

VISIT LONDON LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2009/2010

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VISIT LONDON LIMITED

Directors' Report For the year ended 31 March 2010

The directors present their report together with the audited financial statements for the year ended 31 March 2010

Results

The results of the company for the year are shown in the income and expenditure account on page 8 and the related notes

The nature, objectives and strategy of the business, and recent developments

Visit London Limited ("Visit London") is the official visitor organisation for the capital

Strategy for tourism in London

The Greater London Authority ("GLA") has a statutory responsibility to promote London as both a tourist destination and as a gateway for tourists to visit the rest of the UK. The Mayor of London's strategy for fulfilling this responsibility is set out in his London Tourism Vision 2006 – 2016, which established a blueprint for long-term growth

The responsibility for implementing this strategy on behalf of the Mayor has been delegated to the London Development Agency ("LDA"), which is the Mayor's agency responsible for driving London's sustainable economic growth. The LDA has, in turn, entered in to a series of grant arrangements with Visit London to deliver high profile destination marketing campaigns targeting domestic and overseas leisure and business visitors as well as Londoners

LDA funding of Visit London

These arrangements currently take the form of a grant funding agreement, which covers the 4-year period from 2006/07 to 2009/10 and provides for a maximum of £64.4 million of funding to Visit London. Although funding was received by Visit London during the first two years in accordance with the agreement, the LDA was required to reduce its funding of Visit London in both 2008/09 and 2009/10 due to impact of the Government's Comprehensive Spending Review. Visit London's actual grant funding in 2009/10 was £15.6 million compared with the £17.4 million envisaged in the grant agreement

Future funding of Visit London

Over the past year or so, the GLA and LDA have undertaken a review of the overall marketing and promotion of London, with a view to achieving better co-ordination between the various promotional activities which the LDA currently funds and reducing expenditure to accommodate the Government's future spending plans. The conclusions of that review, which were announced in June 2010, were that London's interests would be better served by the amalgamation of a number of the promotional activities, including those of Visit London, under a single promotional agency. Subsequently, the GLA and LDA have indicated that Visit London should form the basis of that single agency

The directors are currently in discussions with the LDA regarding the remit of Visit London going forward, and how best to amalgamate the various functions currently being undertaken by other promotional activities into Visit London. The directors expect that, at the conclusion of these discussions, Visit London will enter into a new grant agreement with the LDA, which will probably cover the period from 2011/12 to 2013/14. Pending the outcome of these discussions, the LDA has extended our current grant agreement by a further year, which will provide Visit London with £11.7 million of grant funding in 2010/11

The directors do not believe that the uncertainty associated with these discussions poses a material risk to our financial position

VISIT LONDON LIMITED

Directors' Report (continued) For the year ended 31 March 2010

Delivering results

Despite the aforementioned reductions in funding, Visit London has continued to deliver highly creative marketing and promotional campaigns and to run a highly effective Convention Bureau. Each year we generate in excess of £300 million of incremental economic benefit to the capital and thereby help to support over 8,000 full-time jobs. Further information on Visit London's performance is provided on page 3 of this report.

Our mission and objectives

Our mission is **to create economic benefit to London by promoting London to all visitors**. We aim to achieve this by working with our partners, the Mayor of London and the LDA to

- Continue to develop London as a competitive and dynamic brand,
- Undertake creative, targeted marketing activities in key markets,
- Increase innovative access to information on London, in particular via digital technology,
- Engage and collaborate with the private sector and with travel industry partners with tangible commercial results,
- Continue to lead an improved Business & Convention Bureau offering,
- Maximise the benefits of the 2012 Olympic and Paralympic Games to the tourism industry and London as a whole,
- Position Visit London as a best-in-class organisation able to react rapidly to changing circumstances

Visit London's activities include high profile destination marketing campaigns targeting domestic and overseas leisure and business visitors as well as Londoners.

More information on the work of Visit London can be found at www.visitlondon.com

Future developments

Visit London will continue to deliver high profile destination marketing campaigns targeting domestic and overseas leisure and business visitors as well as Londoners.

