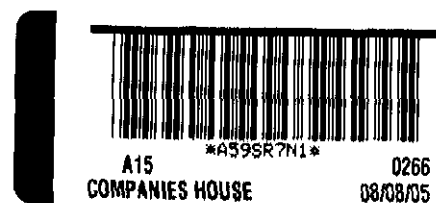


Company Registration No. 2756521

**London First (a company limited by
guarantee)
Report and Financial Statements**

31 March 2005



London First (a company limited by guarantee)

Report and financial statements 2005

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	7
Independent auditors' report	8
Income and expenditure account	9
Balance sheet	10
Cash flow statement	11
Notes to the cash flow statement	12
Notes to the accounts	13

London First (a company limited by guarantee)

Report and financial statements 2005

Officers and professional advisers

Directors

Stephen O'Brien (Chairman)
Jo Valentine (Chief Executive)
Clive Strowger (Hon Treasurer)

London First
London First
deltaDOT

Michael Anderson
Robert Blackwell
Sunny Crouch
Sir Graeme Davies
Desmond Gunewardena
Robert Heskett
Pierre Jeanjean
Wally Kumar
Richard Lewis
Helen Loose
Harvey McGrath
Maxwell Nisner
David North
Neil Sherlock
Ronald Spinney
Robert Webb

Appt 16 June 2004

Appt 20 January 2005

Appt 18 November 2004

Appt 20 January 2005

The Evening Standard
BT
Capital and Provident
University of London
Conran
Land Securities
JC Decaux
Development Securities
Curzon Global Partners
Ashurst
Man Group
PriceWaterhouseCoopers
Tesco
KPMG
Think London
British Airways

Secretary

Stephen Drury

Registered office

1 Hobhouse Court
Suffolk Street
London
SW1Y 4HH

Bankers

Barclays Bank PLC
155 Bishopsgate
London EC2M 3XA

Solicitors

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

Honorary auditors

Deloitte & Touche LLP
Chartered Accountants
London

London First (a company limited by guarantee)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2005.

London First is a company limited by guarantee and is exempt from using the word limited under Section 30 of the Companies Act 1985.

Results

The year-end results for London First show a surplus of £477,558 (2004 – surplus of £200,798). Overall income in the year showed an increase to £4,089,229 (2004 - £3,958,056). The private sector continued to provide strong support for the work of London First with membership subscriptions in the year of £3,090,523 (2004 - £2,843,945).

This year the company made a grant of £931,350 (2004 - £883,667) to Think London, to support its activities.

Principal activities and future prospects

London First is a business membership group working to improve and promote London with the objective of ensuring that London maintains and enhances its position as a leading world city. This is achieved by mobilising the experience, expertise and enthusiasm of the private sector to develop practical solutions to the challenges facing London and to lobby central and London government for the investment that London needs in its infrastructure.

London First delivers its activities with the support of the capital's major businesses in key sectors such as finance, professional services, property, ICT, creative industries, hospitality and retail. Membership also includes all of London's higher education institutions as well as further education colleges and NHS hospital trusts. Our members represent 26% of London's GDP.

London First has two principal subsidiaries; Think London which promotes London internationally for inward investment and Skills Festival Company which will be running a major four day career and training showcase in July 2005.

The company's priority remains the development and promotion of the case for additional investment in London's infrastructure. A key business plan aim was to secure a positive settlement for London in the 2004 spending review. This has been achieved with an extra £789m over five years and support for borrowing £2.9bn up to 2009/10 to fund transport improvement, including the extension of the East London line.

In order to maintain this pressure on central government the company has established close links with a number of relevant teams at HM Treasury. Business delegations have had regular meetings with key Treasury advisers and officials.

The campaign for government support for Crossrail has been successful with the deposit of a Hybrid Bill in February 2005 and expected second reading in June 2005. London First will maintain pressure on all stakeholders to ensure the delivery of the project and that business continues to be involved, particularly in relation to funding.

London First (a company limited by guarantee)

Directors' report

Principal activities and future prospects (continued)

Despite our successful work on campaigning for the Thames Gateway Bridge, including support from business, local authorities and the Mayor, the Office of the Deputy Prime Minister (ODPM) called in the application in January 2005 and London First will now be giving evidence, on behalf of business, in support of the Bridge at the public enquiry in June 2005, having raised a fighting fund from members.

