

MARKETING EDINBURGH LIMITED
(a company limited by guarantee)

DIRECTORS' REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2015

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
R H Imrie
R M J Kington
D A J McCulloch
G J Munro
B Percy
G C Rintoul
J Robertson
J Simpson

Secretary

J Donnelly

Registered Office

26 Frederick Street
EDINBURGH
EH2 2JR

Company Number

SC392580

Auditors

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
EDINBURGH
EH3 6NL

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 2015.

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

The 2014/2015 Review is being written under an agreed three year plan and Service Level Agreement secured with the City of Edinburgh Council in early 2014.

It is also being submitted against a backdrop of an extremely successful and productive 2014/2015 for Marketing Edinburgh, where the majority of KPIs have been achieved.

Post a rebranding exercise Convention Edinburgh achieved £92M worth of economic impact, a record, has driven the greatest number of International Congress and Convention Association (ICCA) meetings in 5 years, launched a new website, created new incentive collateral to take advantage of the growth in incentive business and secured match funding from VisitScotland to conduct a North American campaign, which has already secured £17M+ of enquires.

Convention Edinburgh was nominated as the best UK Convention Bureau in the prestigious Meetings & Incentive Travel (M&IT) awards, and as best Scottish Convention Bureau. This is the first time Convention Edinburgh has secured either of these nominations in its history.

Membership of Marketing Edinburgh is at an all-time high with 252 members now investing in the company. A new initiative, the Rewards Card, targets delegates and directs them to members businesses. This initiative is a world first in the conference market and is gaining significant traction.

Film Edinburgh goes from strength to strength and has secured 362 films which is ahead of target and has driven over £4.5M economic impact to the City, a record. The Film Charter created in conjunction with the City of Edinburgh Council assisted in converting a production worth over £1M in economic impact alone. The constituted Edinburgh Film Steering Group has been successful in promoting the interest of film in the City.

The brand campaign, This Is Edinburgh, has been an overwhelming success, with all targets and metrics being over achieved. The results have vindicated Marketing Edinburgh's key role in the creation and delivery of the campaign, and confidence in the company has moved very positively as a result. The campaign has been awarded as the winner in the Edinburgh Chamber of Commerce awards, in the Creative Marketing category.

The Commercial Plan has been written and approved focussing on digital revenue generation and the Corporate Partnership programme, which has gained momentum and targets have been achieved.

Testament to the success of Commercial plan is the increasing commercial revenue secured from the private sector. These funds are recycled into campaigns to achieve the objectives of the both our partner and the city. It is envisaged that there is significant potential in this area, and further increased revenue is anticipated.

Marketing Edinburgh has had a much improved relationship with Best Cities Global Alliance, having created the body's new positioning and creative approach, and now leads the brand development project for this key body.

MARKETING EDINBURGH LIMITED

DIRECTORS' REPORT (continued)

To have had such a positive year when there was personnel movement and office relocation is testament to the Marketing Edinburgh team.

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.

Directors

The directors listed below have held office from 1 April 2014 unless otherwise stated.

Partner Director

F W Ross (Vice Chair)

Stakeholder Directors

G B Robertson (Chair)

G R Birse

N Cook

J Delaney

S G Hillier (resigned 12 September 2014)

R H Imrie

R M J Kington

D A J McCulloch

G J Munro

B Percy

G C Rintoul

J Robertson

J Simpson (appointed 21 April 2015)

Statement of directors' responsibilities

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 (IFRS) 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.

MARKETING EDINBURGH LIMITED

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities (continued)

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

Insofar 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

FRANK W ROSS
Director

11 September 2015

11 September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MARKETING EDINBURGH LIMITED

We have audited the financial statements of Marketing Edinburgh Limited for the year ended 31 March 2015 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement, and the related notes. 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 the company's member, 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 member 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 member 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 set out on pages 3 and 4, 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 and express an opinion on 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 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 all 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 2015 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).

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
MARKETING EDINBURGH 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.

Jeremy Chittleburgh BSc CA (Senior statutory auditor)
for and on behalf of Chiene + Tait LLP, Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

11 September 2015

MARKETING EDINBURGH LIMITED**INCOME STATEMENT****For the year ended 31 March 2015**

	Notes	2015	2014
		£	£
Income			
Grants receivable	4	986,790	1,055,200
CEC – City centre marketing campaign		310,000	100,000
Partnership income		151,000	57,000
Membership fees		297,270	268,976
Conference accommodation booking service		134,292	177,025
CIF fund		-	60,684
In kind support		38,976	57,928
Other income		63,900	4,125
		-----	-----
		1,982,228	1,780,938
		-----	-----
Expenditure			
Employee benefits	5	655,674	694,020
Operational costs		359,183	462,318
Promotional costs		1,008,840	666,859
		-----	-----
		2,023,697	1,823,197
		-----	-----
Operational deficit from Operations		(41,469)	(42,259)
Investment revenues		682	632
		-----	-----
Deficit before taxation	6	(40,787)	(41,627)
Taxation	7	136	126
		-----	-----
Deficit for the year		(40,923)	(41,753)
		=====	=====

All incoming resources are derived from continuing activities.

