



Financial statements
Cardiff & Co Limited
Company Limited by
Guarantee

For the Year Ended 31 March 2009

Officers and professional advisers

Company registration number	6246680
Registered office	County Hall Atlantic Wharf Cardiff Bay CF10 4UW
Directors	W H Savage D Grant M J Hallett R Haydn Jones J A Home J C Norman K G Dye M D Stephens R J Thomas N McEvoy N Bray T Chapman D Halton R John L Hampson P Duffy
Secretary	R H Thomas
Solicitors	Hugh James 114-116 St Mary Street Cardiff CF10 1DY
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 11-13 Penhill Road Cardiff CF11 9UP

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2009.

Principal activities

The principal activity of the company during the year was to promote and publicise the City of Cardiff and the surrounding area.

Chairman's Foreword

Anyone with a passion for and pride in the Capital of Wales will know just how resilient and determined Cardiff has been in winning through difficult times with great success. So in the current difficult economic climate, it is heartening to be able to report with this second Cardiff & Co annual review a solid year of progress and achievement in promoting and marketing the city-region of Cardiff nationally and internationally.

The task of enhancing investor confidence for the benefit of all the stakeholders across the Capital of Wales is a good summary of our mission and we have made much progress in achieving that task. But we equally realise the task is continuous and we have many challenges and opportunities to address in the coming months and years, not least of which is the need to secure additional collective support and grow our income so that we can increase the delivery and effectiveness of our activities. After all, everything we've achieved to date has been done with a limited budget.

The 2008-09 End of Year Accounts show that we managed to generate a surplus for reinvestment. I'm pleased to say that this surplus will enable us to undertake activities during the 2009-10 financial year which we could not otherwise have afforded. The prime example is a project we are undertaking in partnership with the Welsh Assembly Government and the Financial Times.

It's worth stressing though that the measure of our success has been and will only be enabled by the proactive grouping of all that have an interest in Cardiff's future.

The foresight of Cardiff Council in enabling and funding the Company has been matched by the commitment and foresight of our proud investor members. On the back of their investment and our subsequent achievements, we believe we now have a momentum to recruit other stakeholders to this collaboration. This is essential if we are to close the resourcing gap that currently exists with our competitor marketing companies in comparable European and World cities.

The Welsh Assembly Government has given valuable operational support to our work to date and our Managing Director, Richard Thomas, has led well a strong team of staff to achieve these results so far. My fellow Directors and our shareholders have given invaluable strategic support and I would like to thank all of these partners for serving Cardiff & Co so well.

Report of the directors

Directors

The directors who served the company during the year were as follows:

W H Savage
D Grant
M J Hallett
R Haydn Jones
J A Horne
J C Norman
K G Dye
M D Stephens
R J Thomas
N McEvoy
N Bray
T Chapman
D Halton
R John
L Hampson
P Duffy

J C Norman retired as a director on the 6th June 2008

R J Thomas resigned as director on the 10th December 2009

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the directors

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 12 November 2008.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD


W H Savage
Chairman
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Report of the independent auditor to the members of Cardiff & Co Limited

We have audited the financial statements of Cardiff & Co Limited for the year ended 31 March 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

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

Respective responsibilities of directors and auditors

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

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

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

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**Report of the independent auditor to the members of Cardiff & Co Limited
(continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

A handwritten signature in cursive script, appearing to read "Grant Thornton UK LLP".

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
CARDIFF

11 January 2010

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Commissions earned are accounted for in the period to which they relate.

Core funding, Grant income and Investor member income are accounted for in accordance with the terms of the contract under which they were made.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 5 years

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Pension costs

The company participate in the Cardiff Council defined benefit pension scheme. The assets and liabilities relating to the Cardiff & Co Limited employees remain the responsibility of the Council and have not been separately identified in accordance with FRS 17. Accordingly, the pension costs in respect of the defined benefit scheme for the company represent the amount of contributions payable in respect of the accounting period.

Profit and loss account

	Year to 31 Mar 09	Period from 14 May 07 to 31 Mar 08
Note	£	£
Turnover	820,666	618,365
Operating costs:		
Other external charges	28,243	50,407
Staff costs	323,078	331,392
Depreciation written off fixed assets	1 760	190
Other operating charges	295,807	209,957
Operating profit	1 172,778	26,419
Interest receivable	5,482	3,242
Interest payable and similar charges	(632)	(232)
Profit on ordinary activities before taxation	177,628	29,429
Profit for the financial year	9 177,628	29,429

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	3	<u>2,850</u>	<u>3,610</u>
Current assets			
Debtors	4	64,943	151,932
Cash at bank		<u>429,180</u>	<u>115,724</u>
		<u>494,123</u>	<u>267,656</u>
Creditors: amounts falling due within one year	5	<u>289,268</u>	<u>239,815</u>
Net current assets		<u>204,855</u>	<u>27,841</u>
Total assets less current liabilities		<u>207,705</u>	<u>31,451</u>
Creditors: amounts falling due after more than one year	6	648	2,022
		<u>207,057</u>	<u>29,429</u>
Reserves	8		
Profit and loss account	9	<u>207,057</u>	<u>29,429</u>
Members' funds		<u>207,057</u>	<u>29,429</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on 11 JAN 2010, and are signed on their behalf by:



