



REGISTRAR OF COMPANIES

LONDON FIRST

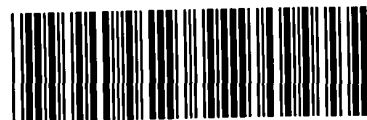
(a company limited by guarantee)

Company Registration No. 2756521

Report and Financial Statements

30 September 2017

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COMPANIES HOUSE

LONDON FIRST
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS 30 SEPTEMBER 2017

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REPORT AND FINANCIAL STATEMENTS 30 SEPTEMBER 2017

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

John Allan (chairman).
Roger Bright
Angela Jain
Peter Kiernan
Carole Machell
Craig McWilliam
Chet Patel
Mark Reynolds
Bob Rothenberg (hon. treasurer)
David Sproul
Caroline Thomson
John Tucker
Stephen Warrington
Jasmine Whitbread (chief executive)

Barratt Developments plc
Independent
ITV
Independent
Barclays
Grosvenor
BT
Mace
Blick Rothenberg
Deloitte
Digital UK
Independent
Independent
London First

COMPANY SECRETARY

Anzo Francis BA (Hons) FCA

REGISTERED OFFICE

Middlesex House
34-42 Cleveland Street
London W1T 4JE

BANKERS

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

SOLICITORS

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

AUDITOR

Buzzacott LLP
Chartered Accountants and Statutory Auditor
130 Wood Street
London EC2V 6DL

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STRATEGIC REPORT

BUSINESS OBJECTIVE

London First is a not for profit business membership organisation that aims to make London the best city in the world in which to do business. Our members reflect the diversity of London's economy, representing a range of sectors including property, transport, finance, professional services, creative industries, hospitality, retail and higher education. We work in partnership with business leaders from across these sectors to identify and address the core challenges that our capital faces, with the shared goal of strengthening London's global competitiveness. London First employs 41 staff (30 September 2016: 41), all based in its central London office.

FINANCIAL PERFORMANCE

The company achieved a surplus on unrestricted activities before taxation of £3k for the year ended 30 September 2017 (30 September 2016: £nil).

KEY PERFORMANCE INDICATORS

The company's key performance indicators are described below.

The private sector continued to provide strong support for the work of London First with membership subscriptions earned in the year ended 30 September 2017 increasing by 9% to £4,542k (30 September 2016: £4,158k).

The company was successful in recruiting new members, with numbers increasing by 4% to 244 members (30 September 2016: 234 members).

Unrestricted reserves at 30 September 2017 totalled £581k (30 September 2016: £580k).

The activities of the company also include the management of restricted funds relating to a grant from a former subsidiary, Think London, whose work is now undertaken by London & Partners. This is being 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. Grants paid in the year ended 30 September 2017 totalled £95k (30 September 2016: £253k) and all restricted funds were fully spent by 30 September 2017.

REPORT ON ACTIVITIES DURING THE YEAR

During 2016/17 we have continued to galvanise the business community to bring pragmatic solutions to London's challenges. Here are some key highlights:

- Our nationwide Let Britain Fly campaign achieves success. Transport Minister Chris Grayling thanks campaigners at our celebratory reception
- We presented London's first post-Brexit immigration proposal, securing FT coverage and wide interest
- Our Fifty Thousand Homes 'Employer Housing Pledges' received the Mayor's backing at our member reception, which is now supporting over 120,000 employees
- In a powerful collaboration with Starbucks, Business in the Community and Shelter our Seeing is Believing event offered senior executives a glimpse into the true scale of London's housing crisis
- We advised the night time commission, on the remit for the new Night Czar, and have been working closely with Amy Lamé since her appointment
- Our Crossrail 2 campaign secured a big win after Sadiq Khan and Chris Grayling issue a joint statement of support for the scheme

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STRATEGIC REPORT (continued)

REPORT ON ACTIVITIES DURING THE YEAR (continued)

- Sir Vince Cable and Baroness Neville-Rolfe spoke at our summer business lunch, revealing priorities for the newly elected government
- We launched the London Urban Transformation Commission, bringing together expertise in the planning and development and infrastructure sectors
- Our new London 2036 report provided fresh insights and analysis on London's economic growth potential

Hitting the headlines

We've generated more than 100 pieces of coverage a month in the broadsheets, broadcast and trade media.

