

**Company Registration No 2756521**

**LONDON FIRST**  
**(a company limited by guarantee)**

**Report and Financial Statements**

**31 March 2013**



**( - 11/06/2013)**

**LONDON FIRST**  
**(a company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS 2013**

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**LONDON FIRST**  
**(a company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS 2013**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS AND THE ENTITIES THEY REPRESENT**

Philip Dilley (Chairman)	Arup
Baroness Jo Valentine (Chief Executive)	London First
Clive Strowger (Hon Treasurer)	
Stephen Alden (appointed 16 August 2012)	Maybourne Hotel Group
Roger Bright	
Emma Gilthorpe	Heathrow Airport Holdings
Des Gunewardena	D&D London
Duncan Ingram	
Annette King	OgilvyOne
Simon Johnston	McArthurGlen
Prof David Latchman	Birkbeck College
Victoria Mitchell	Savills
Chet Patel (appointed 7 March 2013)	BT
Bob Rothenberg (appointed 14 June 2012)	Blick Rothenberg
Paul Spanswick	Nomura
Peter Vernon	Grosvenor
Stephen Warrington (appointed 14 June 2012)	PricewaterhouseCoopers

**SECRETARY**

Stephen Drury

**REGISTERED OFFICE**

3 Whitcomb Street  
London WC2H 7HA

**BANKERS**

Royal Bank of Scotland  
London Drummonds Branch  
49 Charing Cross Road  
London, SW1A 2DX

**SOLICITORS**

Bates Wells & Braithwaite  
2-6 Cannon Street  
London EC4M 6YH

**AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cambridge

# **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 2013

### **RESULTS**

The year end results for London First show a surplus of £13k before tax on its normal activities which was in line with expectations. The private sector continued to provide strong support for the work of London First with membership subscriptions in the year of £3,031k (2012 - £2,933k). The year saw a low member attrition rate and adequate member recruitment.

The activities of the company also include the management of restricted funds relating to a grant from London & Partners International (formerly Think London and a former subsidiary). This will be used to promote London for the benefit of business in the region of London and will continue to affect the overall year end results whilst it distributes grants. During the year, the level of the company's restricted funds fell from £1,019k to £982k which was largely as a consequence of a grant of £50k being awarded by the Board sub-Committee charged with managing distribution. Including the grant, the year end results show a deficit of £21k before tax.

London First does not have any financial instruments other than cash and short term debtors and creditors. Cash balances are held with the Royal Bank of Scotland and earn competitive rates of interest. Investments, in the form of cash deposits, are held with the Co-operative Bank.

### **PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS**

#### ***London First***

London First is a business-led membership organisation with the aim of promoting and supporting national and local policies and activity that contribute to maintaining London's status as the best city in the world in which to do business. Its members include leading firms in the property, finance, retail, technology, utilities, infrastructure, professional services and hospitality sectors, as well as London's leading higher education establishments. It employs around 30 staff, all in its central London office.

The organisation is not affiliated to any political party and does not lobby on behalf of individual members. It focuses on issues that have an impact on London's competitiveness, including its transport infrastructure and its transport links with other economies, planning policies and practices, maintaining London as Europe's pre-eminent financial services centre, ensuring that obstacles to talented individuals from abroad working or studying in the UK are minimised, and personal and business tax policies that undermine the UK's reputation as having a stable and proportionate tax regime.

London First's credibility is built upon the diversity and very high calibre of its membership and the individuals from its member firms with which it engages, the quality of its analysis and policy outputs and the constructive approach that it takes in its relationships with local and national government. Thus, it provides a highly effective voice for its members' shared interest in maintaining London's success.

Overall reserves total £1,960k. £982k of this relates to the balance of grant from London & Partners International and £978k relates to the unrestricted reserves of London First. The Board has a policy of seeking to achieve a level of unrestricted reserves sufficient to cover six months' salary and accommodation costs to guard against unforeseen circumstances. Good progress has been made in recent years in increasing reserves towards the target. This has been maintained in the current year and at the end of March 2013 the level of cover, including the reserves of Skills Festival Company, is the equivalent of six months' costs.

**LONDON FIRST**  
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**DIRECTORS' REPORT**

**PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS (continued)**

***London First (continued)***

The Board is supported in its management of the company by four Committees covering nominations, remuneration, finance and the use of the grant from London & Partners International (formerly Think London)

A review of risk management and insurances is undertaken by the Finance Committee prior to submission to the Board for approval each year. The review outlines high end risks faced by the organisation which include those relating to membership and income, reputation, corporate and projects and the actions that would be taken in mitigation.

