

MARKETING EDINBURGH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

for the year ended 31 March 2014

MARKETING EDINBURGH LIMITED

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MARKETING EDINBURGH LIMITED

DIRECTORS:

G B Robertson Chair
F W Ross Vice Chair
G R Birse
N Cook
J Delaney
S G Hillier
R H Imrie
R M J Kington
D A J McCulloch
G J Munro
B Percy
G C Rintoul
J Robertson

SECRETARY:

J Donnelly

REGISTERED OFFICE:

1A Glenfinlas Street
Edinburgh
EH3 6AQ

COMPANY NUMBER:

SC392580 (Scotland)

AUDITORS:

Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

BANKERS:

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

MARKETING EDINBURGH LIMITED

DIRECTORS' REPORT

The Directors present their report and financial statements of the company for the year ended 31 March 2014.

Principal Activity

The principal activity of the company is to promote Edinburgh as a world class destination in which to live, work, visit, study and invest. This is achieved by creating engaging strategies and campaigns, driving consistent messaging under each of these agendas. The ultimate outcome is to generate economic activity in the city and its immediate surrounding through leisure tourism, business tourism, film/tv production and inward investment.

Review of the Business

Marketing Edinburgh has enjoyed an extremely productive 2013/2014.

This was a year of consolidation for the company which has delivered a leaner, more commercially focussed organisation to go into the challenges which lie ahead.

A strong indicator of the positive relations and belief in Marketing Edinburgh is evidenced by the three year business plan which was submitted to and approved by the City of Edinburgh Council in November 2013.

This strength was further underlined by the approval of a three year Service Level Agreement, covering 2014/2015 through to 2016/2017. This line of sight provides Marketing Edinburgh with the certainty it requires to plan, resource and develop its campaigns.

The majority of KPI's set for 2013/2014 were achieved, as highlighted:

Business Tourism achieved an economic impact of £90.1m against a target of £89m, and secured 59 new Ambassadors for its programme versus a target of 50. Accommodation income was, however, slightly behind at £177K versus a target of £200K.

The membership programme delivered income of £269K from 183 members, versus a target of £250K from 190 members and maintained a targeted retention level of 95%.

Edinburgh Film Focus, rebranded Edinburgh Film, achieved a conversion target of 68% of enquires vs a target of 60% delivering £3m+ of economic impact for the city.

Marketing Edinburgh's corporate website was re launched and its campaign This Is Edinburgh is now driving significant footfall to the city centre and digital traffic to its platforms, with each target exceeded. The winter campaign reached 526K vs 450K individuals; footfall was +3% vs +2% against UK average; website unique views were 399K vs 305K; and social media has a total audience of 69K vs 45K.

The key brand initiative for Marketing Edinburgh in 2013/2014 was the City Centre Campaign, a joint collaboration between The City of Edinburgh Council, Essential Edinburgh and Marketing Edinburgh. With a budget of £1m to invest over two years, the objective is to attract residents and those within a two hour commute back to the shops, restaurants, bars, attractions and hidden gems in the city centre. The campaign comprises advertising, website, social media, events, discounted parking and includes plans for an app.

MARKETING EDINBURGH LIMITED

DIRECTORS' REPORT (CONTINUED)

Review of the Business (continued)

The campaign and its resultant coverage has elevated Marketing Edinburgh's credibility considerably and the confidence in the team has been restored, with a clearer mission and clearer direction on what has to be delivered.

Key personnel were recruited in the shape of its Chief Executive and Head of Marketing, whilst the Director of Operations stood down from post at the end of the financial year post a long absence due to sickness. A more robust meeting schedule has been introduced in 2013/2014 with weekly senior team meetings, fortnightly one to one meetings, monthly financial sessions and bi annual reviews has ensured accurate communication and monitoring of progress of projects.

The company has recorded a shortfall of £41,753 principally due to Director of Operation's termination payment which has been taken out of the company's reserves, which are currently sitting at £299,943 as at 31 March 2014. Tight expenditure controls and management have ensured the shortfall is as minimal as possible.