Highlights include; Our Chief Executive appearing on The Today Programme, BBC News at Ten, Sky News, ITV and BBC London, the FT getting behind our Facing Facts report and proposal for a post-Brexit immigration system, the Daily Telegraph covering our call for greater devolution and the Evening Standard and BBC London supporting our Fifty Thousand Homes 'Scores on the Doors' data.

LOOKING AHEAD

London First is working to address the priorities for London business, by listening to our members. Our new, two-year business plan has been informed by our recent member survey and the insights members have been sharing with us throughout the year. We've made member priorities, our priorities:

Continued access to talent

We're tackling this on two fronts. We want to land a sensible immigration policy and instigate a fresh, joined-up initiative on skills, to ensure London can offer business the range of talent it needs.

Accelerating house building

London's needless housing shortage is a drain on the city's competitiveness, as it becomes harder to retain talent and labour in the city. The answer is to increase supply. We will be lobbying through our Fifty Thousand Homes campaign, and providing smart solutions for policymakers to bring about the step-change London needs.

Getting the greenlight for Crossrail 2

London needs to secure agreement now for the next generation of major transport improvements, chief of which is Crossrail 2. Having been instrumental in securing Crossrail 1, we'll be building on this momentum and using best practice to get the greenlight for Crossrail 2.

We also know keeping London globally competitive means keeping our eyes firmly on the issues that sustain our city. Our member consultation tells us that these fall into four key areas:

- Transport and infrastructure
- Built environment
- Economy and tax
- Security and resilience

We also report that, in order to focus our resources on campaigns and priorities, a decision was taken during the year to close the Global Cities Business Alliance activity and the closure costs are included in expenditure.

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GOVERNANCE, SUBSIDIARIES AND FORMER SUBSIDIARIES

The board is supported in its management of the company by four committees covering nominations, remuneration, finance and the use of the grant from Think London.

London First has one wholly owned subsidiary, Skills Festival Company Limited. The principal activity of Skills Festival Company is to run 'Skills London', one of the UK's biggest youth jobs and training events. The 2017 Skills London event was held at ExCel in November 2017 and attracted more than 30,000 15 - 24 year olds over two days. The event was run in partnership with Prospects Services Ltd.

RESERVES

Overall reserves totalled £581k at 30 September 2017 (30 September 2016: £676k). Restricted reserves were £nil and fully spent at 30 September 2017 (30 September 2016: £96k). Unrestricted reserves totalled £581k (30 September 2016: £580k). The company has a policy of maintaining a level of unrestricted reserves (including the reserves of the Skills Festival Company) sufficient to cover four months' salary and office accommodation costs, to guard against unforeseen circumstances. Four months' cover was achieved at 30 September 2017.

FINANCIAL INSTRUMENTS

London First does not have any financial instruments other than cash, short term debtors and creditors. Cash balances are held with the Royal Bank of Scotland and the Nationwide Building Society and earn competitive rates of interest in a low interest rate climate.

RISK MANAGEMENT

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 and the actions that would be taken in mitigation. The primary and secondary risks identified in 2016/17 were as follows:

Primary

- Failure to recruit the budgeted number of new corporate and partner members;
- Failure to raise sponsorship monies to fund campaigns and priorities;
- Failure to deliver high engagement leads to high member attrition;
- Failure to get positioning right in public e.g. reaction to Brexit, Housing or Crossrail campaigns;
- Failure to improve internal leadership and management competence;

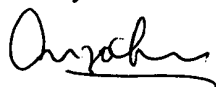
Secondary

- Long term failure to be in tune with politicians and/or members;
- Failure to be seen to make progress on priorities and things that matter;
- Failure to prevent poor or defamatory use of social media;
- Failure to prevent loss of data; and
- Impact of the above on company reputation.

EVENTS AFTER BALANCE SHEET DATE

The chairman, John Allan, has notified the company that he intends to step down from the board by June 2018. A process has commenced to recruit his successor.