Following the production of the document "Who is responsible for London? Running a world city", the company has continued to raise the debate on London's Governance structures and ran a series of debates at 2004 party conferences. Successes during the year include:

- Better integration between Tube and rail and more devolution on rail services: powers to devolve to Transport for London (TfL) in Railways Act 2005
- Legislation should provide for better co-ordination of road management: Traffic Management Act 2004 gives new powers to TfL over strategic borough roads and sets up new regime for utility street works
- Mayor's plan should take precedence as the key strategy document: Planning and Compulsory Purchase Act 2005 gives primary status to London Plan
- Legislation should provide for better co-ordination of road management: Traffic Management Act 2004 gives new powers to TfL over strategic borough roads and sets up new regime for utility street works
- Predictable financial support for TfL and freedom to borrow: Spending review 2004 gives 5 year funding and allows 'prudential' borrowing
- London police/business forum established
- Mayor to chair London Housing Board and allocate funding for subsidised housing: Government consulted on housing and planning in the regions September 2004
- Mayor's plan should take precedence as the key strategy document: Planning and Compulsory Purchase Act 2005 gives primary status to London Plan

Members have been consulted on Sir Michael Lyons' review of local authority funding, including the role of the business rate. Other consultations have included the Mayor's planning powers, the draft circular on planning gain and the draft Housing Provision Supplementary Planning Guidance. The company is making detailed recommendations to the Association of London Government and Greater London Authority governance commission.

In the run up to the 2004 Mayoral election, the company met with all the Mayoral candidates and, along with the other London business organisations, organised a successful Business Hustings.

The company has continued to hold regular meetings with the Mayor and his key advisors, particularly on transport, planning and economic development. The company has also continued its contact with key officials in the functional bodies, principally Transport for London and the London Development Agency. In particular, members have been engaged in direct dialogue with the Commissioner for Transport.

London First (a company limited by guarantee)

Directors' report

Principal activities and future prospects (continued)

The company also organised a series of dinners and events with key Ministers, including Rt Hon Nick Raynsford MP (Local Government), Rt Hon John Hutton MP (Health), Rt Hon Alan Johnson MP (Higher Education), Rt Hon Lord McIntosh (Gaming), Rt Hon Paul Boateng MP (HM Treasury), Rt Hon Keith Hill MP (Housing and Planning) and Stephen Timms MP (Energy). The company held events at all the main Party Conferences in the autumn of 2004 which attracted a number of London MPs and GLA Assembly members. Rt Hon Tessa Jowell MP (DCMS) was the key speaker at the London Party 2005.

The company met with a selection of London MPs including Mark Field (Cities of London and Westminster) and Sarah Teather (Brent East), and in the run up to the 2005 General Election we produced a business 'manifesto' which we presented to prospective parliamentary candidates at a series of Party-based events.

Following the Mayor's announcement to raise the congestion charge and extend the zone, the company has mounted a rigorous campaign to oppose these measures and set up a member task force to consider a London wide road pricing scheme to ensure that any scheme would competently manage congestion, generate revenue for re-investment into transport infrastructure, without burdening the economy or any individual business sector.

A Tube Business User Group has been formed to advise on the timing and location of tube closures which best suit business.

With nearly 1 in 5 businesses suffering a major disruption every year, we produced practical guidance for business outlining the importance of business continuity and planning for companies of all sizes. The booklet entitled "Expecting the unexpected" was a huge success and has been reprinted both by ODPM to circulate to 80,000 businesses across the regions and by Westminster City Council which has circulated it to 30,000 businesses within their area. It is also on the MI5 and UK Resilience/ London prepared websites.

In the area of skills development, the company has been successful in raising private sector funding for the SkillCity event, a major four day career and training showcase to be held at ExCeL in July 2005 which will attract 120,000 young visitors.

Further, the establishment of the Academies Sponsors' Trust in July 2004 to encourage and develop City Academies was facilitated by the company. The flagship teaching programme Teach First which recruits top flight graduates from leading universities to teach in London's deprived schools expanded to 65 schools with 192 teachers in only its second year of operation.