The three year Plan as signed off by City of Edinburgh Council details the need for Marketing Edinburgh to continue to focus its efforts on engaging the private sector to generate additional incremental revenue streams for the organisation. It is anticipated that there will be a range of commercial activities explored and launched in 2014/2015 to achieve this ambition.

Membership

The membership of the company was only open to the following member during the year:

- City of Edinburgh Council

Company Composition

The City of Edinburgh Council is the sole member of Marketing Edinburgh Limited. If the company is wound up while City of Edinburgh Council is a member, or within one year after it ceases to be a member, City of Edinburgh Council will contribute £1 in accordance with the Memorandum and Articles of Association.

MARKETING EDINBURGH LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors

The directors listed below have held office from 1 April 2013 unless otherwise stated.

Partner Director

F W Ross Vice Chair

Stakeholder Directors

G B Robertson	Chair	
A M Johnston	Chair	(resigned 1 April 2014)
G R Birse		
N Cook		(appointed 27 August 2013)
J Coyle		(resigned 13 September 2013)
J Delaney		(appointed 16 April 2014)
S G Hillier		
R H Imrie		
R M J Kington		
D A J McCulloch		
G J Munro		(appointed 2 September 2013)
B Percy		(appointed 7 March 2014)
G C Rintoul		
J Robertson		

MARKETING EDINBURGH LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' Responsibilities Statement

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 income or expenditure of the company for that year. 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping adequate 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to the auditor

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board

Gordon B Robertson
Director

2014

MARKETING EDINBURGH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARKETING EDINBURGH LIMITED

We have audited the financial statements of Marketing Edinburgh Limited for the year ended 31 March 2014 as set out on pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to 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 Auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and being satisfied they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (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. In addition, we read the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 and of its deficit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRS as issued by the IASB

The company, in addition to applying IFRS as adopted by the European Union has also applied IFRS as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRS as issued by the IASB.

MARKETING EDINBURGH LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MARKETING EDINBURGH LIMITED (CONTINUED)**

Opinion on other matter 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.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Michael Crerar (Senior Statutory Auditor)
For and on behalf of Geoghegans, Statutory Auditor

2014

6 St Colme Street
Edinburgh EH3 6AD

MARKETING EDINBURGH LIMITED

**INCOME STATEMENT
for the year ended 31 March 2014**

	Notes	2014 £	2013 £
Continuing Operations			
Income			
Grants receivable	4	1,055,200	1,461,040
CEC – City centre marketing campaign		100,000	-
Partnership income		57,000	158,890
Membership fees		268,976	247,410
Conference accommodation booking service		177,025	168,855
CIF fund	11	60,684	-
In kind support		57,928	23,046
Other income		4,125	17,982
		<u>1,780,938</u>	<u>2,077,223</u>
Expenditure			
Employee benefits	5	694,020	762,222
Operational costs		462,318	393,700
Promotional costs		666,859	881,569
		<u>1,823,197</u>	<u>2,037,491</u>
Operating (Deficit)/Surplus from Operations		(42,259)	39,732
Investment revenues		<u>632</u>	<u>539</u>
(Deficit)/Surplus Before Taxation	6	(41,627)	40,271
Taxation	7	<u>126</u>	<u>108</u>
(Deficit)/Surplus for the Year		<u>(41,753)</u>	<u>40,163</u>

MARKETING EDINBURGH LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2014**

	2014	2013
	£	£
(Deficit)/Surplus for the Year	(41,753)	40,163
	<hr/>	<hr/>
Total Comprehensive (Expenditure)/Income for the Year	<u>(41,753)</u>	<u>40,163</u>

MARKETING EDINBURGH LIMITED

BALANCE SHEET at 31 March 2014

	Notes	2014 £	2013 £
Non-Current Assets			
Property, plant and equipment	8	13,315	38,826
Intangible assets	9	57,312	-
		<u>70,627</u>	<u>38,826</u>
Current Assets			
Trade and other receivables	10	339,208	103,076
Cash and cash equivalents		446,340	527,099
		<u>785,548</u>	<u>630,175</u>
Current Liabilities	11	<u>(525,832)</u>	<u>(266,505)</u>
Net Current Assets		<u>259,716</u>	<u>363,670</u>
Total Assets Less Current Liabilities		330,343	402,496
Non-Current Liabilities	12	<u>(30,400)</u>	<u>(60,800)</u>
Net Assets		<u>299,943</u>	<u>341,696</u>
Reserves			
Income and expenditure account	13	<u>299,943</u>	<u>341,696</u>

