

London First



Company Registration No.2756521

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Officers and professional advisers

Directors

Baroness Jo Valentine (Chief Executive)	London First
Clive Strowger (Hon Treasurer)	deltaDOT
Clive Ansell	BT
Ian Barlow	Think London
David Campbell	AEG
Des Gunewardena	D&D London
Wally Kumar	Development Securities
Prof. David Latchman <i>Appointed 13 Dec 2007</i>	Birkbeck
Richard Lewis	Curzon Global Partners
Charlie Mayfield	John Lewis Partnership
Sir Adrian Montague	Friends Provident
David North	Tesco
Dianne Thompson <i>Appointed 20 Mar 2008</i>	Camelot
Robert Webb	British Airways

Secretary

Stephen Drury

Registered office

1 Hobhouse Court
Suffolk Street
London
SW1Y 4HH

Bankers

Barclays Bank PLC
7th Floor
United Kingdom House
180 Oxford Street
London W1D 1EA

Solicitors

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

Auditors

Deloitte & Touche LLP
Chartered Accountants
Cambridge

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2008. London First is a company limited by guarantee and is exempt from using the word limited under Section 30 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions relating to small companies under Section 246 (4) of the Companies Act 1985.

Results

The year end results for London First show a surplus of £334,264 (2007 - £201,789). Overall income in the year showed an increase to £4,024,686 (2007 - £3,900,175). The private sector continued to provide strong support for the work of London First with membership subscriptions in the year increased to £3,297,012 (2007 - £3,126,152).

This year the company made a grant of £668,580 (2007 - £690,000) to Think London, to support its activities.

London First will be moving into refurbished offices in June 2008. As part of the agreement under the new leases the liability to dilapidations under the former leases will be waived. This will be treated as an incentive and the allowance of £148,500 included in the accounts will be written back over a five year term.

The company does not have any financial instruments other than cash and short term debtors and creditors. Cash balances are held with a major UK bank and earn competitive rates of interest.

Principal activities and future prospects

London First is a business-led membership organisation. We work with and on behalf of our members, the capital's major businesses in key sectors such as finance, professional services, property, ICT, creative industries, hospitality and retail, together with universities and further education colleges.

Our influence is built upon the breadth, depth and calibre of our membership, who collectively represent over a quarter of London's GDP. Our credibility comes from our informed, in-depth policy development, supported by proactive and creative campaigning, as well as from our record of achievement. We innovate, developing practical and timely solutions to London's strategic challenges.

We combine an awareness of political realities with business pragmatism to set and achieve realistic but stretching objectives. We identify issues which are not being effectively addressed and, where we can add value, we work with others on common agendas. Our proposals are developed independently of party political motives.

We champion London and support others in innovative approaches to its improvement and promotion. We share intelligence and intelligent analysis with our members and provide an effective conduit for communication with government and a voice in the public arena.

The Board is supported in its management of the company by three Committees covering nominations, remuneration and finance.

Members and guarantors

Members of London First are those companies which pay ordinary contributions to fund the core expenditure of the company, or companies which are given honorary membership status. Members are guarantors of the company in the event of a winding up, with liability limited to £100 per member, and have voting rights at general meetings. At 31 March 2008, there were 257 guarantors on the register of members (2007 - 259).

Directors

A list of current directors who have served during the year is set out on page 1.

The following directors also served during the year up until the date of their resignation as stated.

Sunny Crouch	Resigned 4 September 2007 Capital and Provident
Sir Graeme Davies	Resigned 4 September 2007 University of London
Helen Loose	Resigned 7 June 2007 Ashurst
Harvey McGrath	Resigned 5 June 2008 London First
Francis Salway	Resigned 20 March 2008 Land Securities

Auditors

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

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

Approved by the Board of Directors on 12 June 2008 and signed on behalf of the Board.



Stephen Drury
Company Secretary

Statement of directors' responsibilities

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of London First

(a company limited by guarantee)

We have audited the financial statements of London First for the year ended 31 March 2008 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cambridge, United Kingdom

23 June 2008

Financial Statements



Income and expenditure account

Year ended 31 March 2008

	Note	2008 £	2007 £
INCOME	1		
Members' subscriptions		3,297,012	3,126,152
Project and sundry income		727,674	774,023
		<hr/>	<hr/>
		4,024,686	3,900,175
EXPENDITURE			
Salaries	3	2,126,249	1,909,764
Consultancy fees		139,273	193,011
Travelling, subsistence and entertaining		32,407	33,785
Depreciation	5	23,629	16,678
Rent and rates		151,362	246,527
General expenses		574,511	604,403
Publications		72,580	82,761
Grant to Think London	6a, 14d	668,580	690,000
		<hr/>	<hr/>
		3,788,591	3,776,929
SURPLUS ON OPERATIONS BEFORE INTEREST AND TAXATION	2	236,095	123,246
Bank deposit interest receivable		137,459	94,268
		<hr/>	<hr/>
SURPLUS BEFORE TAXATION		373,554	217,514
Taxation	4	(39,290)	(15,725)
		<hr/>	<hr/>
SURPLUS AFTER TAXATION		334,264	201,789
		<hr/>	<hr/>
Balance at 1 April		427,354	225,565
		<hr/>	<hr/>
Balance at 31 March		761,618	427,354
		<hr/>	<hr/>