The company continues to work with London 2012 to encourage business support for the bid and the chairman formed a group of leading business figures to assist in this work. Further, the company engaged a range of organisations in a volunteering campaign in support of the Olympics.

London First (a company limited by guarantee)

Directors' report

Principal activities and future prospects (continued)

In December 2004, 700 delegates attended Genesis IV, the largest annual biotechnology conference in Europe which was organised by the company, showcasing new and emerging companies and technologies, the event demonstrates London's world leading status and work has begun on Genesis V which will be held in December 2005.

Lord Marshall launched in June 2004, the company's 'International Envoys for London' initiative which is jointly funded with Think London and Visit London. The project will promote London as a business and tourism destination overseas, using forty of the capital's business leaders. Other work in promoting London for business and tourism includes an event to showcase "the importance of the West End" in October 2004 at which the Mayor announced match funding of £3m in transport improvements for the West End Business Improvement District area.

The company has maintained and extended for a further two years to 2008 the financial support to its subsidiary company Think London (formerly London First Centre), the inward investment agency for London. This company was re-branded as Think London in November 2004 at a flagship event for 500 guests from London's global business community. A strategic review of the role of London First in the promotion of London for inward investment has been undertaken by Grant Thornton which included member research. The results are under consideration by the senior management teams of both companies who will make recommendations to the Boards during the coming year.

Membership attrition has stabilised at 13 per cent, the same level as the previous year, and member income increased by 9 per cent on an annual basis due mainly to the rise in the subscription. The core renewing membership increased by 7.4 per cent, whereas membership recruitment at 33 was below an expectation of 50 mainly due to the market uncertainty caused by the London Chamber of Commerce and Industry (LCCI) merger talks in autumn 2004.

Proposed Merger LCCI

London First received an approach in the summer of 2004, from LCCI to again consider, following the previous talks in 2001/02, merging the two organisations into a single powerful business organisation for London. London First's Board welcomed the approach and negotiations commenced in September 2004. However, it proved impossible to resolve a number of fundamental issues. In particular, it became evident that because of the distinct cultures of LCCI and London First, it would have taken an unacceptable length of time to reach agreement on operating style and organisational structure. Accordingly, the merger negotiations were terminated by mutual agreement in November 2004.

Members and guarantors

Members of London First are those companies which pay ordinary contributions to fund the core expenditure of the company, or companies which are given honorary membership status. Those members who pay ordinary contributions are guarantors of the company in the event of a winding up, with liability limited to £100 per member, and have voting rights at general meetings. At 31 March 2005, there were 256 guarantors on the register of members (2004 – 275).

London First (a company limited by guarantee)

Directors' report

Directors

A list of current directors who have served throughout the year, except where noted, is set out on page 1. The following directors also served throughout the year up until the date of their resignation as stated.

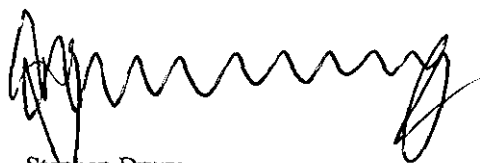
Maureen Salmon	Resigned 16 June 2004
Chai Patel	Resigned 18 November 2004

Black MBA Association
Priory

Auditors

A resolution for the reappointment of Deloitte & Touche LLP as honorary auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Stephen Drury
Secretary

16 June 2005

London First (a company limited by guarantee)

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of London First (a company limited by guarantee)

We have audited the financial statements of London First (a company limited by guarantee) for the year ended 31 March 2005 which comprise the income and expenditure account, the reconciliation of movement in accumulated deficit, the balance sheet, the cash flow statement, notes (i) to (iii) to the cash flow statement and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

17 June 2005

London First (a company limited by guarantee)

