1,451</u>
Amortisation		
At 1 April 2022	2,025	1,388
Charge for the year	33	33
At 31 March 2023	<u>2,058</u>	<u>1,421</u>
Net book value		
At 31 March 2023	<u>30</u>	<u>30</u>
At 31 March 2022	<u>55</u>	<u>55</u>

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

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11. Tangible fixed assets

	Leasehold improvement, furniture & fittings	IT equipment	Total
	£000	£000	£000
Group and company			
Cost			
At 1 April 2022	1,330	548	1,878
Additions	-	127	127
	<u>1,330</u>	<u>675</u>	<u>2,005</u>
At 31 March 2023	1,330	675	2,005
	<u>1,330</u>	<u>675</u>	<u>2,005</u>
Depreciation			
At 1 April 2022	825	420	1,245
Charge for the year	104	97	201
	<u>929</u>	<u>517</u>	<u>1,446</u>
At 31 March 2023	929	517	1,446
	<u>929</u>	<u>517</u>	<u>1,446</u>
Net book value			
At 31 March 2023	401	158	559
	<u>401</u>	<u>158</u>	<u>559</u>
At 31 March 2022	505	128	633
	<u>505</u>	<u>128</u>	<u>633</u>

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

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12. Fixed Asset Investments

Company	2023 £000	2022 £000
Investments in subsidiaries	100	100
<hr/>		
Movements in fixed asset investments		Shares in
Company		group
		undertakings
		£000
Cost or valuation		
At 1 April 2022 and at 31 March 2023		100
		<hr/>
Carrying amount		
At 31 March 2023		100
		<hr/>
At 31 March 2022		100
		<hr/>

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	Percentage of ordinary 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%
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 169 Union Street, London, SE1 0LL 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.

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13. Debtors

Amounts falling due within one year:

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade debtors	1,765	1,357	656	965
Amounts owed by group undertakings	-	-	664	669
Corporation tax recoverable	-	9	-	-
Other debtors	88	168	49	52
Prepayments and accrued income	2,172	1,499	1,983	1,450
	<u>4,025</u>	<u>3,033</u>	<u>3,352</u>	<u>3,136</u>

Amounts falling due after more than one year:

Other debtors	25	48	-	-
Total debtors	<u>4,050</u>	<u>3,081</u>	<u>3,352</u>	<u>3,136</u>

Amounts owed by group undertakings are unsecured, repayable on demand and do not incur interest.

14. Creditors: amounts falling due within one year

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade creditors	396	611	387	539
Amounts owed to group undertakings	-	-	109	1
Other taxation and social security	522	430	512	392
Corporation tax payable	173	15	4	-
Other creditors	187	144	174	128
Accruals and deferred income	2,869	3,194	2,051	2,254
	<u>4,147</u>	<u>4,394</u>	<u>3,237</u>	<u>3,314</u>

Amounts owed to group undertakings are unsecured, repayable on demand and do not incur interest.

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15. Creditors: amounts falling due after more than one year

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Deferred income	110	126	-	-

Deferred income falling due within one year and after more than one year represents fees for domain name registration and related services billed to customers during the year with respect to future periods. The amount falling due after more than 5 years is £7,409 (2022: £9,962).

16. Provisions for liabilities

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Deferred tax liabilities	4	-	4	-
Dilapidations	3	3	3	3
	<u>7</u>	<u>3</u>	<u>7</u>	<u>3</u>

17. Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities	
	2023 £000	2022 £000
Group and company		
Accelerated capital allowances	4	-

	Group and company	
	2023 £000	
Movements in the year:		
Liability at 1 April 2022		-
Charge to profit or loss		4
Liability at 31 March 2023		<u>4</u>

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18. 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 £1,098,000 (2022: £1,114,000).

At 31 March 2023 contributions amounting to £99,498 (2022: £80,096) 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.

19. Reserves

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.

20. Reconciliation of deficit after tax to net cash generated from operations

	2023 £000	2022 £000
Deficit after tax	(573)	(16)
Adjustments for: Depreciation, amortisation and impairment charges	234	253
Increase in provisions	4	2
Interest receivable	(59)	(12)
Taxation	191	70
Interest paid	-	2
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(203)	299
(Increase)/decrease in trade and other debtors	(979)	1,907
Decrease in trade and other creditors	(420)	(2,142)
	<hr/>	<hr/>
Cash (used in)/generated from operations	(1,602)	64
	<hr/> <hr/>	<hr/> <hr/>

LONDON & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21. Analysis of changes in net funds - Group

	1 April 2022	Cash flows	31 March 2023
	£000	£000	£000
Cash at bank and in hand	5,123	(1,702)	3,421
	<u>5,123</u>	<u>(1,702)</u>	<u>3,421</u>

22. Operating lease commitments

Lessee

At the reporting end date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts due:				
Within one year	739	392	646	296
Between one and five years	2,519	2,224	2,519	2,224
	<u>3,258</u>	<u>2,616</u>	<u>3,165</u>	<u>2,520</u>
	<u>3,258</u>	<u>2,616</u>	<u>3,165</u>	<u>2,520</u>

23. Related party transactions

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.

24. Ultimate controlling party

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.

25. Post balance sheet events

After the balance sheet date, there has been a transfer of assets from MedCity Limited to London & Partners Limited on 1 April 2023. The total of the net assets transferred was £713,732.