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

Balance sheet

31 March 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	5	41,781	8,729
Investments	6,7	-	-
		<hr/> 41,781	<hr/> 8,729
CURRENT ASSETS			
Debtors	8	640,738	328,700
Cash at bank and in hand	9	512,794	2,476,182
Investments	10	2,300,000	-
		<hr/> 3,453,532	<hr/> 2,804,882
CREDITORS: amounts falling due within one year	11	(2,733,695)	(2,386,257)
		<hr/>	<hr/>
NET CURRENT ASSETS		719,837	418,625
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		761,618	427,354
		<hr/>	<hr/>
REPRESENTED BY: Accumulated surplus		761,618	427,354
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 12 June 2008.

Signed on behalf of the Board of Directors



Clive Strowger
Director



Baroness Jo Valentine
Director

Cash flow statement

Year ended 31 March 2008

	Note	2008 £	2007 £
Net cash inflow from operating activities	A	271,558	518,055
Returns on investments and servicing of finance			
Interest received		137,459	94,268
Taxation			
Corporation tax paid		(15,724)	(15,639)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(56,681)	(9,365)
Increase in cash in the year	B	336,612	587,319
Reconciliation of new cash flow to movement in Net funds			
Increase in cash in the year		336,612	587,319
Net funds at beginning of the year		2,476,182	1,888,863
Net funds at the end of the year	B	2,812,794	2,476,182

Notes to the cash flow statement

Year ended 31 March 2008

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

	2008 £	2007 £
Surplus on operations before interest and taxation	236,095	123,246
Depreciation	23,629	16,677
(Increase)/decrease in debtors	(312,038)	73,258
Increase in creditors	323,872	304,874
Net cash inflow from operating activities	271,558	518,055

B) Movement in net funds

	At 1 April 2007 £	Cash (outflow) / inflow £	At 31 March 2008 £
Cash at bank and in hand	2,476,182	(1,963,388)	512,794
Current asset investments	-	2,300,000	2,300,000
	2,476,182	336,612	2,812,794

Notes to the financial statements

Year ended 31 March 2008

1. Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention (except for the valuation of donations in kind and donated fixed assets) and in accordance with applicable United Kingdom accounting standards. The company does not seek to make a profit, nor can its achievements be measured by commercial criteria. In order that a true and fair view can be given in these accounts, the directors have set out on page 8, an Income and Expenditure Account which shows the results for the year, but in a format other than as prescribed in the Companies Act 1985. In the opinion of the directors, this format more closely reflects the nature of the company's activities and discloses in sufficient detail information related thereto.

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

These policies have been applied consistently throughout the current and prior year.

Income

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

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.

Expenditure

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

Tangible fixed assets

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

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

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

The annual rates used for this purpose are:

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

Leases

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

Investments

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

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

Pension costs

The company has established a defined contribution scheme. The amount charged to the income and expenditure account in respect of pension costs and other post-retirement benefit 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.

1. Accounting policies (continued)

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 30%.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay

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

2. Surplus on operations before interest and taxation

	2008 £	2007 £
The results are stated after charging (crediting):		
Rental income	(24,000)	(20,090)
Operating lease rentals: Other operating leases	114,843	191,195
Depreciation	23,629	16,677
Auditors' remuneration		
- audit	18,450	19,000
- tax and other advice	2,075	2,000

3. Information regarding directors and employees

At 31 March 2008, the company employed salaried persons and benefited from additional voluntary and seconded staff. The average number of employees employed on core activities throughout the year was 35 (2007 - 38) including seconded staff.

	2008 £	2007 £
Total gross wages and salaries	1,810,292	1,617,441
Employer's national insurance contributions	209,500	197,433
Pension scheme costs	52,019	50,295
Temporary staff	54,438	44,595
	2,126,249	1,909,764

The total directors' emoluments for the year were £185,000 (2007 - £172,814). Non-executive directors do not receive any remuneration or expenses.

Notes to the financial statements (continued)

Year ended 31 March 2008

4. Taxation

	2008 £	2007 £
United Kingdom corporation tax at 30% (2007 - 30%)	39,290	15,725
	2008 £	2007 £
Surplus before taxation	373,554	217,514
Tax charge on surplus before taxation at 30% (2007 - 30%)	112,066	65,254
Factors affecting tax charge for the year:		
Income exempt from tax	(78,446)	(41,403)
Marginal relief	(5,632)	(8,126)
Total actual amount of current tax	39,290	15,725

5. Tangible fixed assets

	Computer equipment £	Equipment, fixtures and fittings £	Total £
Cost			
At 1 April 2007	188,862	40,833	229,695
Additions	56,681	-	56,681
At 31 March 2008	245,543	40,833	286,376
Accumulated depreciation			
At 1 April 2007	182,396	38,570	220,966
Charge for the year	22,238	1,391	23,629
At 31 March 2008	204,634	39,961	244,595
Net book value			
At 31 March 2008	40,909	872	41,781
At 31 March 2007	6,466	2,263	8,729

6. Investments: subsidiary companies

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

Think London, which promotes and facilitates the location in London of national and international businesses, is financed by contributions from the London Development Agency, local government and the private sector.