Income and expenditure account

Year ended 31 March 2005

	Note	2005 £	2004 £
Income	1		
Members' subscriptions		3,090,523	2,843,945
Donations in kind		25,000	25,000
Project and sundry income		973,706	1,089,111
		<u>4,089,229</u>	<u>3,958,056</u>
Expenditure			
Salaries	3	1,698,901	1,735,441
Consultancy fees		302,118	221,440
Travelling, subsistence and entertaining		31,920	50,284
Depreciation	5	67,340	62,035
Rent and rates		254,257	293,149
General expenses		347,504	489,949
Publications		19,353	35,197
Grant to Think London	6a	931,350	883,667
		<u>3,652,743</u>	<u>3,771,162</u>
Surplus on operations before interest and taxation	2	436,486	186,894
Bank deposit interest receivable		54,785	22,191
Surplus before taxation		491,271	209,085
Taxation	4	(13,713)	(8,287)
Surplus after taxation		<u>477,558</u>	<u>200,798</u>
Reconciliation of movement in accumulated deficit			
Balance at 1 April		(483,359)	(684,157)
Surplus for the year		477,558	200,798
Balance at 31 March		<u>(5,801)</u>	<u>(483,359)</u>

The income and expenditure account relates to continuing operations, includes all gains or losses recognised in the year and the surplus for the year represents the only movement in reserves. As a result, no statement of total recognised gains and losses is presented.

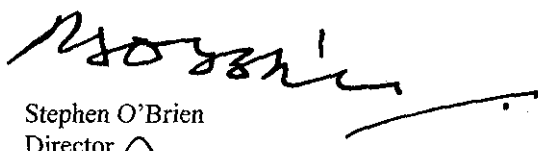
London First (a company limited by guarantee)

Balance sheet 31 March 2005

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	5	51,912	85,095
Investments	6,7	-	-
		<u>51,912</u>	<u>85,095</u>
Current assets			
Debtors	8	546,697	491,449
Cash at bank and in hand	9	2,032,930	1,215,713
		<u>2,579,627</u>	<u>1,707,162</u>
Creditors: amounts falling due within one year	10	(2,637,340)	(2,275,616)
Net current liabilities		<u>(57,713)</u>	<u>(568,454)</u>
Total assets less current liabilities		<u>(5,801)</u>	<u>(483,359)</u>
Represented by:			
Accumulated (deficit)		<u>(5,801)</u>	<u>(483,359)</u>

These financial statements were approved by the Board of Directors on 16 June 2005.

Signed on behalf of the Board of Directors


Stephen O'Brien
Director


Clive Strawger
Director

London First (a company limited by guarantee)

Cash flow statement

Year ended 31 March 2005

	Note	2005 £	2004 £
Net cash inflow from operating activities	i	804,876	826,074
Returns on investments and servicing of finance			
Interest received		54,785	22,191
Taxation			
Corporation tax paid		(8,287)	(23,282)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(34,157)	(66,244)
Increase in cash in the year	ii	<u>817,217</u>	<u>758,739</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		817,217	758,739
Movement in net funds in the year			
Net funds at beginning of the year		<u>1,215,713</u>	<u>456,974</u>
Net funds at the end of the year	ii	<u>2,032,930</u>	<u>1,215,713</u>

London First (a company limited by guarantee)

Notes to the cash flow statement **Year ended 31 March 2005**

(i) Reconciliation of surplus on operations before interest and taxation to net cash inflow from operating activities

	2005 £	2004 £
Surplus on operations before interest and taxation	436,486	186,894
Depreciation	67,340	62,035
(Increase)/decrease in debtors	(55,248)	157,278
Increase in creditors	356,298	419,867
Net cash inflow from operating activities	<u>804,876</u>	<u>826,074</u>

(ii) Analysis of net funds

	At 1 April 2004 £	Cash Inflow £	At 31 March 2005 £
Cash at bank and in hand	<u>1,215,713</u>	<u>817,217</u>	<u>2,032,930</u>

(iii) Material non-cash transactions

Corporate donations in kind received:

	2005 £	2004 £
Secondments, premises and professional services	<u>25,000</u>	<u>25,000</u>

London First (a company limited by guarantee)

Notes to the accounts

Year ended 31 March 2005

1. Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention (except for the valuation of donations in kind and donated fixed assets) and in accordance with applicable United Kingdom accounting standards. The company does not seek to make a profit, nor can its achievements be measured by commercial criteria. In order that a true and fair view can be given in these accounts, the directors have set out on page 7, an Income and Expenditure Account which shows the results for the year, but in a format other than as prescribed in the Companies Act 1985. In the opinion of the directors, this format more closely reflects the nature of the company's activities and discloses in sufficient detail information related thereto. These policies have been applied consistently throughout the current and prior year.

