

Visit London Limited
(formerly known as London Tourist Board Limited)

Financial Statements for 2003/2004



Registered in England under No. 761149
Registered office: 6th Floor, 2 More London Riverside, London SE1 2RR

Visit London Limited

Directors' Report

For the year ended 31 March 2004

Principal activities and review of business developments

The activities of the Company are to lead the promotion of London as the world's most exciting city through targeting domestic and overseas leisure and business visitors as well as Londoners.

On 3 July 2003 London Tourist Board Limited changed its name to Visit London Limited.

Directors

The following have been Directors of the Company for the whole of the year unless otherwise indicated:

T Ingram (Chairman)	
D L Campbell (Chief Executive)	(Appointed 9 June 2003)
P E Hopper (Chief Executive)	(Resigned 30 June 2003)
J R P Bidwell	(Appointed 9 October 2003)
J Buchan	(Appointed 9 October 2003)
M I Burke	(Resigned 9 May 2003)
V Cotton	
M P George	(Resigned 29 January 2004)
D A L Gunewardena	(Appointed 9 October 2003)
R C Harris	(Resigned 9 October 2003)
H R Hutchinson MBE	(Resigned 9 October 2003)
B M Islam	(Appointed 2 January 2004)
P W James	(Appointed 9 October 2003)
R A P Jones	(Appointed 9 October 2003)
D Jones	(Appointed 9 October 2003)
P S Kenny	(Appointed 9 October 2003)
M F Lynch	(Appointed 9 October 2003)
Cllr H C J Marshall	(Resigned 9 October 2003)
G McKenna	(Appointed 9 October 2003)
M T Philips CBE	(Resigned 9 October 2003)
E C St Giles	(Appointed 9 October 2003)
C Townsend	(Appointed 9 October 2003)
D M Turnbull	
M E Tye	(Appointed 1 December 2003)
T C K K Wright	

Visit London Limited

Independent auditors' report to the members of Visit London Limited

We have audited the accounts of Visit London Limited for the year ended 31 March 2004 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 15. These accounts have been prepared under the historical cost convention and 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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Visit London Limited

Directors' Report (continued)

In accordance with the Articles of Association, Vanessa Cotton retires by rotation and, being eligible, offers herself for re-election.

J R P Bidwell, J Buchan, D A L Gunewardena, B M Islam, P W James, R A P Jones, M F Lynch, G McKenna, E C St Giles, C Townsend and M E Tye, who have all been appointed Directors during the year retire and, in accordance with the Articles of Association, offer themselves for election.

Nominees of Visit Britain and Local Government Bodies are not subject to retirement by rotation.

As the number of candidates does not exceed the number of vacancies a ballot will not be necessary.

Statement of Directors' Responsibilities in Respect of the Accounts

Company law requires the Directors to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company and of the surplus or deficit for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

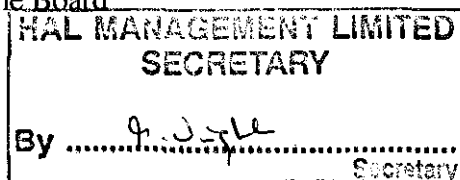
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the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

Auditors

A resolution proposing the appointment of auditors will be submitted at the Annual General Meeting.

By order of the Board

Secretary



2 More London
Riverside
London,
SE1 2RR

Date: 8 November 2004

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Nexia Audit Limited

Nexia Audit Limited

Chartered Accountants

Registered Auditors

1 Riding House Street

London

W1A 3AS

Date 12 November 2004

Visit London Limited
Balance Sheet
31 March 2004

	Note	2004 £	2003 £
Fixed Assets			
Tangible fixed assets	8	382,672	99,857
		382,672	99,857
Current Assets			
Debtors-amounts due within one year	9	4,701,301	684,504
Debtors-amounts due after one year	9	288,940	-
Cash at bank and money market deposits		642,158	1,449,587
		5,632,399	2,134,091
Creditors-amounts falling due within one year	10	4,352,490	779,111
Net Current Assets		1,279,909	1,354,980
Total net assets		1,662,581	1,454,837
Capital and reserves			
Income and expenditure account		1,662,581	1,454,837

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

Directors

Tamara Ingram
Chairman



David Campbell
Chief Executive



Date 8 November 2004

Visit London Limited

Income & Expenditure Account for the year ended 31 March 2004

	Note	2004 £	2003 £
Income	3	21,038,143	5,865,789
Expenditure	4	(20,881,253)	(5,943,569)
<hr/>			
Operating surplus/(deficit)		156,890	(77,780)
Bank interest receivable		64,410	55,738
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Surplus/(deficit) on ordinary activities before taxation		221,300	(22,042)
Taxation	7	13,556	10,700
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Retained surplus/(deficit) for the financial year		207,744	(32,742)
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Statement of retained surplus

At 1 April	1,454,837	1,487,579
Retained surplus/(deficit) for the financial year	207,744	(32,742)
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At 31 March	1,662,581	1,454,837
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There are no recognised gains or losses for the year, other than the surplus/(deficit) on ordinary activities.