VISIT LONDON LIMITED

Directors' Report (continued) For the year ended 31 March 2010

Performance

As part of the grant agreement with the LDA, Visit London has agreed a number of key performance indicators. The performance targets for 2009/10 are set out below, together with the results achieved.

		09/10 Target	09/10 Achieved
1	To generate additional expenditure by visitors to London, resulting from Visit London's marketing activity, of at least	£325m	Not yet available
2	To generate a Return on Investment on Visit London's core LDA grant of at least	35.4%	Not yet available
3	To generate private sector income equal to at least (target %) of total income,	24.8%	26.94%
4	To generate match funding of at least	£2.14m	£3.31m
5	To generate partnership income of at least	£1.36m	£1.43m
6	To generate other income of at least	£0.93m	£1.18m

The amount of additional expenditure by visitors to London resulting from Visit London's marketing activity, and the associated Return on Investment on Visit London's core LDA grant expenditure, are calculated in accordance with a methodology agreed with the LDA. Although not all of the data necessary to evaluate these performance indicators for 2009/10 was available at the date of this report, the directors are confident that they will be achieved.

Principal risks and uncertainties

In the opinion of the directors the only uncertainty that may affect Visit London's strategies going forward is the outcome of the current discussions with the LDA regarding the remit of Visit London going forward, and how best to amalgamate the various functions currently being undertaken by other promotional activities into Visit London. However, the directors do not believe that this uncertainty poses a material risk to our financial position.

Financial instruments

Visit London's operations are financed by retained profits. In addition, various financial instruments such as trade debtors and trade creditors arise directly from Visit London's operations. Visit London does not enter into any hedging arrangements and is mainly exposed to credit risk from credit sales. It is Visit London's policy to assess the credit risk of new customers and to factor the information from these credit ratings into future dealings with the customers. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The directors monitor the liquidity and cash flow risk of the company carefully. Cash flow is monitored by the directors on a regular basis and appropriate action is taken where additional funds are required.

VISIT LONDON LIMITED

Directors' Report (continued) For the year ended 31 March 2010

Directors

The following have been directors of Visit London for the whole of the year unless otherwise indicated

T Ingram (Chairman)	
G M W Beckwith	
J Buchan	(Resigned on 31 March 2010)
S Dawe	(Appointed on 16 July 2009)
D A L Gunewardena	(Resigned on 16 November 2009)
G D Hearn	
P W James	
D Jones	
R A P Jones	
M F Lynch	(Resigned on 29 April 2009)
N J Marson	(Resigned on 15 October 2009)
D Ritterband	
M J Singfield (Finance Director)	
M D Taylor	
C Townsend	
S P Tucker	

Since 31 March 2010, the following changes to the Board of Directors have occurred

M D Taylor	(Resigned on 27 April 2010)
S L Chatterjee (CEO)	(Appointed on 27 April 2010)

Biographies for each serving director can be found on our website at

www.visitlondon.com/corporate/about_us/board

VISIT LONDON LIMITED

Directors' Report (continued) For the year ended 31 March 2010

Statement of Directors' Responsibilities in Respect of the Accounts

The directors are responsible for preparing the directors' 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,
- 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.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the trustees. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

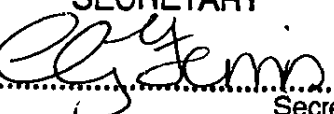
Auditors

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

By order of the Board

HAL Management Ltd

Secretary
2 More London
Riverside
London,
SE1 2RR
Date 22 July 2010

HAL MANAGEMENT LIMITED
SECRETARY
By  Secretary

VISIT LONDON LIMITED

Independent Auditors' Report To The Members Of Visit London Limited

We have audited the financial statements of Visit London Limited for the year ended 31 March 2010 which comprise the Income and expenditure account, Statement of total recognised gains and losses, the Balance sheet, the Cash flow statement and the related notes. 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 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 (APB'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.

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 2010 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 matters 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.