A summary of the principal accounting policies of the company is set out below.

Income

Contributions are apportioned to financial periods based on the period to which the income relates. Income received for specific projects is accounted for as deferred income until spent or projects are completed.

Donations in kind are valued by the directors at a reasonable estimate of their value to the company and are credited to income when received. There are certain other donations in kind which have also been gratefully received but as they cannot be readily quantified they have not been included in income.

Expenditure

Expenditure (excluding grants) is accounted for on an accruals basis, and includes donated staff and services. Grants to subsidiaries are accounted for on an annual basis, and are based on the need to support the activities of the subsidiaries.

Tangible fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental costs of acquisition.

Tangible fixed assets donated to the company are valued by the directors at a reasonable estimate of their value to the company.

Provision for depreciation is made so as to write off the cost or valuation of tangible fixed assets, less any residual value, on a straight line basis over the expected useful economic lives of the assets concerned. A full year's depreciation is charged in the year of purchase, and none in the year of disposal. The annual rates used for this purpose are:

Computer equipment	33 1/3%
Equipment, fixtures and fittings	20%

Leases

Payments under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Investments

No amounts are recorded in respect of the company's interests in subsidiaries and other investments since all investee companies are limited by guarantee and, therefore, have no share capital.

Group accounts have not been prepared as the company has taken advantage of the provisions under section 248 of the Companies Act 1985 not to prepare group accounts.

London First (a company limited by guarantee)

Notes to the accounts

Year ended 31 March 2005

1. Accounting policies (continued)

Taxation

Tax is not charged on trading profit, as the company is not run to make profits. Tax on profits from the letting of office space and interest receivable is charged at the corporation tax rate of 19%.

The company has adopted Financial Reporting Standard 19 'Deferred Tax'. However, this has had no impact on the results of the current or prior periods.

2. Surplus on operations before interest and taxation

The auditors have agreed to provide their services for audit, tax and other advice on an honorary basis. Therefore, the auditors' remuneration charged in these accounts for these items represents a corporate donation in kind.

The results are stated after charging/(crediting):

	2005 £	2004 £
Rental income	(116,722)	(192,756)
Operating lease rentals: - hire of equipment	-	812
- other operating leases	157,500	196,116
Depreciation	67,340	62,035
Auditors' remuneration: - audit	21,000	21,000
- tax and other advice	4,000	4,000
- due diligence	15,000	-

3. Information regarding directors and employees

At 31 March 2005, the company employed salaried persons and benefited from additional voluntary and seconded staff. The average number of employees employed on core activities throughout the year was 40 (2004 - 42) including seconded staff.

	2005 £	2004 £
Total gross wages and salaries	1,452,713	1,507,954
Employer's national insurance contributions	177,540	194,192
Seconded staff	-	-
Temporary staff	68,648	33,295
	<u>1,698,901</u>	<u>1,735,441</u>

The total directors' emoluments for the year were £152,500 (2004 - £185,417).

Mr Stephen O'Brien is Chairman of London First. His emoluments were £25,000 (2004 - £67,917).

Ms Jo Valentine is Chief Executive of London First. Her emoluments were £127,500 (2004 - £112,500). She also received a contribution of £5,000 to her pension scheme.

No other director received any emoluments during the year.