Visit London Limited
Cash Flow Statement
for the year ended 31 March 2004

	Note	2004 £	2003 £
Net cash (outflow) / inflow from operating activities	a	(450,003)	16,182
Return on investments	b	64,410	54,158
Taxation		(10,700)	(25,420)
Capital expenditure	b	(411,136)	(61,315)
		(807,429)	(16,395)
Management of liquid resources	b	500,000	(500,000)
(Decrease) in cash at bank		(307,429)	(516,395)

Notes to the cash flow statement

a) Reconciliation of operating profit to net cash inflow from operating activities.	2004 £	2003 £
Operating surplus/(deficit)	156,890	(77,780)
Depreciation charges	128,321	117,444
(Increase) in debtors	(4,305,737)	(222,645)
Increase in creditors	3,570,523	199,163
Net cash (outflow)/inflow from operating activities	(450,003)	16,182

b) Gross Cash Flows	2004 £	2003 £
Return on investment	64,410	54,158
Capital expenditure		
Payments to acquire tangible fixed assets	(411,136)	(61,315)
Management of liquid resources		
Money market deposits less than three months	1,000,000	1,500,000

Analysis of changes in net funds	As at 1 April 2003	Cash flows	At 31 March 2004
Cash at bank	(50,413)	(307,429)	(357,842)
Money market deposits	1,500,000	(500,000)	1,000,000
Total	1,449,587	(807,429)	642,158

Visit London Limited

Notes to the accounts

31 March 2004

1 Visit London Limited

Visit London Limited is a company limited by guarantee. The sum guaranteed by each member is an amount not exceeding one pound.

2 Accounting Policies

(a) Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Grant Income

Grant income represents amounts receivable as agreed with the London Development Agency, VisitBritain and the Association of London Government

(c) Membership Income

Membership income is recognised when receivable and matched to the period to which it relates.

(d) Other Income

Income received on contracts is recognised over the period to which it relates.

(e) Tangible Fixed Assets

Fixed assets are written off evenly over their estimated useful lives at the following rates:

Leasehold improvements	over the lease term
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Fixtures, fittings and equipment	over 2 years
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Computer equipment	over 2 years
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Fixed assets are depreciated when they are brought into use.

(f) Pension benefits

The expected cost of providing pensions under the defined benefit scheme, as calculated periodically by professionally qualified actuaries, is charged to the income and expenditure account so as to spread the cost over the service lives of employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

(g) Deferred Taxation

Deferred taxation is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

(h) Website Development Costs

Website development costs are charged to the Income and Expenditure account as they are incurred

Visit London Limited

Notes to the accounts 31 March 2004

3 Income	2004	2003
	£	£
Tourism Investment Recovery Programme	13,970,000	-
LDA Core Funding	3,409,100	2,710,000
Marketing and Joint Promotions	1,100,273	882,284
Trading (including HSBC sponsorship)	1,038,524	974,049
Membership subscriptions	958,539	969,914
Ecommerce	264,272	41,043
Other grants (kidslovelondon, EnglandNet)	137,491	61,116
ALG Grant	127,194	200,833
Visit Britain	32,750	26,550
	21,038,143	5,865,789

4 Expenditure	2004	2003
	£	£
Staff costs		
Wages and salaries	1,555,431	1,569,060
Social security costs	112,017	121,895
Temporary staff costs	11,396	-
	1,678,844	1,690,955
Marketing and Joint Promotions	17,300,233	3,298,976
Website Development and Marketing	362,389	125,738
Change Management	336,765	-
London TV	239,478	-
Communications / event expenditure	63,807	158,803
Operating costs and overheads		
Depreciation	128,321	117,444
Leasehold property rents	287,000	164,000
Auditors' remuneration:		
-Audit fee	18,000	13,700
-Other services	40,414	4,750
Other operating charges	370,571	338,085
Other Staff Costs	55,431	31,118
	899,737	669,097
	20,881,253	5,943,569

Visit London Limited

Notes to the accounts 31 March 2004

5 Directors' emoluments	2004	2003
	£	£
Remuneration	236,508	176,483
Compensation for loss of office	-	72,820
Emoluments of highest paid director	202,885	167,133

6 Staff numbers

The average number of persons employed by the company during the year was as follows:

	2004	2003
Management, services and information	40	40

7 Taxation	2004	2003
	£	£
Corporation tax charge for the year	13,364	10,700
Prior years' adjustments	192	-
	13,556	10,700

Corporation tax is payable on interest received and on the trading surplus, as adjusted for tax purposes.