VISIT LONDON LIMITED

Independent Auditors' Report To The Members Of Visit London Limited (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, 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, or

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Donald Bawtree (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom
United Kingdom

Date 23 July 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

VISIT LONDON LIMITED

Income & Expenditure Statement and Statement of Total Recognised Gains and Losses for the year ended 31 March 2010

INCOME AND EXPENDITURE STATEMENT

	Note	2010 £	2009 £
Income	3	21,523,731	24,270,808
Expenditure	4	(21,664,002)	(24,996,214)
OPERATING (DEFICIT)		(140,271)	(725,406)
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE INTEREST		(140,271)	(725,406)
Interest receivable		38,292	352,970
Interest payable and similar charges		(10,000)	-
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		(111,979)	(372,436)
Taxation on deficit on ordinary activities	7	-	(17,362)
RETAINED (DEFICIT) FOR THE YEAR		(111,979)	(389,798)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

(Deficit) for the year		(111,979)	(389,798)
Actuarial loss on defined benefit scheme	14	(2,136,000)	(65,000)
TOTAL RECOGNISED GAINS AND LOSSES FOR THE FINANCIAL YEAR		(2,247,979)	(454,798)

All amounts relate to continuing activities

The notes on pages 11 to 20 form part of these financial statements

VISIT LONDON LIMITED

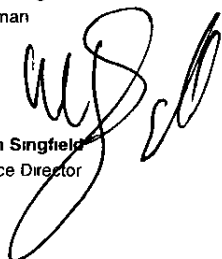
Balance Sheet 31 March 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible fixed assets	8	1,097,491	904,853
Investments	9	300	-
		1,097,791	904,853
CURRENT ASSETS			
Debtors-amounts due within one year	10	1,431,019	1,929,266
Debtors-amounts due after one year	10	412,556	362,400
Cash at bank and money market deposits		3,666,567	3,076,568
		5,510,142	5,368,234
CREDITORS amounts falling due within one year	11	3,928,204	3,547,379
NET CURRENT ASSETS		1,581,938	1,820,855
TOTAL ASSETS LESS CURRENT LIABILITIES		2,679,729	2,725,708
TOTAL NET ASSETS before pension liability		2,679,729	2,725,708
Pension scheme liability	13	(2,202,000)	-
TOTAL NET ASSETS including pension liability		477,729	2,725,708
CAPITAL AND RESERVES			
Income and expenditure account	14	2,613,729	2,725,708
Pension reserve	14	(2,136,000)	-
		477,729	2,725,708

Approved by the Board of Directors and authorised for issue on 22 July 2010
Directors



Tamara Ingram
Chairman



Martin Singfield
Finance Director

The notes on pages 11 to 20 form part of these financial statements

VISIT LONDON LIMITED

Cash Flow Statement for the year ended 31 March 2010

	Note	2010 £	2009 £
Net cash inflow/(outflow) from operating activities	16	986,545	(1 421,463)
Returns on investment and servicing of finance	17 a	19,672	201 970
Taxation		(17,362)	(138,326)
Capital expenditure and financial investment	17 b	(398,556)	(25,417)
Acquisitions		(300)	-
		589,999	(1,383,236)
Management of liquid resources	17 c	525,000	768,000
Increase/(decrease) in cash at bank		1,114,999	(615 236)

Reconciliation of net cash flow to movement in net funds

	2010 £	2009 £
Increase/(decrease) in cash	1,114,999	(615,236)
Cash (inflow) from changes in liquid resources	(525,000)	(768,000)
Movement in net funds	589,999	(1,383 236)
Opening net funds	3,076,568	4,460,804
Closing net funds	3,666,567	3 077 568

Analysis of changes in net funds

	As at 1 April 2009 £	Cash flows £	At 31 March 2010 £
Cash at bank	(1,238,432)	1,114,999	(123,433)
Money market deposits	4,315,000	(3,525,000)	790,000
Fixed term deposits	-	3,000,000	3,000,000
Total	3,076,568	589,999	3,666,567

The notes on pages 11 to 20 form part of these financial statements

VISIT LONDON LIMITED

Notes to the accounts 31 March 2010

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

(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
Fixtures, fittings and equipment	over 2 years
Computer equipment	over 2 years
Plant and equipment	over 3 years

Fixed assets are depreciated when they are brought into use.