London First has one active wholly owned subsidiary, Skills Festival Company

***Skills Festival Company***

The principal activity of the Skills Festival Company, which is a wholly-owned subsidiary of London First, is to run "Skills London". The next Skills London event will be held at ExCel in November 2013 with a target to attract 30,000 15 - 24 year olds over two days. The event is being run in partnership with Prospects Services Ltd.

**GOING CONCERN**

The directors are confident that the company has adequate reserves and resources to continue operations for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 'Accounting Policies' in the financial statements.

**MEMBERS AND GUARANTORS**

Members of London First are those organisations which pay ordinary contributions to fund the core expenditure of the company, or companies which are given honorary membership status. Members 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 2013, there were 188 guarantors on the register of members (2012 - 188).

**DIRECTORS**

A list of current directors who have served during the year is set out on page 1. The following directors and the entities they represent also served during the year up until the date of their resignations below.

Andy Street	(Resigned 31 December 2012)	John Lewis
Isabel Fernandez	(Resigned 14 June 2012)	GE Capital

**LONDON FIRST**  
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**DIRECTORS' REPORT**

**AUDITOR**

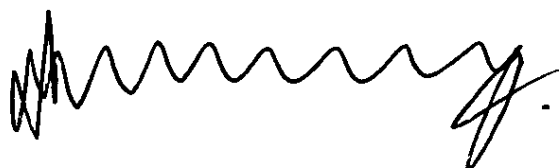
Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

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

A handwritten signature in black ink, appearing to be 'Stephen Drury', with a stylized, wavy line extending from the left and a small flourish at the end.

Stephen Drury

Company Secretary

13 June 2013

**LONDON FIRST**  
**(a company limited by guarantee)**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 affairs of the company and of the profit or loss of 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 judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON FIRST**

We have audited the financial statements of London First for the year ended 31 March 2013 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its deficit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.




## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON FIRST (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



**William Crane (Senior Statutory Auditor)**  
**For and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
Cambridge, United Kingdom

13 June 2013

**LONDON FIRST**  
(a company limited by guarantee)

**INCOME AND EXPENDITURE ACCOUNT**  
**Year ended 31 March 2013**

	Note	General £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
<b>INCOME</b>					
Members' subscriptions		3,031	-	3,031	2,933
Project and sundry income		605	-	605	550
		<u>3,636</u>	<u>-</u>	<u>3,636</u>	<u>3,483</u>
<b>EXPENDITURE</b>					
Salaries	2	2,583	-	2,583	2,427
Consultancy fees		184	-	184	96
Grants		-	50	50	70
Depreciation	6	60	-	60	60
Rent and rates		248	-	248	227
Operating expenses		588	-	588	676
		<u>3,663</u>	<u>50</u>	<u>3,713</u>	<u>3,556</u>
<b>OPERATING DEFICIT BEFORE INTEREST AND TAXATION</b>					
	3	(27)	(50)	(77)	(73)
Interest receivable		40	16	56	43
		<u>40</u>	<u>16</u>	<u>56</u>	<u>43</u>
<b>SURPLUS (DEFICIT) BEFORE TAXATION</b>					
		13	(34)	(21)	(30)
Taxation	5	(8)	(3)	(11)	(9)
		<u>5</u>	<u>(37)</u>	<u>(32)</u>	<u>(39)</u>
<b>SURPLUS (DEFICIT) AFTER TAXATION</b>					
	11	<u>5</u>	<u>(37)</u>	<u>(32)</u>	<u>(39)</u>

All activities derive from continuing operations

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

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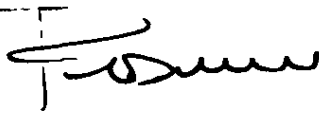
**BALANCE SHEET**  
**31 March 2013**

	Note	2013 £'000	2012 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	13	73
Investments	7	-	-
		<u>13</u>	<u>73</u>
<b>CURRENT ASSETS</b>			
Debtors	8	297	281
Investments	9	1,250	2,500
Cash at bank and in hand		3,021	1,590
		<u>4,568</u>	<u>4,371</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(2,621)</u>	<u>(2,452)</u>
<b>NET CURRENT ASSETS</b>		<u>1,947</u>	<u>1,919</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,960</u>	<u>1,992</u>
<b>REPRESENTED BY:</b>			
Accumulated surpluses	11		
Restricted		982	1,019
Unrestricted		978	973
		<u>1,960</u>	<u>1,992</u>

The financial statements of London First, registered number 2756521, were approved by the Board of Directors and authorised for issue on *13 June 2013*

Signed on behalf of the Board of Directors

Philip Dilley  
Director



Clive Strowger  
Director



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**CASH FLOW STATEMENT**  
**Year ended 31 March 2013**