London First (a company limited by guarantee)

Notes to the accounts

Year ended 31 March 2005

4. Taxation

	2005 £	2004 £
United Kingdom corporation tax at 19 % (2004 – 30%)	13,713	8,287

Tax is not charged on trading profit, as the company is not run to make profits. Tax on profits from the letting of office space and interest receivable is charged at the corporation tax rate of 19%. This reconciles to reported surplus for the year as follows:

	2005 £	2004 £
Surplus before taxation	491,271	209,085
Tax charge on surplus before taxation at 19 % (2004: 30%)	93,341	62,726
Income exempt from tax	(79,628)	(54,439)
Total actual amount of current tax	13,713	8,287

5. Tangible fixed assets

	Computer equipment £	Equipment, fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2004	144,671	38,653	183,324
Additions	34,157	-	34,157
At 31 March 2005	178,828	38,653	217,481
Accumulated depreciation			
At 1 April 2004	75,957	22,272	98,229
Charge for the year	59,609	7,731	67,340
At 31 March 2005	135,566	30,003	165,569
Net book value			
At 31 March 2005	43,262	8,650	51,912
At 31 March 2004	68,714	16,381	85,095

London First (a company limited by guarantee)

Notes to the accounts

Year ended 31 March 2005

6. Investments: subsidiary companies

- (a) Think London, a company limited by guarantee, was incorporated on 1 February 1994 in Great Britain with the company as its sole member (London First remains the sole member). London First cannot benefit financially from this investment as the constitution of Think London debars it from making any form of distribution to its members.

Think London, which promotes and facilitates the location in London of national and international businesses, is financed by contributions from the London Development Agency, local government and the private sector. The majority of invoicing for the private sector is now accounted for through London First.

During the year London First made a grant of £931,350 (2004 – £883,667) to Think London. Extracts from the unaudited statutory accounts of Think London are:

	2005 £	2004 £
Turnover	3,429,828	2,854,759
Less expenditure	(3,373,818)	(2,544,735)
Surplus	56,010	310,024
Net assets	366,034	310,024

- (b) London Medicine, a company limited by guarantee, was incorporated on 18 June 1996 in Great Britain. On 11 January 1999 London First became the sole member of the company (London First remains the sole member).

Activity within London Medicine ceased in 2002 and the company will become dormant in the next financial year.

Extracts from the unaudited management accounts of London Medicine are:

	2005 £	2004 £
Turnover	228	233
Less expenditure	(230)	(232)
(Deficit)/Surplus	(2)	1
Net surplus	-	2

- (c) Skills Festival Company, a company limited by guarantee, was incorporated on 31 October 2003 in Great Britain with the company as its sole member (London First remains the sole member).

Skills Festival Company, will be running a major four day career and training showcase in July 2005 which aims to attract 120,000 young visitors. It is financed by contributions from local and central government and the private sector.

London First (a company limited by guarantee)

Notes to the accounts

Year ended 31 March 2005

6. Investments: subsidiary companies (continued)

Extracts from the unaudited management accounts of Skills Festival Company are:

	2005	1 Oct 2003 to 31 March 2004
	£	£
Turnover	1,018,302	33,741
Less expenditure	(1,018,302)	33,741
Result	-	-
Net Surplus	-	-

7. Investments: other

- (a) The London Accord, a charitable company limited by guarantee, was incorporated on 24 March 1999 in Great Britain in equal partnership with Business in the Community. London First cannot benefit financially from this investment as the constitution of The London Accord debars it from making any form of distribution to its members.

The London Accord, which was established to advance the educational achievement in the state maintained sector through developing partnerships between schools and businesses in the public and private sectors, has been financed by contributions from local and central government and the private sector. It is expected that the company will be wound up in the next financial year

Extracts from the unaudited management accounts of The London Accord to 31 March 2005 are:

	2005	2004
	£	£
Turnover	422,030	381,478
Less expenditure	(356,869)	(476,058)
Surplus/(deficit)	65,161	(94,580)
Accumulated surplus/(deficit)	9,318	(55,843)

- (b) London Waste Action, a charitable company limited by guarantee, was incorporated on 23 May 1997 in Great Britain in equal partnership with Association of London Government. London First cannot benefit financially from this investment as the constitution of London Waste Action debars it from making any form of distribution to its members.

London Waste Action was established to promote for the public benefit waste management practices which promote conservation, protection, improvement and sustainability of the physical and natural environment in and around London. It has been financed by contributions from local and central government and the private sector.