(f) Foreign Currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate ruling at the balance sheet dates. Any differences are taken to the income and expenditure account.

(g) Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income and expenditure account over the period of the lease.

All other leases are treated as operating leases. Their annual rentals are charged to the income and expenditure account on a straight line basis over the term of the lease.

(h) Pension benefits

Visit London fully adopted FRS17 'Retirement Benefits' during 2008/09. The impact of this standard has been reflected throughout the financial statements. The actuary has calculated the FRS17 deficit attributable to Visit London's share of the British Tourist Boards' Staff Pension and Life Assurance Scheme as £2,202,000.

The difference between the fair value of the assets held in the defined benefit scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in Visit London's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that Visit London is able to recover the surplus through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is recognised net of any deferred tax balance.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contributions by Visit London are charged to the income and expenditure account and statement of total recognised gains and losses in accordance with FRS17 'Retirement Benefits'.

(i) 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.

VISIT LONDON LIMITED

Notes to the accounts (cont'd)

31 March 2010

(j) Website Development Costs

Website development costs are charged to the income and expenditure account as they are incurred

(k) VAT

Visit London is subject to partial restriction on the deductibility of VAT on inputs calculated in accordance with a formula agreed with HM Revenue and Customs. Expenditure and tangible fixed assets are at cost, inclusive of VAT. The amount of recoverable VAT is deducted from other operating charges.

(l) Liquid Resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and other short term deposits.

3 Income

	2010	2009
	£	£
LDA Grant - Core activities	15,585,430	16,452,688
LDA Grant - Visitor services	60,000	63,000
LDA Grant - London Unlimited	-	1,828,676
LDA Grant - London Regional Marketing	-	31,024
London Councils' Grant	100,000	91,920
Visit Britain Grant	7,000	10,000
Match Funding for Marketing and Joint Promotions	3,307,419	3,473,404
Membership Subscriptions	1,427,180	1,461,563
Trading (including HSBC sponsorship)	312,279	334,039
Ecommerce	724,423	464,316
London TV	-	60,178
	21,523,731	24,270,808

LDA Grant - Core Activities

	2010	2009
	£	£
Brought forward from previous year	-	-
Received during the year	15,653,610	16,461,900
Unspent grant carried forward to next year	(79,067)	-
Over/(under) spend of grant claimed from/(repaid to) the LDA	10,887	(9,212)
Income for the year	15,585,430	16,452,688

VISIT LONDON LIMITED

Notes to the accounts (cont'd)

31 March 2010

4 Expenditure

	2010	2009
	£	£
Staff costs		
Wages and salaries	3,749,960	4,202,069
Social security costs	331,029	394,089
Pension costs	199,747	241,513
Temporary staff costs	152,019	144,653
	4,432,755	4,982,324
Other operating costs		
Marketing and Joint Promotions	15,124,808	17,262,904
Website Development and Marketing	482,304	534,954
London TV	-	293,361
Communications / event expenditure	72,659	492,818
Depreciation on owned assets	155,918	195,024
Operating leasehold payments - land and buildings	733,035	458,176
Auditors' remuneration - audit fee	37,228	22,163
Auditors' remuneration - other services/audit fee	14,701	8,478
Other operating charges, including recoverable input VAT	468,455	457,948
Other Staff Costs	86,139	202,064
FRS17 charge	56,000	86,000
	17,231,247	20,013,890
	21,664,002	24,996,214

The grant received from the London Councils' Grants Committee was used for the purposes specified when the grant was awarded

5 Directors' remuneration

	2010	2009
	£	£
Emoluments	112,495	365,667
Company contributions to pension schemes	7,564	40,410

The only directors to receive remuneration were Tamara Ingram and Martin Singfield