These financial statements were approved and authorised for issue by the Board of Directors on 2014 and were signed on their behalf by:

Gordon B Robertson
Director

Frank W Ross
Director

Company Registration No: SC392580

MARKETING EDINBURGH LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2014

	Retained Earnings £	Total Equity £
At 31 March 2013	<u>341,696</u>	<u>301,533</u>
(Deficit)/Surplus for the Year	(41,753)	40,163
Total Comprehensive Income	<u>(41,753)</u>	<u>40,163</u>
At 31 March 2014	<u><u>299,943</u></u>	<u><u>341,696</u></u>

MARKETING EDINBURGH LIMITED

RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES for the year ended 31 March 2014	2014 £	2013 £
Operating (deficit)/surplus	(42,259)	39,732
Adjustments for non-cash operating transactions		
Depreciation of non-current assets	29,021	26,690
Changes in working capital		
(Increase)/decrease in debtors	(236,132)	236,213
Increase/(decrease) in creditors	228,909	(110,593)
	<u> </u>	<u> </u>
Net cash (outflow)/ inflow from operating activities	(20,461)	192,042
	<u> </u>	<u> </u>
CASH FLOW STATEMENT for the year ended 31 March 2014	2014 £	2013 £
Cash flow from operating activities		
Cash generated from operations	(20,461)	192,042
Taxation paid	(108)	(48)
	<u> </u>	<u> </u>
Net cash flows generated from operating activities	<u>(20,569)</u>	<u>191,994</u>
Cash flow from investing activities		
Interest received	632	539
Purchase of non-current assets	(60,822)	-
	<u> </u>	<u> </u>
Net cash (used in)/generated by investing activities	<u>(60,190)</u>	<u>539</u>
Net increase in cash and cash equivalents	(80,759)	192,533
Opening cash and cash equivalents at 31 March 2013	527,099	334,566
	<u> </u>	<u> </u>
Cash and cash equivalents at 31 March 2014	446,340	527,099
	<u> </u>	<u> </u>

MARKETING EDINBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

1. General Information

Marketing Edinburgh Limited is a company limited by guarantee incorporated on 31 January 2011 and domiciled in the United Kingdom.

The address of the registered office and principal place of business is 1A Glenfinlas Street, Edinburgh EH3 6AQ, and the nature of the Company operations and principal activities is to promote and improve the well-being of Edinburgh, and the well-being of the persons within Edinburgh, through implementing a range of strategies directed towards increasing economic activity with Edinburgh and environs (including the wider Lothian and Border region) and/or enhancing perceptions of Edinburgh and its environs as a place to live, work, study or pursue leisure activities or as a destination for business and event tourism or as a location for film and television production or as a location for inward investment.

The City of Edinburgh Council is deemed to be the ultimate controlling party by way of it being the sole member of the company.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) *Basis of preparation*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union/as issued by the International Accounting Standards Board (IASB) and in accordance with UK companies legislation, as applicable to companies reporting under IFRS.

These financial statements therefore comply with IFRS as adopted by the EU as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

(b) *Company status*

The company is limited by guarantee and does not have share capital. Under the Memorandum of Association, each member undertakes to contribute an amount not exceeding £1 in the event of the company being wound up while they are a member (or within one year after it ceases to be a member).

If on the winding up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall be paid or transferred to The City of Edinburgh Council or to such other body or bodies as The City of Edinburgh Council may nominate in writing.

MARKETING EDINBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2014

2. Significant accounting policies (continued)

(c) *Revenue recognition*

As a company tasked with promoting Edinburgh as one of the world's leading conference destinations Marketing Edinburgh Limited is a non profit making organisation and accordingly present an income and expenditure account rather than a profit and loss account for the year.