Approved by the board of directors and signed on behalf of the board



Anzo Francis BA (Hons) FCA
Company Secretary
London First,
Middlesex House, 34-42 Cleveland Street
London W1T 4JE

Date: 7 December 2017

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REPORT AND FINANCIAL STATEMENTS 30 SEPTEMBER 2017

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2017.

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 30 September 2017, there were 244 guarantors on the register of members (30 September 2016: 234).

DIRECTORS

A list of directors at the date of this report is set out on page 2.

The following directors stepped down from the board during the year: Baroness Jo Valentine (resigned 1 December 2016); Peter Vernon (resigned 1 December 2016); Molly Jackson (resigned 28 June 2017); David Latchman (resigned 31 July 2017); and Des Gunewardena (resigned 21 September 2017).

We welcomed the following new directors to the board: Jasmine Whitbread (appointed 1 December 2016); Mark Reynolds (appointed 1 December 2016); Craig McWilliam (appointed 31 October 2016); and David Sproul (appointed 21 September 2017).

AUDITOR

Buzzacott LLP were re-appointed as auditors in March 2017 and have expressed their willingness to continue in office as auditors. 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



Anzo Francis BA (Hons) FCA
Company Secretary
London First,
Middlesex House, 34-42 Cleveland Street,
London W1T 4JE

Date: 7 December 2017

LONDON FIRST
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REPORT AND FINANCIAL STATEMENTS 30 SEPTEMBER 2017

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 the year. 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; 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.

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/she ought to have taken as a director to make him/herself 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.

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.

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REPORT AND FINANCIAL STATEMENTS 30 SEPTEMBER 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON FIRST

Opinion

We have audited the financial statements of London First (the 'company') for the year ended 30 September 2017 which comprise the income and expenditure account, the balance sheet, statement of changes in accumulated reserves, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its loss 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.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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REPORT AND FINANCIAL STATEMENTS 30 SEPTEMBER 2017

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 company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 11 December 2017

LONDON FIRST
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INCOME AND EXPENDITURE ACCOUNT
Year ended 30 September 2017

				30	Restated
	Note	General	Restricted	September	September
		£'000	funds	2017	2016
			£'000	£'000	£'000
INCOME					
Members' subscriptions		4,542	-	4,542	4,158
Project and sundry income		1,116	-	1,116	967
		<u>5,658</u>	<u>-</u>	<u>5,658</u>	<u>5,125</u>
EXPENDITURE					
Salaries	5	3,607	-	3,607	3,381
Consultancy fees		118	-	118	36
Grants		-	95	95	253
Depreciation	7	111	-	111	117
Rent and rates		383	-	383	379
Operating costs		1,178	1	1,179	893
Project costs		266	-	266	344
		<u>5,663</u>	<u>96</u>	<u>5,759</u>	<u>5,403</u>
Continuing operations					
OPERATING DEFICIT BEFORE INTEREST AND TAXATION	4	(5)	(96)	(101)	(278)
Interest receivable		8	-	8	25
		<u>3</u>	<u>(96)</u>	<u>(93)</u>	<u>(253)</u>
SURPLUS/(DEFICIT) BEFORE TAXATION					
Taxation	6	(2)	-	(2)	(3)
		<u>1</u>	<u>(96)</u>	<u>(95)</u>	<u>(256)</u>
SURPLUS/(DEFICIT) AFTER TAXATION	12				

All activities derive from continuing operations. Restricted grants paid represent funds used to promote London for the benefit of business in the region of London in accordance with the objects of the former Think London.

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 comprehensive income is presented.


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BALANCE SHEET
30 September 2017

	Note	30 September 2017 £'000	30 September 2016 £'000
FIXED ASSETS			
Tangible assets	7	165	268
Investments	8	-	-
		<u>165</u>	<u>268</u>
CURRENT ASSETS			
Debtors	9	3,542	4,737
Cash at bank and in hand		2,738	1,679
		<u>6,280</u>	<u>6,416</u>
CREDITORS: amounts falling due within one year	11	<u>(5,864)</u>	<u>(6,008)</u>
NET CURRENT ASSETS		<u>416</u>	<u>408</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>581</u>	<u>676</u>
REPRESENTED BY:			
Accumulated surpluses:	12		
Restricted		-	96
Unrestricted		581	580
		<u>581</u>	<u>676</u>

The financial statements of London First, registered number 2756521, were approved by the board of directors and authorised for issue on 7 December 2017.