	<b>Note</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>Net cash inflow from operating activities</b>	<b>A</b>	<b>134</b>	<b>1,192</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		56	43
<b>Taxation</b>			
Corporation tax paid		(9)	(5)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		-	(38)
<b>Cash inflow before use of liquid resources</b>		<b>181</b>	<b>1,192</b>
<b>Management of liquid resources</b>			
Cash withdrawn from /(placed on) deposit		1,250	(2,500)
<b>Increase/(decrease) in cash in the year</b>	<b>B</b>	<b>1,431</b>	<b>(1,308)</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
Increase/(decrease) in cash in the year		1,431	(1,308)
Cash (outflow)/inflow from change in liquid resources		(1,250)	2,500
<b>Change in net funds resulting from cash flows</b>		<b>181</b>	<b>1,192</b>
<b>Net funds at beginning of the year</b>		<b>4,090</b>	<b>2,898</b>
<b>Net funds at the end of the year</b>	<b>B</b>	<b>4,271</b>	<b>4,090</b>

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**NOTES TO THE CASH FLOW STATEMENT**  
**Year ended 31 March 2013**

**A) RECONCILIATION OF DEFICIT ON OPERATIONS BEFORE INTEREST AND TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Deficit on operations before interest and taxation	(77)	(73)
Depreciation	60	60
(Increase)/decrease in debtors	(16)	1,370
Increase/(decrease) in creditors	167	(165)
	<u>134</u>	<u>1,192</u>
Net cash inflow from operating activities	<u>134</u>	<u>1,192</u>

**B) MOVEMENT IN NET FUNDS**

	<b>At 1 April</b>	<b>Cash</b>	<b>At 31</b>
	<b>2012</b>	<b>(outflow)/</b>	<b>March</b>
	<b>£'000</b>	<b>inflow</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	1,590	1,431	3,021
Current asset investments	2,500	(1,250)	1,250
	<u>4,090</u>	<u>181</u>	<u>4,271</u>

	<b>At 1 April</b>	<b>Cash</b>	<b>At 31</b>
	<b>2011</b>	<b>(outflow)/</b>	<b>March</b>
	<b>£'000</b>	<b>inflow</b>	<b>2012</b>
		<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	2,898	(1,308)	1,590
Current asset investments	-	2,500	2,500
	<u>2,898</u>	<u>1,192</u>	<u>4,090</u>

**LONDON FIRST**  
**(a company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2013**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The accounts have been prepared under the historical cost convention (except for the valuation of donations in kind and donated fixed assets) on a going concern basis, 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 alone. In order that a true and fair view can be given in these accounts the directors have set out on page 8 an Income and Expenditure Account which show the results for the year, but in a format other than as prescribed in the Companies Act 2006. 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.

A summary of the principal accounting policies of the company is set out below. These policies have been applied consistently throughout the current and prior year.

**Group accounts**

Group accounts have not been prepared as the group qualifies as a small sized group.

**Going concern**

The directors are confident that the company has adequate reserves and resources to continue operations for the foreseeable future and is well placed to manage its business risks successfully despite the current economic outlook. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**Income**

Income is 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.

Government grants, sundry income and bank deposit interest are recognised on a receivable basis.

Those donations in kind that can be quantified 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.

**Fund accounting**

Income received for specified purposes is considered to be restricted and may only be applied for those purposes. Income which may be applied to any of the company's purposes is treated as totally unrestricted unless it has been designated by the directors for specific purposes.

**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%

**LONDON FIRST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2013**

**1. ACCOUNTING POLICIES (continued)**

**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

**Pension costs**

The company contributes to a defined contribution scheme. The amount charged to the income and expenditure account in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

**Taxation**

Tax is not charged on the surplus except rental income and bank interest received, 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 20% (2012 - 20%)

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

**2. EXPENDITURE**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	2,583	2,427
Consultancy fees	184	96
Grants	50	70
Depreciation	60	60
Rent and rates	248	227
Operating costs	476	610
Travelling, subsistence and entertaining	51	23
Publications	61	43
<b>Expenditure</b>	<b>3,713</b>	<b>3,556</b>

**LONDON FIRST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2013**

**3 OPERATING DEFICIT**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>The results are stated after charging/(crediting)</b>		
Rental income	(30)	(22)
Operating lease rentals		
Land and buildings	222	221
Depreciation	60	60
Auditor's remuneration		
- audit	15	12
- tax	3	2
- other services pursuant to legislation	-	1
- other services	2	32
	<u>          </u>	<u>          </u>

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The company employed salaried persons and benefited from additional voluntary and seconded staff

