

MARKETING EDINBURGH LIMITED
(a company limited by guarantee)

DIRECTORS' REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2016

MARKETING EDINBURGH LIMITED

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MARKETING EDINBURGH LIMITED

Directors

G B Robertson (Chair)
F W Ross (Vice Chair)
G R Birse
J Delaney
R H Imrie
R M J Kington
D A J McCulloch
J Mowat
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 2016.

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 2015/2016 Review is being written under an agreed three year plan and Service Level Agreement secured with the City of Edinburgh Council (CEC) in early 2014.

The business strands of Marketing Edinburgh have delivered a productive and successful 2015/2016, where the majority of KPI's have been achieved.

Convention Edinburgh saw it achieve a record year of £94M worth of economic impact for the city in conferences won on its own and with partners, and has been nominated again for the prestigious M&IT awards as the best UK Convention Bureau.

Thought leadership by Convention Edinburgh continues to be demonstrated via speaking engagements including at the International Congress and Convention Association annual conference in November 2015 and ongoing brand and communications development on behalf of Best Cities Global Alliance. Activities of this nature positions Edinburgh as a true global player and adds credibility to the city.

There have been continuing challenges regarding Conference Accommodation Booking Services (CABS) as more conferences book accommodation direct, further influence of Professional Conference Organisers (PCO's) and broadening accommodation providers including Airbnb.

Membership of Marketing Edinburgh continues to grow and there are now 257 full members and members of the Edinburgh Rewards scheme. A refreshed website meetingedinburgh.com has been launched and will drive additional business as a result of its design and structure. A full refresh of the rights and benefits associated with the relevant tiers of membership has been undertaken with less relevant options removed, and additional, more attractive benefits created.

The City Centre Marketing Campaign (CCMC) drew to a conclusion at the end of 2015 and all metrics have been achieved, with footfall +2.86% versus UK average and retail sales +0.96 %, the result being that an incremental £50M was experienced by the city centre retail, hospitality and attraction sectors. The campaign won a prestigious 2016 Scottish Business Award, and was also a finalist in multiple other awards.

Film Edinburgh has experienced its most successful year in terms of £6.9M of economic impact, driven principally by significant productions accounting for 94 % of that figure. Formal relationships with other local authorities including the Borders and East Lothian have increased the influence of Film Edinburgh.

The Commercial programme has expanded the Corporate Partnership remit. Whilst the overall target was not achieved in full, a pipeline has been created and is being engaged with. The digital revenue programme was restricted due to an Intellectual Property issue which has now been resolved and in Q4 2015/2016 Marketing Edinburgh has been active in the market.

MARKETING EDINBURGH LIMITED

DIRECTORS' REPORT (continued)

Review of the business (continued)

The Operation of the business has been effective and has ramped up in terms of efficiencies, cost savings and policy development including TOIL and maternity.

Marketing Edinburgh became a formal member of European Cities Marketing, a knowledge sharing and benchmarking organisation representing 102 European cities. Edinburgh is only the second UK city to join. Further presence and influence at Best Cities Global Alliance continues, with Board attendance, and direction of the brand and media programmes.

2015/2016 was an exceptionally strong year for Marketing Edinburgh and provides a robust platform for further growth. Naturally this Plan was achieved with the continuing support of the CEC and multiple other stakeholders who have and will continue to support Marketing Edinburgh in its efforts.

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 2015 unless otherwise stated.

Partner Director

F W Ross (Vice Chair)

Stakeholder Directors

G B Robertson (Chair)

G R Birse

N Cook (resigned 11 September 2015)

J Delaney

R H Imrie

R M J Kington

D A J McCulloch

J Mowat (appointed 22 October 2015)

G J Munro

B Percy

G C Rintoul

J Robertson

J Simpson

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;

MARKETING EDINBURGH LIMITED

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities (continued)

- 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

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

16 September 2016

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 2016 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

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

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 2016 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

16 September 2016

MARKETING EDINBURGH LIMITED**INCOME STATEMENT****For the year ended 31 March 2016**