6 Staff numbers

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

	2010	2009
Management services and information	85	92

VISIT LONDON LIMITED

Notes to the accounts (cont'd) 31 March 2010

7 Taxation on deficit on ordinary activities

	2010	2009
	£	£
UK corporation tax on deficit for the period	-	17,362
	-	17,362

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	2010	2009
	£	£
Deficit on ordinary activities before tax	(111,979)	(372,436)
Deficit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2009: 21%)	(23,516)	(78,212)
Effects of:		
Expenses/income not deductible/(taxable) for tax purposes	58,886	102,478
Capital allowances in excess of/(less than) depreciation	(35,468)	(1,970)
Other timing differences	-	(4,934)
Losses utilised in the year	98	-
Current tax charge for period	-	17,362

Unprovided deferred tax asset/(liability)

	£
Deferred tax at 30%	
Balance as at 1 April 2009	22,306
Movement in year	(35,369)
Balance as at 31 March 2010	(13,063)

The deferred tax asset/(liability) comprises

	£
Capital allowances	(21,005)
Other timing differences	7,844
Trading losses	98
	(13,063)

Visit London is a trade protection association for tax purposes. As a consequence, tax liabilities may arise in relation to its investment income and to the proportion of its results relating to income from commercial activities.

VISIT LONDON LIMITED

Notes to the accounts (cont'd) 31 March 2010

8 Tangible Fixed Assets

	Fixtures Fittings & Equipment £	Computers £	Leasehold Improvements £	Plant & Equipment £	Total £
Cost					
As at 1 April 2009	355,500	453,740	1,179,288	649,564	2,638,092
Additions	126,870	221,686	-	-	348,556
Disposals	(40,459)	(157,321)	-	-	(197,780)
At 31 March 2010	441,911	518,105	1,179,288	649,564	2,788,868
Depreciation					
As at 1 April 2009	341,511	412,954	329,210	649,564	1,733,239
Charge for year	28,084	54,902	72,932	-	155,918
Disposals	(40,459)	(157,321)	-	-	(197,780)
At 31 March 2010	329,136	310,535	402,142	649,564	1,691,377
Net book value					
At 31 March 2010	112,775	207,570	777,146	-	1,097,491
At 31 March 2009	13,989	40,786	850,078	-	904,853

9 Investments

Cost

As at 1 April 2009

Additions

Disposals

As at 31 March 2010

Associate

£

-
300
-
300

Visit London Limited owns 30% of the 1,000 ordinary shares of £1 each of London Restaurant Festival Limited a company which incorporated in England and Wales and specialises in the promotion of the annual London Restaurant Festival. The following figures have been extracted from the unaudited financial statements of London Restaurant Festival Limited for the period ended 31 March 2010

	2010 £
Profit for the period	-
Paid up share capital	1,000
Accumulated reserves	-
Net assets	1,000

London Restaurant Festival Limited did not trade in the period ended 31 March 2010. It has a wholly owned subsidiary undertaking, London Restaurant Festival Management Limited, which promoted the London Restaurant Festival which took place in October 2009. The following figures have been extracted from the unaudited financial statements of London Restaurant Festival Management Limited for the period ended 31 March 2010

VISIT LONDON LIMITED

Notes to the accounts (cont'd)

31 March 2010

9 Investments (cont'd)

	2010 £
Loss for the period	(86,712)
Paid up share capital	100
Accumulated reserves	(86,712)
Net deficit	(86,612)

The effect of accounting for London Restaurant Festival Limited as an associate under the equity accounting method if consolidated financial statements were produced would be for net assets to decrease by £26,014 and the deficit for the year to increase by £26,014

10 Debtors

	2010 £	2009 £
Amounts due within one year		
Trade debtors	622,056	906,486
Other debtors	18,496	14,559
Interest receivable	29,661	11,197
Prepayments and accrued income	760,806	997,024
	1,431,019	1,929,266
Amounts due after one year		
Rent deposit	288,940	288,940
Interest receivable	73,616	73,460
Loans to associate undertaking	50,000	-
	412,556	362,400