The Company does however seek to maintain/increase some of its income streams in order to further invest in the marketing of Edinburgh as a business tourism destination. In particular this is achieved via membership fee income and Conference and Accommodation Booking Service commission, such income targets being set in the annual business plan.

Grants of a revenue nature are credited to the Income and Expenditure Account in the year to which they relate.

Grants of a capital nature are deferred on receipt and released to the Income Statement over the useful economic life of the relevant fixed assets.

In kind support, including donated services and facilities, are recognised in the financial statements where the benefit to the company is reasonably quantifiable and measurable. The value placed on the resources is the estimated open market value of the supply made to the company. Where such support is recognised, an equivalent amount is included within expenditure under the appropriate heading in the Income and Expenditure Account.

(d) *Property, plant and equipment*

Items of property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its useful economic life, as follows:

Computer equipment and IT systems	3 - 5 years
Fixtures and fittings	5 years

(e) *Intangible Assets*

Intangible assets are stated at cost less amortisation. Amortisation is provided at rates to write off the cost less estimated residual value of each asset on a straight line basis over its useful economic life, as follows:

Website	3 years
Brand	3 years

(f) *Operating Leases*

Rentals payable under operating leases are charged on a straight line basis over the terms of the lease.

MARKETING EDINBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2014

2. Significant accounting policies (continued)

(g) *Foreign currencies*

Transactions in foreign currencies are recorded at the exchange rate in operation at the date of the transaction.

(h) *Pension costs*

The company operates a money purchase (defined contribution) pension scheme. Contributions payable are charged to the income account in the year to which they relate. These contributions are invested separately from the company's assets.

3. Standards and interpretations in issue not yet effective

The following new and revised standards and interpretations have been issued but are not yet effective and have therefore not been adopted in these financial statements. The standards and interpretations listed below are not expected to have a material impact on the Company's results or assets and liabilities.

<i>Standard</i>	<i>Details</i>	<i>Effective Date</i>
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities	1 January 2014
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
IFRS 9	Financial Instruments	1 January 2015

MARKETING EDINBURGH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2014**

4. Grants Receivable	2014	2013
	£	£
<i>General operating grants:</i>		
City of Edinburgh Council - Core Funding	1,007,000	1,225,590
<i>Other funding:</i>		
CEC – Winter Campaign	-	145,000
CEC – Clipper Funding	-	12,950
CEC – Subvention Funding	37,500	35,000
Visit Scotland – BTU Bid Support	-	35,000
East Lothian Council – Film Liaison Services	6,700	5,500
Scottish Borders Council – Film Focus Funding	4,000	2,000
	<u>1,055,200</u>	<u>1,461,040</u>
5 Employee Benefits	2014	2013
	£	£
Salaries and staff costs are as follows:		
Wages and salaries	478,274	642,017
Termination benefits	57,233	21,930
Social security costs	51,894	69,388
Pension costs	18,519	28,887
	<u>605,920</u>	<u>762,222</u>
Contractors staff costs	<u>88,100</u>	<u>-</u>
	<u>694,020</u>	<u>762,222</u>
Average number of employees by activity (excluding directors):		
Project staff	15	13
Administration	3	8
	<u>18</u>	<u>21</u>

MARKETING EDINBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2014

6	(Deficit)/surplus on Ordinary Activities Before Taxation	2014	2013
		£	£
	<i>This is stated after charging:</i>		
	Directors' emoluments	-	-
	Fees payable to the company's auditor for the audit of the company	5,200	5,000
	Fees payable to the company's auditors and its associates for other services	2,192	5,120
	Depreciation of fixed assets	27,083	26,690
	Amortisation of intangible assets	1,938	-
	Operating lease rentals – Office Rental & Equipment	<u>36,767</u>	<u>36,767</u>
7	Taxation	2014	2013
		£	£
	Current tax		
	UK corporation tax – 20%	<u>126</u>	<u>108</u>
	<i>Factors affecting the tax charge for year:</i>		
	Deficit/Surplus on ordinary activities before tax	<u>(41,627)</u>	<u>40,271</u>
	Surplus on ordinary activities before taxation multiplied by standard rate of corporation tax 20%	(8,325)	8,054
	Effects of:		
	Tax effects of non trading surplus	<u>8,451</u>	<u>(7,946)</u>
	Current tax charge for the year	<u>126</u>	<u>108</u>

In the opinion of the directors the company is a 'not-for-profit' organisation and accordingly corporation tax has only been provided in respect of interest receivable by the company for the year.