	Notes	2016	2015
		£	£
Income			
Grants receivable	4	927,260	986,790
CEC – City Centre Marketing Campaign		161,000	310,000
Partnership income		217,000	151,000
Membership fees		291,445	297,270
Conference accommodation booking service		134,229	134,292
In kind support		66,146	38,976
Digital revenue		3,528	-
Other income		36,816	63,900
		-----	-----
		1,837,424	1,982,228
		-----	-----
Expenditure			
Employee benefits	5	706,285	655,674
Operational costs		278,350	359,183
Promotional costs		850,657	1,008,840
		-----	-----
		1,835,292	2,023,697
		-----	-----
Operational surplus/(deficit) from Operations		2,132	(41,469)
Investment revenues		357	682
		-----	-----
Surplus/(Deficit) before taxation	6	2,489	(40,787)
Taxation	7	892	136
		-----	-----
Surplus/(Deficit) for the year		1,597	(40,923)
		=====	=====

All incoming resources are derived from continuing activities.

STATEMENT of COMPREHENSIVE INCOME**For the year ended 31 March 2016**

	2016	2015
	£	£
Surplus/(Deficit) for the year	1,597	(40,923)
	-----	-----
Total comprehensive income/(expenditure) for the year	1,597	(40,923)
	=====	=====

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

MARKETING EDINBURGH LIMITED

BALANCE SHEET

As at 31 March 2016

	Notes	2016	2015
		£	£
Non-current assets			
Property, plant and equipment	8	7,768	12,888
Intangible assets	9	17,810	37,562
		-----	-----
		25,578	50,450
		-----	-----
Current assets			
Trade and other receivables	10	300,393	289,422
Cash and cash equivalents		136,208	225,470
		-----	-----
		436,601	514,892
Current liabilities	11	(201,562)	(306,322)
		-----	-----
Net current assets		235,039	208,570
		-----	-----
Total assets less current liabilities		260,617	259,020
		-----	-----
Net assets		260,617	259,020
		=====	=====
Reserves			
Income and expenditure account	12	260,617	259,020
		=====	=====

These financial statements were approved and authorised for issue by the Board of Directors on 16 September 2016 and were signed on its behalf by:

.....
Gordon B Robertson
Director

.....
Frank W Ross
Director

Company Registration No. S392580

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 2016

	Retained Earnings £	Total Equity £
At 31 March 2014	299,943	299,943
Deficit for the year	(40,923)	(40,923)
	-----	-----
At 31 March 2015	259,020	259,020
	-----	-----
Surplus for the year	1,597	1,597
	-----	-----
Total comprehensive income	1,597	1,597
	-----	-----
At 31 March 2016	260,617	260,617
	=====	=====

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 2016**

	2016	2015
	£	£
Operating surplus/(deficit)	2,132	(41,469)
Adjustment for non-cash operating transactions		
Depreciation of non-current assets	27,645	26,333
Changes in working capital		
Decrease/(increase) in debtors	(10,971)	49,786
(Decrease)/increase in creditors	(105,788)	(249,910)
	-----	-----
Net cash outflow from operating activities	(86,982)	(215,260)
	=====	=====

CASH FLOW STATEMENT**For the year ended 31 March 2016**

	2016	2015
	£	£
Cash Flow from operating activities		
Cash generated from operations	(86,982)	(215,260)
Taxation paid	136	(136)
	-----	-----
Net cash flow generation from operating activities	(86,846)	(215,396)
	=====	=====
Cash flow from investing activities		
Interest received	357	682
Purchase of non-current assets	(2,773)	(6,156)
	-----	-----
Net cash used in investing activities	(2,416)	(5,474)
	-----	-----
Net decrease in cash and cash equivalents	(89,262)	(220,870)
Opening cash and cash equivalents at 31 March 2015	225,470	446,340
	-----	-----
Cash and cash equivalents at 31 March 2016	136,208	225,470
	=====	=====

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2016

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 2016

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.

Taxation

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

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

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2016

2. Significant accounting policies (continued)

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.

