

Company Registration No. 5113663

Marketing Leeds Limited

STATUTORY FINANCIAL STATEMENTS

for the year ended

31 March 2008

Marketing Leeds Limited

DIRECTORS AND OFFICERS

DIRECTORS

E J S Anderson
J M Brady
A J Da Costa
C G Green
M J Holmes
N P D McClea
D L Mycock
Prof. S F Lee
J A Rogers

SECRETARY

A J Da Costa

REGISTERED OFFICE

2nd Floor
53 The Calls
Leeds
LS2 7EY

AUDITORS

Baker Tilly UK Audit LLP
2 Whitehall Quay
Leeds
LS1 4HG

Marketing Leeds Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Marketing Leeds Limited for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Marketing Leeds Limited is the city's destination marketing company, and aims to ensure that Leeds fulfils its potential as a world-class destination for business, leisure and education. Our vision is to raise the profile of Leeds, as *the* place to do business, to visit and to study, positioning it as a vibrant, internationally competitive city, and as the gateway to its region and the UK.

During the accounting period, a new Chief Executive took up post and a thorough review of the company's operations, practices, procedures and objectives was conducted. Changes to practice and procedures were implemented and staff recruited to meet the needs identified. A full programme of activity was devised and communicated to our stakeholders. This programme will continue to be implemented and delivered throughout 2008/9.

Our objectives are:

- To raise the profile of Leeds at a regional, national and international level
- To host one major international event each year
- To bring more business to the city region
- To encourage more visitors, from the UK and overseas
- To raise the profile of Leeds as a centre of educational excellence
- To act as a catalyst for collaborative working with agencies and organisations across the City Region

The company commenced trade on 1 April 2006. Prior to this the promotional activity currently undertaken by the company was performed by Leeds City Council. The activities were transferred to the company on 1 April 2006 for £nil consideration. The balance sheet does not reflect the true current value of either the company's website www.marketingleeds.com, or that of the City of Leeds logo which is encapsulated in the "Leeds, Live it, Love it" logo. The directors believe that the fair value of these intangible assets far exceeds their historical cost.

The company is dependent upon grant providers and sponsorship income for funding. Without sufficient funding the company would have to curtail or cease its activities.

Through the annual budgeting process, the directors can satisfy themselves that they have sufficient funding to continue for the next twelve months, although additional funding is required to undertake all of the discretionary marketing activities that the Directors would like to commission. Furthermore, beyond the twelve months, continuation of the company is entirely dependant upon discretionary funding.

RESULTS AND DIVIDENDS

Net income for the year amount to £103,428 and this amount has been carried forward. The Memorandum and Articles of Association does not provide for any distribution to members.

Marketing Leeds Limited

DIRECTORS' REPORT

DIRECTORS

The following directors have held office during the year.

E J S Anderson
J M Brady
A J Da Costa
C G Green
M J Holmes
N P D McClea (appointed 1 July 2008)
D L Mycock
Prof. S F Lee
J Fletcher OBE (resigned 30 June 2008)
J A Rogers

THIRD PARTY INDEMNITY PROVISIONS FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board


J A Rogers
Director

1 July 2008

Marketing Leeds Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 income and expenditure of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and estimates that are reasonable and prudent;
- c. 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 that 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 requirement of 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 MARKETING LEEDS LIMITED

We have audited the financial statements on pages 6 to 13.

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 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

The directors' responsibilities for preparing the Annual Report and 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 judgements 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 at 31 March 2008 and of its net expenditure for the year then ended and 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.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

Leeds

LS1 4HG

1 July 2008

Marketing Leeds Limited
INCOME & EXPENDITURE ACCOUNT
for the year ended 31 March 2008

	<i>Notes</i>	2008	2007
		£	£
INCOME			
Sponsorships		166,290	184,920
Contributions from Leeds City Council			
General contribution	400,000	200,000	
World Corporate Games	58,000	-	
City Centre Leeds	25,000	-	
		<u>483,000</u>	<u>200,000</u>
Revenue grants from Yorkshire Forward		270,000	200,000
CRII		-	15,650
Other income		653	-
Interest received		72	-
		<u>920,015</u>	<u>600,570</u>
EXPENDITURE			
Administration		373,099	241,196
Leeds champion initiative scheme		11,482	-
Events		191,288	-
Marketing activity and collateral		69,547	168,478
Collaborative marketing initiatives		32,169	109,612
Web development		60,049	43,301
Brand development		8,416	37,738
Professional and contracted services		69,441	88,136
Loan interest paid		1,096	7,208
		<u>(816,587)</u>	<u>(695,669)</u>
NET INCOME/(EXPENDITURE)	1,11		
FOR THE YEAR		<u>103,428</u>	<u>(95,099)</u>

Net income for the year arises from the company's continuing operations.