London First (a company limited by guarantee)

Notes to the accounts

Year ended 31 March 2005

7. Investments: other (continued)

Extracts from the unaudited management accounts of London Waste Action to 31 March 2005 are:

	2005 £	2004 £
Turnover	15,648,890	25,679,310
Less expenditure	(15,083,456)	(25,532,376)
Surplus	<u>565,433</u>	<u>146,934</u>
Accumulated surplus	<u>1,034,233</u>	<u>468,800</u>

- (c) The London Alliance is an equal partnership with Business in the Community to spread corporate social responsibility amongst businesses. The company was incorporated on 26 June 2001 but has not yet commenced activities. Consequently, no assets or liabilities are recorded at the end of March 2004 and hence no financial extract is shown.

- (d) Teach First, a company limited by guarantee, was incorporated on 5 July 2002 in Great Britain in equal partnership with Business in the Community and became registered as a charity in July 2003. London First cannot benefit financially from this investment as the constitution of Teach First debars it from making any form of distribution to its members.

Teach First was established to help raise the status of teaching and provide more high quality teachers for secondary schools in London by attracting high achieving graduates who would not normally go into teaching.

Extracts from the unaudited management accounts of Teach First to 31 March 2005 are:

	2005 £	2004 £
Turnover	1,685,669	1,226,694
Less expenditure	(1,676,566)	(1,327,780)
Surplus/(Deficit)	<u>9,103</u>	<u>(101,086)</u>
Accumulated surplus	<u>56,272</u>	<u>47,169</u>

- (e) London Remade Limited was incorporated on 3 October 2000 with London Waste Action as its sole member. Its name was changed to LRL Limited on 28 September 2001. Its primary objective up to November 2001, was to develop markets for recycled waste products. Following a reorganisation its primary activity is to act as the accountable body responsible for distribution of Single Budget Regeneration funds.

London First (a company limited by guarantee)

Notes to the accounts

Year ended 31 March 2005

7. Investments: other (continued)

Extracts from the unaudited management accounts of LRL Limited to 31 March 2005 are:

	2005 £	2004 £
Turnover	104,064	1,114,408
Less expenditure	(109,069)	(1,114,230)
(Deficit)/surplus	(5,005)	178
Accumulated surplus	1,992	6,997

8. Debtors

	2005 £	2004 £
Membership debtors	234,210	219,246
Project and other debtors	237,052	197,817
Amount owed by Skills Festival Company	24,561	27,885
Staff loans	3,902	5,487
Prepayments and accrued income	46,972	41,014
	546,697	491,449

9. Cash at bank and in hand

	2005 £	2004 £
Held at bank on behalf of specific projects	12,681	66,201
Other cash at bank	2,020,249	1,149,512
	2,032,930	1,215,713

London First (a company limited by guarantee)

Notes to the accounts

Year ended 31 March 2005

10. Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	114,004	67,897
Amount owed to Think London	530,319	279,183
Corporation tax	14,112	8,686
Other taxation and social security	79,746	116,627
Accruals and deferred income		
Accruals	237,925	97,674
Deferred income	1,661,234	1,705,549
	1,899,159	1,803,223
	<u>2,637,340</u>	<u>2,275,616</u>

11. Financial commitments

There were no capital commitments at the year-end (2004 – £nil).

The company was committed to making the following payments during its next year in respect of non-cancellable operating leases:

	2005		2004	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire in less than one year	<u>157,500</u>	<u>-</u>	<u>71,346</u>	<u>-</u>

12. Related party transactions

During the year the following related party transactions took place:

- Think London was invoiced £529,470 (2004 – £483,281) by the company to cover salary, overheads and other administrative costs.
- Think London invoiced the company £252,382 (2004 – £269,916) to cover overheads and other administrative costs.
- Skills Festival Company was invoiced £68,387 (2004 – £27,885) to cover salary, overheads and other administrative costs.
- The company made a grant to Think London of £931,350 (2004 – £883,667) in order to support the activities of Think London.
- Teach First was invoiced £ 2,154 (2004 - £21,556) by the company for administrative support costs.
- The company made a grant to London Medicine of £28 (2004 - £33) in order to support the activities of London Medicine
- The company employed Dermot O'Brien as a consultant and made payments totalling £49,950 in connection with a project for the Government Office for London on Youth Crime and Business.

Balances owed to or from these related parties are disclosed elsewhere in these accounts.