MARKETING EDINBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2014

8	Property, Plant and Equipment	Furniture & Fittings	Computer Equipment and IT systems	Total
		£	£	£
	Cost			
	At 1 April 2013	579	90,461	91,040
	Additions	-	1,572	1,572
	Disposals	-	-	-
	At 31 March 2014	<u>579</u>	<u>92,033</u>	<u>92,612</u>
	Accumulated Depreciation			
	At 1 April 2013	232	51,982	52,214
	Charge for the year	116	26,967	27,083
	Disposals	-	-	-
	At 31 March 2014	<u>348</u>	<u>78,949</u>	<u>79,297</u>
	Net Book Value			
	At 31 March 2014	<u>231</u>	<u>13,084</u>	<u>13,315</u>
	At 31 March 2013	<u>347</u>	<u>38,479</u>	<u>38,826</u>
9	Intangible Assets	Website	Brand	Total
		£	£	£
	Cost			
	At 1 April 2013	-	-	-
	Additions	45,750	13,500	59,250
	Disposals	-	-	-
	At 31 March 2014	<u>45,750</u>	<u>13,500</u>	<u>59,250</u>
	Amortisation			
	At 1 April 2013	-	-	-
	Charge for year	1,271	667	1,938
	Disposals	-	-	-
	At 31 March 2014	<u>1,271</u>	<u>667</u>	<u>1,938</u>
	Net Book Value			
	At 31 March 2014	<u>44,479</u>	<u>12,833</u>	<u>57,312</u>
	At 31 March 2013	<u>-</u>	<u>-</u>	<u>-</u>
10	Trade and Other Receivables		2014	2013
			£	£
	Trade receivables		210,779	54,838
	Other debtors		19,215	22,215
	Prepayments and accrued income		<u>109,214</u>	<u>26,023</u>
			<u>339,208</u>	<u>103,076</u>

MARKETING EDINBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2014

11	Trade and Other Payables	2014	2013
		£	£
	Trade creditors	243,262	52,765
	Other taxes and social security costs	25,071	15,630
	Other creditors	88,347	115,390
	Accruals	34,210	28,568
	Deferred income	134,942	54,152
		<u>525,832</u>	<u>266,505</u>

Included within other creditors is £nil (2013: £60,684) in respect of the Conference Incentive Fund (CIF) which is managed by Marketing Edinburgh Limited. This fund was released in full to the Income Statement in the year.

Included within deferred income at 31 March 2014 is £14,842 (2013: £14,052) in respect of membership income and £120,100 (2013: £40,100) in respect of project funding provided in respect of activity to be undertaken during 2014/15.

12	Creditors: amounts falling due after more than one year	2014	2013
		£	£
	<i>Lothian Pension Fund Cessation Liability</i>		
	Amounts falling due within one year	30,400	30,400
	Amounts falling due after more than one year	30,400	60,800
		<u>60,800</u>	<u>91,200</u>

Following the decision to transfer the staff of Edinburgh Convention Bureau Limited to Marketing Edinburgh Limited under TUPE with effect from 1 June 2011, no active employees were left in this final salary pension scheme and accordingly the pension scheme liability crystallised. The resulting cessation liability, which was calculated at £152,000 by the Scheme Actuary, was recognised as a liability of Edinburgh Convention Bureau Limited as at 31 May 2011 and was accepted by Marketing Edinburgh Limited under the terms of the transfer agreement.

Marketing Edinburgh Limited have entered into a payment agreement with the Lothian Pension Fund to settle the cessation liability in 5 annual instalments of £30,400 with interest charged on any remaining balance of the cessation valuation liability due from time to time at 1% above Bank of England base rate during the payment year. The third instalment under the payment plan was made in the year.