	2004	2003
	£	£
Corporation Tax @ 19%	13,364	10,700
Under provision in prior year	192	-
	13,556	10,700

Surplus/(Deficit) on ordinary activities per accounts	221,300	(22,042)
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Tax Reconciliation

Surplus/(Deficit) @ 19%	42,047	(4,188)
Capital allowances less than depreciation	(16,486)	721
Other timing differences	-	1,474
Income not assessable for tax purposes	(25,823)	(114)
Expenses not deductible for tax purposes	13,626	12,807
Adjustment in respect of prior years	192	-
	13,556	10,700

The amount of unprovided deferred tax asset is as follows:

	£	£
Excess of capital allowances over depreciation	15,758	32,244
Other timing differences	6,875	6,875
	22,633	39,119

Visit London Limited

Notes to the accounts 31 March 2004

8 Tangible Fixed Assets

	Fixtures Fittings & Equipment £	Computers £	Leasehold Improvements £	Total £
Cost				
At 1 April 2003	44,076	196,653	138,400	379,129
Additions	57,802	56,926	296,408	411,136
At 31 March 2004	101,878	253,579	434,808	790,265
Depreciation				
At 1 April 2003	44,076	165,996	69,200	279,272
Charge for year	0	59,121	69,200	128,321
At 31 March 2004	44,076	225,117	138,400	407,593
Net book value				
At 31 March 2004	57,802	28,462	296,408	382,672
At 31 March 2003	-	30,657	69,200	99,857

9 Debtors

	2004	2003
Amounts due within one year		
Trade debtors	713,477	257,755
Interest receivable	11,663	7,501
Prepayments and accrued income	3,976,161	419,248
	4,701,301	684,504
Amounts due after one year		
Rent deposit	288,940	-

10 Creditors - amounts falling due within one year

	2004 £	2003 £
Trade creditors	3,807,146	112,551
Social security and other taxation	43,330	11,966
Accruals and deferred income	447,401	531,609
Deferred membership subscription income	41,249	112,477
Corporation tax	13,364	10,508
	4,352,490	779,111

11 Financial Commitments

The annual commitment under non-cancellable operating leases was follows:

	Property 2004 £	Property 2003 £
Leases expiring:		
Over 5 years	319,355	-
Between 2 -5 years	-	164,000

Visit London Limited

Notes to the accounts 31 March 2004

12 Capital Commitments	2004	2003
	£	£
Contracted for but not provided	1,213,300	-

13 Pensions

The Board participates in the British Tourist Boards' Staff Pension and Life Assurance Scheme, a defined benefit pension scheme in the United Kingdom. An actuarial valuation was carried out using membership data as at 1 April 2003 and updated to 31 March 2004.

The disclosures required by FRS17 are as follows

Visit London's share of the assets and liabilities of the fund	£,000
Assets	6,734
Liabilities	6,812
Deficit	(78)

Assumptions used in valuing the liabilities

Discount Rate	5.5%
Inflation	2.9%
Salary Increases	4.4%
Pension increases	2.9%

Assets (Whole Fund) as at 31 March 2004

Bonds	31%
Equities	48%
Property	17%
Cash	4%

The pension cost of the scheme is determined with the advice of a qualified actuary on the basis of triennial valuations. The most recent valuation was carried out as at 1 April 2003 using the projected unit method. The main assumptions are as follows:

Rate of return on Scheme asset:	6.5% per annum
Salary increases:	4.5% per annum
Increases to pensions in payment	2.75% per annum

The valuation showed that the market value of the British Tourist Boards' Scheme's assets at 1 April 2003 amounted to £98.3m and the actuarial value of the assets was sufficient to cover 122% of the benefits that had accrued to members, after allowing for the effect of future increases in their earnings. Since then, contributions have been paid in accordance with the recommendations of the Actuary. The Actuary had confirmed that it is not necessary to review the contribution levels prior to the results of that valuation being available.

During the year ended 31 March 2004, a contribution rate of 6% of pensionable salaries was paid.

Visit London Limited

Notes to the accounts 31 March 2004

14 Related Party Transactions

The company has entered into two groups of transactions with parties with whom board members are connected

(a) Income includes £32,750 (2003 £26,550) grants from Visit Britain in respect of support funding for various programmes in the promotion of London. Tom Wright was a member of the board and Chief Executive of VisitBritain

(b) Income includes payments received from the following companies covering normal commercial activities and contributions to various marketing programmes promoting London.

Christopher Townsend, Director of Marketing - Transport for London	Promotions
Emma St.Giles, Mayoral Adviser - Greater London Authority	Promotions
James Bidwell, Director of Marketing - Selfridges	Promotions
Jamie Buchan, Chief Executive - Excel	Promotions
Plc	Promotions
Michael Ian Burke, Chief Executive - Thistle Hotels	Promotions
Michael Lynch, Chief Executive - South Bank Centre	Promotions
Paul James, Commercial Manager - The Society of London Theatres	Promotions
Raymond Jones, Brand Development Director - Superbreak	Promotions
Tom Wright, Chief Executive - VisitBritain	Promotions