STATEMENT of COMPREHENSIVE INCOME**For the year ended 31 March 2015**

	2015	2014
	£	£
Deficit for the year	(40,923)	(41,753)
	-----	-----
Total comprehensive expenditure for the year	(40,923)	(41,753)
	=====	=====

The notes on pages 11 to 17 form part of these financial statements.

MARKETING EDINBURGH LIMITED

BALANCE SHEET

As at 31 March 2015

	Notes	2015	2014
		£	£
Non-current assets			
Property, plant and equipment	8	12,888	13,315
Intangible assets	9	37,562	57,312
		-----	-----
		50,450	70,627
		-----	-----
Current assets			
Trade and other receivables	10	289,422	339,208
Cash and cash equivalents		225,470	446,340
		-----	-----
		514,892	785,548
Current liabilities	11	(306,322)	(525,832)
		-----	-----
Net current assets		208,570	259,716
		-----	-----
Total assets less current liabilities		259,020	330,343
		-----	-----
Non-current liabilities	12	-	(30,400)
		-----	-----
Net assets		259,020	299,943
		=====	=====
Reserves			
Income and expenditure account	13	259,020	299,943
		=====	=====

These financial statements were approved and authorised for issue by the Board of Directors on 11 September 2015 and were signed on its behalf by:

.....
Gordon B Robertson
Director

.....
Frank W Ross
Director

Company Registration No. SC392580

The notes on pages 11 to 17 form part of these financial statements.

MARKETING EDINBURGH LIMITED

STATEMENT of CHANGES in EQUITY

For the year ended 31 March 2015

	Retained Earnings £	Total Equity £
At 31 March 2013	341,696	341,696
Deficit for the year	(41,753)	(41,753)
	-----	-----
At 31 March 2014	299,943	299,943
	-----	-----
Deficit for the year	(40,923)	(40,923)
	-----	-----
Total comprehensive income	(40,923)	(40,923)
	-----	-----
At 31 March 2015	259,020	259,020
	=====	=====

The notes on pages 11 to 17 form part of these financial statements.

MARKETING EDINBURGH LIMITED**RECONCILIATION of OPERATING SURPLUS to NET CASH INFLOW from OPERATING ACTIVITIES****For the year ended 31 March 2015**

	2015	2014
	£	£
Operating deficit	(41,469)	(42,259)
Adjustment for non-cash operating transactions		
Depreciation of non-current assets	26,333	29,021
Changes in working capital		
Decrease/(increase) in debtors	49,786	(236,132)
(Decrease)/increase in creditors	(249,910)	228,909
	-----	-----
Net cash outflow from operating activities	(215,260)	(20,461)
	=====	=====

CASH FLOW STATEMENT**For the year ended 31 March 2015**

	2015	2014
	£	£
Cash Flow from operating activities		
Cash generated from operations	(215,260)	(20,461)
Taxation paid	(136)	(108)
	-----	-----
Net cash flow generation from operating activities	(215,396)	(20,569)
	=====	=====
Cash flow from investing activities		
Interest received	682	632
Purchase of non-current assets	(6,156)	(60,822)
	-----	-----
Net cash used in investing activities	(5,474)	(60,190)
	-----	-----
Net increase in cash and cash equivalents	(220,870)	(80,759)
Opening cash and cash equivalents at 31 March 2014	446,340	527,099
	-----	-----
Cash and cash equivalents at 31 March 2015	225,470	446,340
	=====	=====

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2015

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 26 Frederick Street, Edinburgh EH2 2JR and the nature of the Company operations and principal activities is to promote and improve the wellbeing of Edinburgh and the wellbeing of the persons within Edinburgh through implementing a range of strategies directed towards increasing economic activity within Edinburgh and the 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.

Basis of preparation

The financial statements have been prepared in accordance with International Financial reporting Standards (IFRS) 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.

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.

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.

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

2. Significant accounting policies (continued)

Revenue recognition (continued)

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.

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 to 5 years
Fixtures and fittings	5 years

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

Operating leases

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

Foreign currencies

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

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.

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

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.