13	Income and Expenditure Account	2014	2013
		£	£
	At 1 April 2013	341,696	301,533
	(Deficit)/Surplus for the year	<u>(41,753)</u>	<u>40,163</u>
	At 31 March 2014	<u>299,943</u>	<u>341,696</u>

MARKETING EDINBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2014

14 **Operating Leases**

At 31 March 2014 the company was committed to making the following annual payments under non-cancellable operating leases:

Operating leases which expire:	Office Lease £	Equipment £
Within one year	<u>29,250</u>	<u>298</u>

15 **Related Parties**

The Partner Director Cllr F W Ross who held office during the year is considered a related party as he is also a member of The City of Edinburgh Council who provided both revenue funding and other support to the company during both the current and prior years.

16 **Parent and Ultimate Controlling Party**

As the sole member of the company, the directors consider the company to be under the control of The City of Edinburgh Council.

MARKETING EDINBURGH LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2014

2014 **2013**
£ **£**

INCOME

Grants Receivable:

The City of Edinburgh Council	1,007,000	1,225,590
CEC – Subvention Funding	37,500	35,000
CEC – CCMC Funding	100,000	-
CEC – Winter Campaign	-	145,000
CEC – Clipper Funding	-	12,950
VisitScotland	-	35,000
Scottish Borders Council	4,000	2,000
East Lothian Council	6,700	5,500
	<u>1,155,200</u>	<u>1,461,040</u>

<i>Partnership Income</i>	57,000	158,890
<i>Membership Fees</i>	268,976	247,410
<i>Conference accommodation booking service</i>	177,025	168,855
<i>Realisation of CIF fund</i>	60,684	-
<i>'In kind' Support</i>	57,928	23,046
	<u>621,613</u>	<u>598,201</u>

Other Income:

Blueprint income	250	200
Best Cities income	-	11,930
Miscellaneous income	3,875	5,852
	<u>4,125</u>	<u>17,982</u>

Total income	<u>1,780,938</u>	<u>2,077,223</u>
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EXPENDITURE

<i>Staff Costs</i>	<u>694,020</u>	<u>762,222</u>
<i>Operational Costs</i>		
Subcontractors	116,781	72,378
Training and recruitment fees	26,446	15,259
Rent, rates and accommodation costs	94,873	87,553
Postage and telephone	10,120	11,105
ICT operating and network costs	99,109	103,284
Stationery and publications	3,695	3,671
Office equipment	1,076	1,068
Insurance	7,406	7,183
Professional and consultancy fees	39,042	36,269
Audit fees	6,450	6,000
Advertising	9,973	7,374
Depreciation charge	27,083	26,690
Amortisation charge	1,938	-
Bad debts	1,199	3,733
Irrecoverable VAT	12,620	7,592
Bank charges	2,391	1,877
Exchange loss	657	677
Other interest paid	1,368	1,824
Miscellaneous expenses	91	163
	<u>462,318</u>	<u>393,700</u>

MARKETING EDINBURGH LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2014

	2014	2013
	£	£
<i>Promotional Costs</i>		
Marketing and ad hoc promotions	129,846	115,561
Subvention funding	35,500	35,000
Campaign costs	320,350	525,086
City events bidding	14,860	17,675
Research	22,027	32,855
Ambassador programme	21,430	18,542
Site inspection	34,026	46,752
Industry membership and events	87,716	62,949
Photo library	1,104	1,862
Best cities	-	25,287
	<hr/>	<hr/>
	666,859	881,569
	<hr/>	<hr/>
Total expenditure	1,823,197	2,037,491
	<hr/>	<hr/>
Operating (Deficit)/Surplus	(42,259)	39,732
Interest receivable	632	539
	<hr/>	<hr/>
(Deficit)/Surplus on Ordinary Activities Before Taxation	(41,627)	40,271
Taxation	126	108
	<hr/>	<hr/>
(Deficit)/Surplus for the Financial Year	<u>(41,753)</u>	<u>40,163</u>