	<b>2013</b>	<b>2012</b>
	<b>No</b>	<b>No</b>
The average number of employees employed, including seconded staff, on core activities throughout the year was	31	32
	<u>          </u>	<u>          </u>
	<b>£'000</b>	<b>£'000</b>
Total gross wages and salaries	2,227	2,081
Employer's national insurance contributions	269	252
Pension scheme costs	70	64
Temporary staff	17	30
	<u>          </u>	<u>          </u>
	2,583	2,427
	<u>          </u>	<u>          </u>

The total director's emoluments, being the highest paid director, for the year were £243k (2012 - £246k), and pension contributions were £13k (2012 - £12k) Non-executive directors do not receive any remuneration or expenses

**5. TAXATION**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
United Kingdom corporation tax at 20% (2012 - 20%)	11	9
	<u>          </u>	<u>          </u>
	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Deficit before taxation	(21)	(30)
	<u>          </u>	<u>          </u>
Tax charge on deficit before taxation at 20% (2012 - 20%)	(4)	(6)
<b>Factors affecting tax charge for the year:</b>		
Amounts exempt from tax	15	15
	<u>          </u>	<u>          </u>
Total actual amount of current tax	11	9
	<u>          </u>	<u>          </u>



**LONDON FIRST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2013**

**6. TANGIBLE FIXED ASSETS**

	<b>Computer equipment £'000</b>	<b>Equipment, fixtures and fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 April 2012 and 31 March 2013	109	178	287
<b>Accumulated depreciation</b>			
At 1 April 2012	72	142	214
Charge for the year	25	35	60
At 31 March 2013	97	177	274
<b>Net book value</b>			
At 31 March 2013	12	1	13
At 31 March 2012	37	36	73

**7 INVESTMENTS: SUBSIDIARY UNDERTAKING**

Skills Festival Company, a company limited by guarantee, was incorporated on 31 October 2003 in England and Wales with the company as its sole member. London First, as its sole member, cannot benefit financially from this investment as the constitution of Skills Festival Company debars it from making any form of distribution to its members.

In November 2012, the Skills Festival Company held a repeat of the 2010 Skills London event and will do so again in November 2013. The year on year differences in turnover and expenditure relate to the timing of events with the 2010 event being reflected in the 2011 accounts.

Extracts from the unaudited management accounts of Skills Festival Company to 31 March 2013 are

	<b>2013 £'000</b>	<b>2012 £'000</b>
Turnover	336	75
Less expenditure	(301)	(90)
Surplus on normal activities	35	(15)
Funding of London First's board strategy	(50)	-
Deficit	(15)	(15)
Accumulated surplus	499	514

The deficit of £15k in 2012/13 is after allowing for £50k relating to the funding of London First's board strategy work. Without this, Skills Festival Company would have shown a surplus in the year of £35k.

**LONDON FIRST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. DEBTORS**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year		
Membership debtors	124	127
Project and other debtors	80	65
Amount owed by London Business Club	-	1
Staff loans	11	11
Prepayments and accrued income	82	77
	<u>297</u>	<u>281</u>

**9. CURRENT ASSET INVESTMENTS**

Surplus cash balances are invested in short term deposits with a major UK bank

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Short term deposits	<u>1,250</u>	<u>2,500</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	117	62
Amounts owed to Skills Festival Company	441	306
Corporation tax	11	9
Other taxation and social security	87	66
Accruals and deferred income	1,965	2,009
	<u>2,621</u>	<u>2,452</u>

**11. ACCUMULATED SURPLUSES**

	<b>Restricted</b>	<b>Unrestricted</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April 2012	1,019	973
(Deficit)/surplus for the year	(37)	5
At 31 March 2013	<u>982</u>	<u>978</u>
At 1 April 2011	1,097	934
(Deficit)/surplus for the year	(78)	39
At 31 March 2012	<u>1,019</u>	<u>973</u>

Restricted Reserves represent funds which must be used to promote London for the benefit of business in the region of London in accordance with the objects of London & Partners International

**LONDON FIRST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2013**

**12. FINANCIAL COMMITMENTS**

There were no capital commitments at the year end (2012 - £nil)

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

	Land and buildings		Other	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Leases which expire				
After five years	200	200	-	-

**13. RELATED PARTY TRANSACTIONS**

During the year to March 2013 the following related party transactions took place

- a) The company invoiced London Business Club, a company of which London First is one of 3 guarantors, £1,985 (2012 - £nil) to cover operating costs London Business Club invoiced the company £50,000 to cover a grant award (2012 - £20,000)
- b) The company invoiced Skills Festival Company £62,872 (2012 - £12,147) to cover an apprentice, administrative costs and the development of London First's board strategy