Standard	Details	Effective Date (For periods beginning on / or after)
Amendments to IFRS 2, IFRS 3, IFRS 8	Amendments resulting from annual improvement cycles: <i>Share Based Payments; Business Combinations Operating Segments</i>	1 July 2014
Amendments to IFRS 5, IFRS 10, IFRS 11, IFRS 12	Amendments resulting from annual improvement cycles: <i>Non-Current Assets held for Sale; Consolidated Financial Statements; Joint Arrangements, Disclosure of Interests in other Entities</i>	1 January 2016
IFRS 15	Amendments to <i>Revenue from Contracts with Customers</i>	1 January 2017
IFRS 9	<i>Financial Instruments</i>	1 January 2018
Amendments to IAS 24, IAS 40	Amendments to: <i>Related Party Disclosures Investment Property</i>	1 July 2014
Amendments to IAS 1, IAS 16, IAS 19, IAS 27, IAS 28, IAS 34, IAS 38	Amendments to: <i>Presentation of Financial Statements; Property, Plant and Equipment; Employee Benefit; Separate Financial Statements; Investments in Associates and Joint Ventures; Interim Financial Reporting; Intangible Assets</i>	1 January 2016

4. Grants receivable	2015	2014
	£	£
General operating grants:		
City of Edinburgh Council – Core Funding	976,790	1,007,000
Other funding:		
CEC Subvention Funding	-	37,500
East Lothian Council – Film Liaison Services	5,500	6,700
Scottish Borders Council – Film Focus Funding	4,500	4,000
	-----	-----
	986,790	1,055,200
	=====	=====

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

5. Employee benefits	2015	2014
	£	£
Salaries and staff costs are as follows:		
Wages and salaries	484,497	478,274
Termination benefits	-	57,233
Social security costs	44,948	51,894
Pension costs	16,225	18,519
	-----	-----
	545,670	605,920
Contractors staff costs	110,004	88,100
	-----	-----
	655,674	694,020
	=====	=====
Average number of employees by activity (excluding directors)		
Project staff	16	15
Administration	3	3
	-----	-----
	19	18
	=====	=====
 The following employee benefits were paid to key management personnel:		
	2015	2014
	£	£
Wages and salaries	110,004	88,100
	-----	-----
	110,004	88,100
	=====	=====
 6. (Deficit)/surplus on ordinary activities before taxation	2015	2014
	£	£
This is stated after charging:		
Directors' emoluments	-	-
Fees payable to the company's auditor for the audit of the company	5,000	5,200
Fees payable to the company's auditors and its associates for other services	-	2,192
Depreciation of fixed assets	6,583	27,083
Amortisation of intangible assets	19,750	1,938
Operating lease rentals – Office rental and Equipment	33,557	36,767
	=====	=====

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

7. Taxation	2015	2014
	£	£
Current tax		
UK corporation tax – 20%	136	126
	=====	=====
Factors affecting the tax charge for the year:		
Deficit on ordinary activities before tax	(40,787)	(41,627)
	=====	=====
Surplus on ordinary activities before taxation multiplied by standard rate of corporation tax 20%	(8,157)	(8,325)
Effects of:		
Tax effect of non trading deficit	8,293	8,451
	-----	-----
Current tax charge for the year	136	126
	=====	=====

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.

8. Property, plant and equipment	Furniture and fittings	Computer Equipment and IT systems	Total
	£	£	£
Cost			
At 1 April 2014	579	92,033	92,612
Additions	5,897	259	6,156
Disposals	-	(4,931)	(4,931)
	-----	-----	-----
At 31 March 2015	6,476	87,361	93,837
	-----	-----	-----
Accumulated depreciation			
At 1 April 2014	348	78,949	79,297
Charge for the year	411	6,172	6,583
Disposals	-	(4,931)	(4,931)
	-----	-----	-----
At 31 March 2015	759	80,190	80,949
	-----	-----	-----
Net book value			
At 31 March 2015	5,717	7,171	12,888
	=====	=====	=====
At 31 March 2014	231	13,084	13,315
	=====	=====	=====

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

9. Intangible assets	Website	Brand	Total
	£	£	£
Cost			
At 1 April 2014 and 31 March 2015	45,750	13,500	59,250
	=====	=====	=====
Amortisation			
At 1 April 2014	1,271	667	1,938
Charge for year	15,250	4,500	19,750
	-----	-----	-----
At 31 March 2015	16,521	5,167	21,688
	=====	=====	=====
Net book value			
At 31 March 2015	29,229	8,333	37,562
	=====	=====	=====
At 31 March 2014	44,479	12,833	57,312
	=====	=====	=====

10. Trade and other receivables	2015	2014
	£	£
Trade receivables	193,436	210,779
Other debtors	30,140	19,215
Prepayments and accrued income	65,846	109,214
	-----	-----
	289,422	339,208
	=====	=====

11. Trade and other payables	2015	2014
	£	£
Trade creditors	180,785	243,262
Other taxes and social security costs	12,793	25,071
Other creditors	46,908	88,347
Accruals	28,719	34,210
Deferred income	37,117	134,942
	-----	-----
	306,322	525,832
	=====	=====

Included within deferred income at 31 March 2015 is £Nil (2014: £120,000) in respect of project funding provided in respect of activity to be undertaken during 2015/16.