W H Savage
 Chairman

Notes to the financial statements

1 Operating profit

Operating profit is stated after charging:

	Year to 31 Mar 09	Period from 14 May 07 to 31 Mar 08
	£	£
Depreciation of assets held under finance leases	760	190
Auditor's fees	<u>3,000</u>	<u>3,000</u>

2 Directors

Remuneration in respect of directors was as follows:

	Year to 31 Mar 09	Period from 14 May 07 to 31 Mar 08
	£	£
Emoluments	<u>23,528</u>	<u>38,896</u>

The above emoluments were invoiced to Cardiff & Co Limited from service companies owned by the directors. The above fees include an element of reimbursement of expenses.

3 Tangible fixed assets

	Plant and machinery etc. £
Cost	
At 1 April 2008 and 31 March 2009	<u>3,800</u>
Depreciation	
At 1 April 2008	190
Charge for the year	760
At 31 March 2009	<u>950</u>
Net book value	
At 31 March 2009	<u>2,850</u>
At 31 March 2008	<u>3,610</u>

Included within the net book value of £2,850 is £2,850 (2008 - £3,610) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £760 (2008 - £190).

4 Debtors

	2009	2008
	£	£
Trade debtors	64,943	46,516
Other debtors	–	105,416
	<u>64,943</u>	<u>151,932</u>

5 Creditors: amounts falling due within one year

	2009	2008
	£	£
Overdrafts	–	6,736
Trade creditors	178,627	174,705
Other taxation	6,703	55,141
Amounts due under finance leases	1,374	1,118
Other creditors	102,564	2,115
	<u>289,268</u>	<u>239,815</u>

6 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Amounts due under finance leases	648	2,022
	<u>648</u>	<u>2,022</u>

7 Related party transactions

Under the Articles of Association of the company, The County Council of the City and County of Cardiff is entitled to sit as a Special Member on the Board of Directors of the company.

During the year Cardiff & Co. Limited and Cardiff Council have undertaken a number of transactions. The total amount of purchases in the year amounted to £352,655 the majority of which is a recharge from Cardiff Council as they administer the payroll on behalf of Cardiff & Co. Limited. Other payments cover items such as rent and business rates for the use of the Old Library and fees for services provided by the Council such as ICT support. In addition, Cardiff & Co waves commission it might otherwise earn as a result of conference business placed at Council-run venues such as City Hall.

During the year Cardiff & Co. Limited has also received income of £500,000 from Cardiff Council.

During the year Cardiff & Co. Limited sponsored Kidney Wales Foundation, the cost of the sponsorship amounted to £750. R J Thomas a then director of Cardiff & Co Limited is also the Executive Chairman and trustee of Kidney Wales Foundation.

7 Related party transactions (continued)

Cardiff & Co. Limited have a number of investor members who contribute £30,000 annually to the running of Cardiff & Co Limited. One of these, Cardiff Airport, invest £25,000 in cash with the remaining £5,000 being invested via in-kind support. A number of the directors of Cardiff & Co Limited also hold directorships with these investor members. Currently the following directors also have an interest in the current investor members of Cardiff & Co limited:

Director	Investor Member
Patrick Duffy	Cardiff Airport
Tony Chapman	UWIC
David Halton	University of Glamorgan
David Grant	Cardiff University
Lester Hampson	St David's Partnership

8 Company limited by guarantee

Cardiff & Co Limited is a company limited by guarantee and does not have share capital. The liability of its directors, who are its members, is limited. The limitation per member is limited to a sum not exceeding £1.

9 Profit and loss account

	Year to 31 Mar 09	Period from 14 May 07 to 31 Mar 08
	£	£
Balance brought forward	29,429	–
Profit for the financial year	177,628	29,429
Balance carried forward	<u>207,057</u>	<u>29,429</u>

10 Ultimate parent company

Although the company is a company limited by guarantee it was set up as a wholly owned Local Authority Company.

Under the Articles of Association of the company, The County Council of the City and County of Cardiff is entitled to sit as a Special Member on the Board of Directors of the company.

11 Pension Fund

The company operates a defined benefit pension plan, which is part of the Cardiff and Vale of Glamorgan Pension Fund, for all qualifying employees. The assets of the scheme are administered by the trustees in a fund independent from the assets of the company. As at the 31 March 2008 we are unable to determine the company's share of the underlying assets and liabilities of the scheme in accordance with FRS 17. Going forward actuary guidance will be obtained in order to determine the company's share and an appropriate value will be included in the balance sheet of Cardiff and Co.

The contributions made by each employer are determined in accordance with the advice of a qualified actuary. The total contributions made into the scheme by Cardiff & Co in the current year was £21,610 (2008: £17,362)

Accordingly, the pension costs in respect of the defined benefit scheme for the company represent the amount of contributions payable in respect of the accounting period.