During the year London First made a grant of £668,580 (2007 - £690,000) to Think London. Extracts from the unaudited statutory accounts of Think London are:

	2008	2007
	£	£
Turnover	6,158,926	5,309,421
Less expenditure	(6,083,189)	(5,074,478)
Surplus	75,737	234,943
Accumulated surplus	1,262,324	1,186,587

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

Skills Festival Company will be running a repeat of the Skill City event held in 2005 in November 2008 called Skills London 2008.

Extracts from the unaudited management accounts of Skills Festival Company to 31 March 2008 are:

	2008	2007
	£	£
Turnover	318,492	39,635
Less expenditure	(305,805)	(84,276)
Surplus/(deficit)	12,687	(44,891)
Accumulated surplus	280,559	267,872

Notes to the financial statements (continued)

Year ended 31 March 2008

7. Investments: other

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

The company was dissolved on 4 September 2007.

Extracts from the unaudited management accounts of The London Accord are:

	2008 £	2007 £
Turnover	-	91,103
Less expenditure	-	(100,421)
Deficit	-	(9,318)
Accumulated surplus	-	-

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

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

The company will be wound up in 2008/09.

Extracts from the unaudited management accounts of London Waste Action to 31 March 2008 are:

	2008 £	2007 £
Turnover	32,062	61,516
Less expenditure	(93,543)	(598,586)
Deficit	(61,481)	(537,070)
Accumulated surplus	627,471	688,952

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

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

Extracts from the unaudited management accounts of Teach First at 31 March 2008 are:

	2008	2007
	£	£
Turnover	2,280,663	3,384,506
Less expenditure	(1,889,619)	(3,166,874)
Surplus	391,044	217,632
Accumulated surplus	741,510	350,466

(d) The London Alliance was incorporated on 26 June 2001 with London First and Business in the Community as its members. Its name was changed to Campaign for Crossrail on 22 September 2005 with London First as its sole member. This company did not trade and its name was changed on 21 September 2006 to The London Business Club with London First, London Chamber of Commerce and Industry and the Confederation of British Industry as its members. Its primary objective is to run a supplier engagement programme funded by the London Development Agency.

Extracts from the unaudited management accounts of The London Business Club to 31 March 2008 are:

	2008	2007
	£	£
Turnover	464,736	1,082
Less expenditure	(464,736)	(1,082)
Surplus	-	-
Accumulated surplus	-	-

Notes to the financial statements (continued)

Year ended 31 March 2008

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

The company will be wound up in 2008/09.

Extracts from the unaudited management accounts of LRL Limited to 31 March 2008 are:

	2008 £	2007 £
Turnover	-	2,352
Less expenditure	-	(2,612)
Deficit	-	(260)
Accumulated surplus	2,983	2,983

8. Debtors

	2008 £	2007 £
Membership debtors	252,749	206,582
Project and other debtors	327,003	49,469
Staff loans	12,847	5,211
Prepayments and accrued income	48,139	67,438
	640,738	328,700

9. Cash at bank and in hand

	2008 £	2007 £
Held at bank on behalf of specific projects	53,313	25,142
Other cash at bank	459,481	2,451,040
	512,794	2,476,182

10. Current Asset Investments

Surplus cash balances are invested in short term deposits with the company's bankers.

	2008 £	2007 £
Held on short term deposit	2,300,000	-

11. Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	111,384	138,630
Amounts owed to Think London	24,532	4,686
Amounts owed to Skills Festival Company	175,809	-
Corporation tax	39,690	16,124
Other taxation and social security	71,993	41,126
Accruals and deferred income		
Accruals	389,341	287,955
Deferred income	1,920,946	1,897,736
	2,733,695	2,386,257

12. Financial commitments

There were no capital commitments at the year end (2007 - £nil).

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

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Leases which expire in less than one year	29,084	102,000	-	-

13. Pension arrangements

The company has a defined contribution scheme for which the pension cost charge for the year amounted to £52,019 (2007 - £50,295).

14. Related party transactions

During the year the following related party transactions took place:

- a) Think London was invoiced £220,517 (2007 - £204,488) by the company to cover salary, overheads and other administrative costs.
- b) Think London invoiced the company £29,656 (2007 - £nil) to cover commission payments, overheads and other administrative costs.
- c) Skills Festival Company was invoiced £49,803 (2007 - £20,225) to cover salary and other administrative costs.
- d) Skills Festival Company invoiced the company £205,000 (2007 - £nil) to cover funding received from the Learning and Skills Council in respect Skills London 2008.
- e) The company made a grant to Think London of £668,580 (2007 - £690,000) in order to support the activities of Think London.
- f) London Waste Action was invoiced £nil (2007 - £18,341) to cover overheads and financial services.

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

London  First