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2015

12. Creditors: amounts falling due after more than one year	2015	2014
	£	£
Lothian Pension Fund Cessation Liability		
Amounts falling due between one and two years	-	30,400
	-----	-----
	-	30,400
	=====	=====

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 five 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 fourth instalment under the payment plan was made in the year.

13. Income and expenditure account	2015	2014
	£	£
At 1 April 2014	299,943	341,696
Deficit for the year	(40,923)	(41,753)
	-----	-----
At 31 March 2015	259,020	299,943
	=====	=====

14. Operating leases

At 31 March 2015 the company was committed to making the annual payments under con-cancellable operating leases:

	Operating	
	Lease	Equipment
	£	£
Operating leases which expire:		
Within one year	-	-
Within 2-5 years	-	10,015
Over 5 years	35,035	-
	=====	=====

15. Related parties

The Partner Director, Councillor 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.

Gillespie MacAndrew LLP, a legal firm in which D A J McCulloch is a member, provided legal services to the company during the year on an arms length basis. Fees charged by Gillespie MacAndrew LLP were £938 and the balance outstanding at the year end was £938.

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

MANAGEMENT INFORMATION

For the year ended 31 March 2015

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 5 to 6

DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2015

	2015 £	2014 £
Income		
<i>Grants receivable:</i>		
The City of Edinburgh Council	976,790	1,007,000
CEC - Subvention Funding	-	37,500
Scottish Borders Council	5,500	4,000
East Lothian Council	4,500	6,700
	-----	-----
	986,790	1,055,200
	-----	-----
<i>Operational income:</i>		
CCMC Funding	310,000	100,000
Partnership income	151,000	57,000
Membership fees	297,270	268,976
Conference accommodation booking service	134,292	177,025
Realisation of CIF fund	-	60,684
'In kind' Support	38,976	57,928
	-----	-----
	931,538	721,613
	-----	-----
<i>Other Income:</i>		
Blueprint income	-	250
Miscellaneous income	63,900	3,875
	-----	-----
	63,900	4,125
	-----	-----
Total Income	1,982,228	1,780,938
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Expenditure		
<i>Employee benefits</i>	655,674	694,020
<i>Operational costs:</i>		
Subcontractors	41,457	116,781
Training and recruitment fees	4,916	26,446
Rent, rates and accommodation costs	98,575	94,873
Postage and telephone	9,104	10,120
ICT operating and network costs	81,319	99,109
Stationary and publications	2,703	3,695
Office equipment	412	1,076
Insurance	5,890	7,406
Professional and consultancy fees	25,447	39,042
Audit fees	5,950	6,450
Advertising	-	9,973
Depreciation charges	6,583	27,083
Amortisation charge	19,750	1,938
Bad debts	4,935	1,199
Irrecoverable VAT	14,305	12,620
Bank charges	3,222	2,391
Exchange loss	422	657
Other interest paid	912	1,368
Miscellaneous expenses	33,281	91
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	359,183	462,318
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DETAILED INCOME AND EXPENDITURE ACCOUNT (continued)**For the year ended 31 March 2015**

	2015	2014
	£	£
<i>Promotional costs:</i>		
Marketing and ad hoc promotions	127,241	129,846
Subvention funding	19,500	35,500
Campaign costs	549,938	320,350
City events bidding	11,207	14,860
Research	12,751	22,027
Ambassador programme	8,822	21,430
Site inspection	22,410	34,026
Industry membership and events	128,644	87,716
Photo library	500	1,104
Taxis	8,083	-
The Lane Agency	12,566	-
PR Support	36,869	-
'In kind' Support Costs	38,976	-
Miscellaneous activity costs	31,333	-
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	1,008,840	666,859
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Total Expenditure	2,023,697	1,823,197
Operational deficit from Operations	(41,469)	(42,259)
Investment revenues	682	632
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Deficit before taxation	(40,787)	(41,627)
Taxation	136	126
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Deficit for the year	(40,923)	(41,753)
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