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 5, IFRS 7, IFRS 10, IFRS 11, IFRS 12	Amendments resulting from annual improvement cycles: <i>Non-Current Assets held for Sale; Financial Instruments: Disclosures; Consolidated Financial Statements; Joint Arrangements, Disclosure of Interests in other Entities</i>	1 January 2016
IFRS 14	<i>Regulatory Deferral Accounts</i>	1 January 2016
IFRS 15	Amendments to <i>Revenue from Contracts with Customers</i>	1 January 2018
IFRS 9	<i>Financial Instruments</i>	1 January 2018
IFRS 16	<i>Leases</i>	1 January 2019
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
Amendments to IAS 7, IAS 12	Amendments to: <i>Statement of Cash Flows; Income Taxes</i>	1 January 2017

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2016

4. Grants receivable	2016	2015
	£	£
General operating grants:		
City of Edinburgh Council – Core Funding	916,760	976,790
Other funding:		
East Lothian Council – Film Liaison Services	5,500	5,500
Scottish Borders Council – Film Focus Funding	5,000	4,500
	-----	-----
	927,260	986,790
	=====	=====
5. Employee benefits	2016	2015
	£	£
Salaries and staff costs are as follows:		
Wages and salaries	527,889	484,497
Social security costs	48,963	44,948
Pension costs	19,429	16,225
	-----	-----
	596,281	545,670
Contractors staff costs	110,004	110,004
	-----	-----
	706,285	655,674
	=====	=====
Average number of employees by activity (excluding directors)		
Project staff	16	16
Administration	3	3
	-----	-----
	19	19
	=====	=====
The following employee benefits were paid to key management personnel:		
	2016	2015
	£	£
Wages and salaries	110,004	110,004
	-----	-----
	110,004	110,004
	=====	=====
6. Surplus/(deficit) on ordinary activities before taxation	2016	2015
	£	£
This is stated after charging:		
Fees payable to the company's auditor for the audit of the company	5,150	5,000
Fees payable to the company's auditors for other services	1,000	-
Depreciation of fixed assets	7,893	6,583
Amortisation of intangible assets	19,752	19,750
Operating lease rentals – Office rental and Equipment	36,650	33,557
	=====	=====

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2016

7. Taxation	2016	2015
	£	£
Current tax		
UK corporation tax – 20%	1,028	136
Under / (over) provision in prior year	(136)	-
	-----	-----
Total current tax	892	136
Deferred tax:		
Origination and reversal of timing differences	-	-
	-----	-----
	892	136
	=====	=====
Factors affecting the tax charge for the year:		
Surplus / (deficit) on ordinary activities before tax	2,489	(40,787)
	=====	=====
Surplus / (deficit) on ordinary activities before taxation multiplied by standard rate of corporation tax 20%	498	(8,157)
Effects of:		
Tax effect of non trading deficit	1,225	8,293
Fixed asset timing differences	(216)	-
Short term timing differences	133	-
Utilisation of brought forward losses	(612)	-
Adjustments to the prior year	(136)	-
	-----	-----
Current tax charge for the year	892	136
	=====	=====

The company has a deferred tax asset of £120 at 31 March 2016 which has not been recognised in the financial statements. This has arisen from employer pension contributions accrued and is recoverable against the future trading profits of the company, the likelihood of which cannot be ascertained with reasonable certainty.

8. Property, plant and equipment	Furniture and fittings	Computer Equipment and IT systems	Total
	£	£	£
Cost			
At 1 April 2015	6,476	87,361	93,837
Additions	-	2,773	2,773
	-----	-----	-----
At 31 March 2016	6,476	90,134	96,610
	-----	-----	-----
Accumulated depreciation			
At 1 April 2015	759	80,190	80,949
Charge for the year	1,295	6,598	7,893
	-----	-----	-----
At 31 March 2016	2,054	86,788	88,842
	-----	-----	-----
Net book value			
At 31 March 2016	4,422	3,346	7,768
	=====	=====	=====
At 31 March 2015	5,717	7,171	12,888
	=====	=====	=====