Signed on behalf of the board of directors



John Allan
Director



John Tucker
Director

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STATEMENT OF CHANGES IN ACCUMULATED RESERVES
Year ended 30 September 2017

	Restricted £'000	Unrestricted £'000	Total £'000
At 1 October 2016	96	580	676
(Deficit)/surplus for the financial year	(96)	1	(95)
	<hr/>	<hr/>	<hr/>
At 30 September 2017	-	581	581
	<hr/>	<hr/>	<hr/>

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STATEMENT OF CASH FLOWS
Year ended 30 September 2017

	30 September 2017 £'000	30 September 2016 £'000
Note		
Cash flows from operating activities		
Deficit for the financial year	(95)	(256)
Depreciation	111	117
Decrease/(increase) in debtors	1,195	(862)
(Decrease)/increase in creditors	(141)	217
Interest received	(8)	(25)
Taxation	2	3
	<u>1,064</u>	<u>(806)</u>
Cash provided by/(used in) operations		
Income taxes paid	(5)	-
	<u>1,059</u>	<u>(806)</u>
Net cash inflow/(outflow) from operating activities		
Cash flows from investing activities		
Interest received	8	25
Purchases of tangible fixed assets	(8)	(14)
	<u>-</u>	<u>11</u>
Net cash from investing activities		
Net increase/(decrease) in cash and cash equivalents	1,059	(795)
Cash and cash equivalents at the beginning of the year	1,679	2,474
Cash and cash equivalents at the end of the year	<u><u>2,738</u></u>	<u><u>1,679</u></u>
A		

NOTES TO THE STATEMENT OF CASH FLOWS

A. ANALYSIS OF CASH AND CASH EQUIVALENTS

	30 September 2017 £'000	30 September 2016 £'000
Cash at bank and in hand	<u><u>2,738</u></u>	<u><u>1,679</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2017

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

General information and basis of accounting

The company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the strategic report on pages 3 to 5.

The financial statements have been prepared under the historical cost convention (except for the valuation of donations in kind and donated fixed assets), modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements are presented in sterling and rounded to the nearest thousand pounds.

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 financial statements the directors have set out on page 10 an income and expenditure account which shows 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.

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 receivable 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.

Member subscription income is spread over the relevant subscription period. Subscription income relating to future years is deferred to the relevant year.

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 if material. Grants to subsidiaries are accounted for on an annual basis, and are based on the need to support the activities of the subsidiaries.

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2017

1. ACCOUNTING POLICIES (continued)

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%

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.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as current asset investments.

Creditors

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the company anticipates it will pay to settle the debt.

Leases

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

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 is 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 19.5% (30 September 2016: 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.

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2017

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Income recognition

The executive team reviews debtors that are included in the balance sheet to assess whether any bad debt provision should be made. In general terms, a bad debt provision is made for all membership debtors that are more than 90 days old unless the executive team is satisfied that there is sufficient evidence that the invoice will be paid. The executive team takes a cautious approach in income recognition.

3. EXPENDITURE

	30 September 2017 £'000	Restated 30 September 2016 £'000
Salaries	3,607	3,381
Consultancy fees	118	36
Grants	95	253
Depreciation	111	117
Rent and rates	383	379
Operating costs	1,179	893
Project costs	266	344
	<u>5,759</u>	<u>5,403</u>

The restatement of prior year amounts relates to project costs which were previously netted off against project income and which are now included in expenditure.