No separate Statement of Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the income and expenditure account.

Marketing Leeds Limited

BALANCE SHEET

As at 31 March 2008

	<i>Notes</i>	2008 £	2007 £
FIXED ASSETS			
Intangible assets	4	10,000	15,000
Tangible assets	5	49,164	72,790
		<u>59,164</u>	<u>87,790</u>
CURRENT ASSETS			
Debtors	6	238,199	216,125
Cash at bank		72	-
		<u>238,271</u>	<u>216,125</u>
CREDITORS: Amounts falling due within one year	7	(243,908)	(353,816)
		<u>(243,908)</u>	<u>(353,816)</u>
NET CURRENT (LIABILITIES)/ASSETS		(5,637)	(137,691)
		<u>(5,637)</u>	<u>(137,691)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>53,527</u>	<u>(49,901)</u>
CAPITAL AND RESERVES			
Share capital	8	2	2
General fund	9	53,525	(49,903)
		<u>53,527</u>	<u>(49,901)</u>

The financial statements on pages 6 to 13 were approved by the board of directors and authorised for issue on 1 July 2008 and are signed on its behalf by:



J A Rogers
Director

Marketing Leeds Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The company has taken advantage of paragraph 3(3) of Schedule 4 Companies Act 1985 not to adopt the headings otherwise required by paragraph 1 of Schedule 4, as the special nature of the company's business requires such adaptation.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at cost, and amortised as follows:

Brand	25% straight line
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TANGIBLE FIXED ASSETS

Fixed assets are stated at cost. Depreciation is calculated to write off the cost less the estimated residual value of fixed assets over their estimated useful lives as follows:

Fixtures, fittings and computers	25% straight line
Website development expenditure	25% straight line

COUNCIL INDEBTEDNESS

Council indebtedness represents the net amount of receipts and payments dealt with through Leeds City Council on behalf of the company, as part of an outsourced accounting arrangement.

INCOME

Income represents the fair value of income receivable from sponsors and grant providers. This is derived from its principal activity wholly undertaken in the UK.

Income is deferred on the basis that each sponsor pays an annual contribution, commencing on the date that the contribution is paid.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

TAXATION

No provisions have been made for taxation on the basis that the company is a not-for-profit organisation and not within the charge to taxation.

Marketing Leeds Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

1	NET EXPENDITURE FROM ORDINARY ACTIVITIES	2008 £	2007 £
	Net outgoing resources is stated after charging:		
	Operating leases		
	- Plant and machinery	25,309	26,130
	- Land and buildings	28,331	28,371
		<u>53,640</u>	<u>54,501</u>
	Depreciation and amortisation of owned assets		
	Depreciation of tangible assets	8,226	8,015
	Amortisation of intangible assets	21,250	21,250
	Capital grants released	(18,750)	(18,750)
		<u>10,726</u>	<u>10,515</u>
	Auditors remuneration		
	- Audit	7,250	7,250
	- Other services	2,750	2,750
		<u>7,250</u>	<u>7,250</u>
2	EMPLOYEES	2008 No.	2007 No.
	The average monthly number of persons employed by the company during the year was:		
	Administration	6	4
		<u>6</u>	<u>4</u>
		2008 £	2007 £
	Staff costs for above persons:		
	Wages and salaries	225,521	105,265
	Social security costs	22,942	11,172
		<u>248,463</u>	<u>113,836</u>

DIRECTORS' REMUNERATION

No director received emoluments during the year.

Marketing Leeds Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

3 TAXATION

No tax charge arises as the company is a not-for-profit organisation and in the opinion of the Directors not within the charge to corporation tax.

4	INTANGIBLE ASSETS	<i>Brand</i>
		£
	Cost	
	At 1 April 2007 and 31 March 2008	20,000
		<hr/>
	Amortisation	
	At 1 April 2007	5,000
	Charge for the year	5,000
		<hr/>
	At 31 March 2008	10,000
		<hr/>
	Net book value	
	At 31 March 2008	10,000
		<hr/>
	At 31 March 2007	15,000
		<hr/>