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2016

9. Intangible assets	Website	Brand	Total
	£	£	£
Cost			
At 1 April 2015 and 31 March 2016	45,750	13,500	59,250
	=====	=====	=====
Amortisation			
At 1 April 2015	16,521	5,167	21,688
Charge for year	15,252	4,500	19,752
	-----	-----	-----
At 31 March 2016	31,773	9,667	41,440
	=====	=====	=====
Net book value			
At 31 March 2016	13,977	3,833	17,810
	=====	=====	=====
At 31 March 2015	29,229	8,333	37,562
	=====	=====	=====
10. Trade and other receivables		2016	2015
		£	£
Trade receivables		205,766	193,436
Other debtors		8,945	30,140
Prepayments and accrued income		85,682	65,846
		-----	-----
		300,393	289,422
		=====	=====
11. Trade and other payables		2016	2015
		£	£
Trade payables		109,168	180,785
Other taxes and social security costs		15,062	12,793
Other payables		25,239	46,908
Corporation tax payable		1,028	
Accruals		8,683	28,719
Deferred income		42,382	37,117
		-----	-----
		201,562	306,322
		=====	=====
12. Income and expenditure account		2016	2015
		£	£
At 1 April 2015		259,020	299,943
Surplus/(deficit) for the year		1,597	(40,923)
		-----	-----
At 31 March 2016		260,617	259,020
		=====	=====

MARKETING EDINBURGH LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2016

13. Operating leases

At 31 March 2016 the company was committed to making the annual payments under non-cancellable operating leases:

	Operating Lease	Equipment
	£	£
Operating leases which expire:		
Within one year	-	-
Within 2-5 years	35,035	11,395
Over 5 years	-	-
	=====	=====

14. 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 £16,003 (2015: £938) and the balance outstanding at the year end was £1,956 (2015: £938).

15. 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 2016

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

MARKETING EDINBURGH LIMITED**DETAILED INCOME AND EXPENDITURE ACCOUNT****For the year ended 31 March 2016**

	2016	2015
	£	£
Income		
<i>Grants receivable:</i>		
The City of Edinburgh Council	916,760	976,790
Scottish Borders Council	5,500	5,500
East Lothian Council	5,000	4,500
	-----	-----
	927,260	986,790
	-----	-----
<i>Operational income:</i>		
CCMC Funding	161,000	310,000
Partnership income	217,000	151,000
Membership fees	291,445	297,270
Conference accommodation booking service	134,229	134,292
'In kind' Support	66,146	38,976
Digital revenue	3,528	-
	-----	-----
	873,348	931,538
	-----	-----
<i>Other Income:</i>		
Miscellaneous income	36,816	63,900
	-----	-----
	36,816	63,900
	-----	-----
	-----	-----
Total Income	1,837,424	1,982,228
	-----	-----
Expenditure		
<i>Employee benefits</i>	706,285	655,674
<i>Operational costs:</i>		
Subcontractors	38,023	41,457
Training and recruitment fees	3,729	4,916
Rent, rates and accommodation costs	71,230	98,575
Postage and telephone	6,751	9,104
ICT operating and network costs	63,422	81,319
Stationary and publications	6,600	2,703
Office equipment	1,387	412
Insurance	7,624	5,890
Professional and consultancy fees	11,722	25,447
Audit fees	6,000	5,950
Depreciation charges	7,893	6,583
Amortisation charge	19,752	19,750
Bad debts	5,306	4,935
Irrecoverable VAT	13,925	14,305
Bank charges	3,228	3,222
Exchange loss	540	422
Other interest paid	464	912
Miscellaneous expenses	10,754	33,281
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	278,350	359,183
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MARKETING EDINBURGH LIMITED**DETAILED INCOME AND EXPENDITURE ACCOUNT (continued)****For the year ended 31 March 2016**

	2016	2015
	£	£
<i>Promotional costs:</i>		
Marketing and ad hoc promotions	170,039	127,241
Subvention funding	46,750	19,500
Campaign costs	279,321	549,938
City events bidding	9,668	11,207
Research	12,598	12,751
Ambassador programme	3,476	8,822
Site inspection	20,609	22,410
Industry membership and events	180,632	128,644
Photo library	128	500
Taxis	11,767	8,083
The Lane Agency	17,160	12,566
PR Support	28,622	36,869
'In kind' Support Costs	66,146	38,976
Miscellaneous activity costs	3,741	31,333
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	850,657	1,008,840
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Total Expenditure	1,835,292	2,023,697
Operational surplus/(deficit) from Operations	2,132	(41,469)
Investment revenues	357	682
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Surplus/(deficit) before taxation	2,489	(40,787)
Taxation	892	136
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Surplus/(deficit) for the year	1,597	(40,923)
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