4. OPERATING DEFICIT

	30 September 2017 £'000	30 September 2016 £'000
The results are stated after charging:		
Operating lease rentals		
Land and buildings	251	251
Depreciation	111	117
Auditor's remuneration		
- audit	12	11
- other services	3	2
	<u> </u>	<u> </u>

LONDON FIRST
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2017

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

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

	30 September 2017 No.	30 September 2016 No.
The average number of employees employed, including seconded staff, on core activities throughout the year was:	41	41
	30 September 2017 £'000	30 September 2016 £'000
Total gross wages and salaries	3,136	2,943
Employer's national insurance contributions	387	359
Pension scheme costs	76	72
Temporary staff	8	7
	3,607	3,381

The key management personnel of London First in charge of directing, controlling, running and operating the company on a day to day basis were the non-executive directors and Executive Team. The total emoluments of the Executive Team for the year were £925k (year ended 30 September 2016: £978k). Non-executive directors do not receive any remuneration or expenses. The total chief executive's emoluments, being the highest paid director, for the year were £290k (30 September 2016: £293k), and pension contributions were £5k (30 September 2016: £nil).

6. TAXATION

	30 September 2017 £'000	30 September 2016 £'000
United Kingdom corporation tax at 19.5% (Year ended 30 September 2016 - 20%)	2	5
Over-provision in prior year	(-)	(2)
	2	3
Deficit before taxation	(93)	(253)
Tax charge on deficit before tax at 19.5% (Year ended 30 September 2016 - 20%)	(18)	(50)
Factors affecting tax charge for the year:		
Amounts exempt from tax	20	55
Total actual amount of current tax payable	2	5

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2017

7. TANGIBLE FIXED ASSETS

	Computer equipment £'000	Equipment, fixtures and fittings £'000	Total £'000
Cost			
At 1 October 2016	110	497	607
Additions	3	5	8
At 30 September 2017	113	502	615
Accumulated depreciation			
At 1 October 2016	97	242	339
Charge for the year	12	99	111
At 30 September 2017	109	341	450
Net book value			
At 30 September 2017	4	161	165
At 30 September 2016	13	255	268

8. 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 2017, Skills Festival Company held its annual Skills London event and will do so annually going forward.

Skills Festival Company's year end is 31 March. Its last financial year ended on 31 March 2017 and resulted in a deficit for the year after taxation of £16k and retained reserves at 31 March 2017 of £399k.

Extracts from the unaudited management accounts of Skills Festival Company to 30 September 2017 were:

	30 September 2017 £'000	30 September 2016 £'000
Turnover	695	570
Less: expenditure	(201)	(259)
Surplus on normal activities	494	311

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2017

9. DEBTORS

	30 September 2017 £'000	30 September 2016 £'000
Amounts falling due within one year:		
Membership debtors	3,278	4,465
Project and other debtors	40	94
Staff loans	11	10
Amounts due from Skills Festival Company	42	-
Other debtors	-	5
Prepayments and accrued income	171	163
	<u>3,542</u>	<u>4,737</u>

10. CURRENT ASSET INVESTMENTS

	30 September 2017 £'000	Restated 30 September 2016 £'000
Short term deposits	-	-
	<u>-</u>	<u>-</u>

Surplus cash balances are invested in short term deposits with a major UK bank. The restatement of prior year amounts relates to cash deposits previously classified as current asset investments.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 September 2017 £'000	30 September 2016 £'000
Trade creditors	260	115
Amounts owed to Skills Festival Company	-	130
Corporation tax	2	5
Other taxation and social security	892	862
Accruals and deferred income	4,710	4,896
	<u>5,864</u>	<u>6,008</u>

12. ACCUMULATED SURPLUSES

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 the former Think London. Restricted reserves were fully spent at 30 September 2017. Unrestricted reserves are maintained to guard against unforeseen circumstances.

LONDON FIRST
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2017

13. FINANCIAL COMMITMENTS

There were no capital commitments at the year end (30 September 2016: £nil).

The company's future minimum operating lease payments are as follows:

	30 September 2017 £'000	30 September 2016 £'000
Land and buildings:		
Within one year	274	274
Between one and five years	1,167	1,145
After more than five years	3	299

14. RELATED PARTY TRANSACTIONS

During the year ended 30 September 2017, the company invoiced Skills Festival Company £37k (year ended 30 September 2016: £33k) to cover administrative costs and charges relating to the annual Skills London event.

15. ULTIMATE CONTROLLING PARTY

Control of the company lies with the board and there is no overall controlling party.