11 Creditors - amounts falling due within one year

	2010 £	2009 £
Trade creditors	2,589,995	1,705,867
Social security and other taxation	212,679	65,226
Accruals and deferred income	771,576	1,457,503
Deferred grant income	79,067	9,212
Deferred membership subscription income	274,887	292,209
Corporation tax	-	17,362
	3,928,204	3,547,379

12 Financial Commitments

The annual commitment under operating leases was as follows

	Property 2010 £	Property 2009 £
Leases expiring		
Over 5 years	721,227	709,718

VISIT LONDON LIMITED

Notes to the accounts (cont'd) 31 March 2010

13 Pensions

Visit London participates in the British Tourist Boards' Staff Pension and Life Assurance Scheme, a defined benefit pension scheme in the United Kingdom. The scheme is a multi-employer scheme including other Tourist Boards where the employer's contributions are affected by a surplus or deficit in the scheme. A full actuarial valuation was carried out as at 1 April 2009. The results of that valuation have been projected to 31 March 2010 by a qualified independent actuary on an FRS17 basis.

The actuary has computed the following information about the financial position of the Scheme as at 31 March 2010.

The amounts recognised in the balance sheet are as follows:

	2010 £000	2009 £000
Present value of scheme liabilities	14,157	8,547
Fair value of scheme assets	11,955	8,821
(Deficit)/surplus in the scheme	(2,202)	274
Restriction of scheme surplus	-	(274)
Net liability	(2,202)	-

Asset and Liability Reconciliation

Reconciliation of Assets

	2010 £000	2009 £000
Assets at start of period	8,821	11,052
Expected return on assets	554	780
Actuarial gain/(loss)	2,518	(3,183)
Employer's contributions	201	273
Death in service premiums	(4)	(11)
Employee's contributions	117	111
Benefits paid	(252)	(201)
Asset value at year end	11,955	8,821
Actual return on scheme assets	3,072	

Reconciliation of Liabilities

	2010 £000	2009 £000
Liabilities at start of period	8,547	9,210
Service cost	257	335
Interest cost	564	629
Employee's contributions	117	111
Past service costs	-	24
Actuarial loss/(gain)	4,928	(1,550)
Death in service premiums	(4)	(11)
Benefits paid	(252)	(201)
Liability value at year end	14,157	8,547

VISIT LONDON LIMITED

Notes to the accounts (cont'd)

31 March 2010

13 Pensions (cont'd)

Amounts recognised in the income and expenditure statement

	2010	2009
	£000	£000
Included in expenditure		
Current service costs	(257)	(335)
Past service costs	-	(24)
add employer's contributions	201	273
	(56)	(86)
Included in interest (payable)/receivable		
Interest cost	(564)	(629)
Expected return on assets	554	780
	(10)	151

Amounts recognised in the statement of total recognised gains and losses

	2010	2009
	£000	£000
Actual return less expected return on pension plan assets	2,518	(3,183)
Experience gains and losses arising on scheme liabilities	(4,928)	1,550
Opening surplus on pensions scheme not recognised	274	1,842
Closing surplus on pension scheme not recognised		(274)
Actuarial gains/(losses) recognised in the statement of total recognised gains and losses	(2,136)	(65)
Amounts recognised in previous periods	(65)	
Cumulative amount of actuarial gains and losses	(2,201)	

Principal Actuarial Assumptions

	31 March 2010	31 March 2009
Inflation assumption	3.40%	2.65%
Rate of increase in salaries	3.40%	2.65%
Increase for pensions in payment	3.40%	2.65%
Revaluation of deferred pensions	3.40%	2.65%
Liability discount rate	5.50%	6.70%
Expected return on assets	6.35%	6.70%
Proportion of employees opting for early retirement	Nil	Nil
Proportion of pensions commuted for cash at retirement	10%	10%
Future expected lifetime of current employee at age 65		
Male born 1944	22.5	22.0
Female born 1944	24.3	24.9
Future expected lifetime of future pensioner at age 65		
Male born 1964	24.9	23.1
Female born 1964	25.8	25.9