Marketing Leeds Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

5	FIXED ASSETS	<i>Office equipment and fixtures</i> £	<i>Website development</i> £	<i>Total</i> £
	Cost			
	At 1 April 2007	32,055	65,000	97,055
	Additions in the year	850	-	850
	At 31 March 2008	32,905	65,000	97,905
	Depreciation			
	At 1 April 2007	8,015	16,250	24,265
	Charge for the year	8,226	16,250	24,476
	At 31 March 2008	16,241	32,500	48,741
	Net book value			
	At 31 March 2008	16,664	32,500	49,164
	At 31 March 2007	24,040	48,750	72,790
6	DEBTORS		2008 £	2007 £
	Sponsorship debtors		74,816	129,612
	Grant Claims		-	75,000
	VAT		28,596	11,511
	Unpaid share capital subscribed		2	2
	Council indebtedness		132,785	-
	Prepayments		2,000	-
			238,199	216,125
7	CREDITORS: Amounts falling due within one year		2008 £	2007 £
	Trade creditors		109,073	129,201
	Council indebtedness		-	82,865
	Accruals and deferred income		134,835	141,750
			243,908	353,816

Marketing Leeds Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

8	SHARE CAPITAL	2008	2007
		£	£
	Authorised:		
	1,000 Ordinary Shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted and issued:		
	2 Ordinary Shares of £1 each	2	2
		<u> </u>	<u> </u>
9	GENERAL FUND RESERVE	2008	2007
		£	£
	At 1 April 2007	(49,903)	-
	Capital contribution (note 12)	-	45,196
	Net income/(expenditure) for the year	103,428	(95,099)
		<u> </u>	<u> </u>
	At 31 March 2008	53,525	(49,903)
		<u> </u>	<u> </u>
10	COMMITMENTS UNDER OPERATING LEASES		
	At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:		
		Land & Buildings	Plant & Machinery
		2008	2007
		£	£
	Expiring within one year	-	14,722
	Expiring between two and five years	28,331	10,587
		<u> </u>	<u> </u>
		28,331	25,309
		<u> </u>	<u> </u>
11	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2008	2007
		£	£
	Net income/(expenditure)	103,428	(95,099)
	Capital contribution	-	45,196
	Shares issued	-	2
	At 1 April 2007	(49,901)	-
		<u> </u>	<u> </u>
	At 31 March 2008	53,527	(49,901)
		<u> </u>	<u> </u>

Marketing Leeds Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

12 CONTRIBUTION OF TRADE AND ASSETS

The activities of Marketing Leeds Limited were previously undertaken by Leeds City Council. On 1 April 2007 the trade and assets relating to these activities were contributed to Marketing Leeds Limited.

The book values and fair values of the related assets at date of contribution were as follows:

	Book value £	Fair value £	
Intangible assets	-	85,000	(1)
Fixed assets	-	30,000	(1)
Debtors	51,446	51,446	(2)
Creditors	(121,250)	(121,250)	
		<hr/>	
Net capital contribution		45,196	
		<hr/> <hr/>	

(1) The costs incurred in developing the website and creating and marketing the 'Leeds, Live it, Love it' brand were not capitalised by the council prior to the transfer. The fair value is based on the Directors' best estimate of replacement cost.

(2) It is not possible to ascertain the book value of the fixed assets acquired. The fair value is based on the Directors' best estimate of market value.

The capital contribution is a transaction with a shareholder and therefore has been credited directly to reserves and is shown within the reconciliation of movements in shareholders' funds (note 11).

13 TRANSACTIONS WITH DIRECTORS

Rent and service charges of £28,395 were paid to Montpellier Estates Limited, a company controlled by Mrs J Fletcher, a director of that company.

Advertising costs of £3,242 were paid to Johnston Publishing (North) Limited a company in which Mr C Green is a director.

Marketing Leeds Limited

DETAILED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2008

		2008		2007
	£	£	£	£
INCOME				
Platinum		40,000		40,000
Gold		80,500		110,000
Silver		25,000		10,000
Bronze		19,625		29,170
Deferred income adjustment		1,165		(4,250)
		<u>166,290</u>		<u>184,920</u>
Contributions from Leeds City Council				
General contribution	400,000		200,000	
World Corporate Games	58,000		-	
City Centre Leeds	25,000		-	
	<u>483,000</u>		<u>200,000</u>	
Grant income from Yorkshire Forward		270,000		200,000
CRII		-		15,650
Other income		653		-
		<u>919,943</u>		<u>600,570</u>
Expenditure		(815,491)		(688,461)
		<u>104,452</u>		<u>(87,891)</u>
Interest received		72		-
Interest paid		(1,096)		(7,208)
		<u>103,428</u>		<u>(95,099)</u>

This page does not form part of the statutory financial statements.