VISIT LONDON LIMITED

Notes to the accounts (cont'd)

31 March 2010

13 Pensions (cont'd)

The assets in the scheme and the expected rates of return are

	Long-term rate of return expected at 31 March 2010	Value at 31 March 2010 £000	Long-term rate of return expected at 31 March 2009	Value at 31 March 2010 £000
Equities	7.40%	4,807	6.75%	4,263
Bonds	5.50%	4,437	6.70%	2,207
Property	7.40%	871	6.75%	1,066
Cash	4.40%	492	3.75%	76
Total market value of cash accumulation asset		10,607		7,612
Annuities	5.50%	1,302	6.70%	1,172
Cash in bank		46		37
Total	6.35%	11,955	6.70%	8,821

Amounts for the current and previous period are as follows

	2010 £000	2009 £000
Scheme liabilities	(14,157)	(8,547)
Scheme assets	11,955	8,821
Scheme (deficit)/surplus	(2,202)	274
Experience adjustments on scheme liabilities	(537)	249
Experience adjustments on scheme assets	2,518	(3,183)

The necessary information to prepare a five year history of experience gains and losses was unavailable

The employers expect to contribute 17.3% of pensionable salaries to the scheme in respect of future service benefits in the year ending 31 March 2011. In addition, the employer expects to pay deficit recovery contributions of about £70,000 per annum over the next 20 years.

14 Reserves

	Income and expenditure account £	Pension reserve £	Total £
As at 1 April 2009	2,725,708	-	2,725,708
Retained profit/(loss) for the year	(111,979)	-	(111,979)
Actuarial gain/(loss) on pension and other post-retirement schemes		(2,136,000)	(2,136,000)
At 31 March 2010	2,613,729	(2,136,000)	477,729

VISIT LONDON LIMITED

Notes to the accounts (cont'd)

31 March 2010

15 Related Party Transactions

In the normal course of its activities the Company enters into commercial transactions with various entities in which certain directors have interests. These transactions are carried out at arms length and at normal commercial rates and, with the exception of those listed below, are considered by the directors to be immaterial for the purposes of disclosure in the accounts

Board member, Company name and role	Nature of supply	Amounts due to/(from) as at 31 March 2010			
		Grants from £	Sales to £	Purchases from £	£
Raymond Jones, Superbreak, Brand Development Director	Commission on hotel bookings	-	178,159	58,938	34,116
Sandra Dawe, Visit Britain Chief Executive	Promotions	7,000	32,658	596,851	(168,234)
Nigel James Marson, Transport for London Director Group Marketing	Promotions	-	20,000	363,624	-
Denise Jones, Chair of Culture and Tourism Panel, London Councils	Promotions	100,000	-	-	-

At 31 March 2010 Visit London had provided a loan to London Restaurant Festival Management Ltd, an associate undertaking, of £50,000 (2009: £Nil). This loan, which does not bear interest and is repayable at the discretion of London Restaurant Festival Management Ltd, is included in Debtors - Amounts due after one year.

16 Reconciliation of operating deficit to net cash inflow/(outflow) from operating activities

	2010 £	2009 £
Operating (deficit)	(140,271)	(725,406)
Depreciation charges	155,918	195,024
Decrease/(increase) in debtors	516,711	537,509
(Decrease)/increase in creditors	398,187	(1,514,590)
Difference between pension charge and cash contribution	56,000	86,000
Net cash inflow/(outflow) from operating activities	986,545	(1,421,463)

17 Analysis of cash flows for headings netted in the cash flow statement

	2010 £	2009 £
a) Returns on investment and servicing of finance		
Interest received	19,672	201,970
	19,672	201,970
b) Capital expenditure		
Purchase of tangible fixed assets	(348,556)	(25,417)
Loans made to associate undertakings	(50,000)	-
	(398,556)	(25,417)
c) Acquisitions		
Payments to acquire investments in associates	(300)	-
d) Management of liquid resources		
Movements in money market and fixed term deposits	525,000	(768,000)