

TOURISM SOUTH EAST



Annual Report & Financial Statements

Year Ended 31 March 2014

the Beautiful South

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Statement from the Chairman



Tourism businesses cannot thrive without mutual competition. In every village, town and destination, we are all, in many ways, in competition with each other. The better the service, quality and value we provide, the more satisfied customers we have. Competing with each other can make us stronger. And yet, many of our customers were last year, and still are, feeling the pinch, with less disposable income, as Government tries to recover the losses of the economic downturn.

These are the conditions in which working together offers great advantages. Due to the skills of the team at TSE, so ably led by Managing Director Peter Colling, we have been able to provide a wide range of services and benefits to our members, despite having lost all the support funding from central Government, previously channelled through SEEDA. Our existence is now entirely dependent on cost-effectively serving the needs of your businesses and our destination partners through our well established training and research programmes and contract services and our radically redesigned marketing activities. I encourage the team to think always of the "TSE" of our name meaning "Tourism Services for Enterprise", so we must try to provide whatever support and guidance each of you needs to compete more successfully in the improving but still tough, market environment.

It is the national tourism policy that tourism activities should be organised on a "Destination" basis. Our Local Authorities have over many years played a major role in all our most successful destination organisations. But Local Authorities have been severely restricted again in their funding and have cut back, if not stopped, their investment in tourism, as this is not one of their statutory responsibilities. So our local authority partners and Destination Organisations are having a very tough time. We have been, and will continue to do all we can to support those who partner with us.

Our 2013/14 Annual Report shows considerable progress and success in a challenging year – my thanks again to all of you who work with us and to my colleague Board Members who give their time for the benefit of our members. The forward view is interesting: we are currently engaged in the first "triennial review" of Visit England and Visit Britain which will evaluate their purpose and effectiveness, and the General Election is due in 2015. We have always said that the Government does not take tourism seriously enough, but there is a rising realisation at Westminster that our industry is creating most of the new jobs and that the potential for further growth is great. Meanwhile our success depends on our own efforts. So please play your part and help us to help you even more in the coming year.

**Ken Robinson CBE, Chairman
Tourism South East**



Beautiful South Awards 2013



Networking Meeting



Panel Debate at Conference 2013

Statement from the Managing Director



There are good reasons to feel optimistic about prospects for the tourism industry and its continuing ability to lead and benefit from the economic recovery, despite the apparent faltering of the 'staycation' trend. Measures taken over recent years to deal with the impact of recession should mean businesses are well placed to take advantage as consumer and business confidence returns. However, consumer behaviours take time to change and habits borne of austerity to shop around for the best possible quality and value, mean no tourism business can afford to be complacent – both in raising standards and in connecting with customers. One of the biggest challenges for all of us will be holding on to those who have rediscovered the delights of holidaying at home in recent years but now might be tempted to go abroad again.

Working with our members and destination partners to showcase all that the South East has to offer was core to our mission in 2013/14. Despite the continuing financial challenges that go with heavy cuts to our destination partners' budgets and increased competition for limited resources, I am pleased to report that we delivered an impressive programme of marketing and other support for members and partners. We achieved this by focusing on our strengths and where we can add real value as an organisation with specialist tourism expertise and the ability to deliver on a regional basis. An example of this was the flood support programme we were able to coordinate at very short notice for Visit England at the end of the year.

Group travel is an area where TSE has built particular expertise and a national reputation. One of the highlights of the year was Excursions, our flagship event at Alexandra Palace, which broke all records. We also delivered a full programme of international and domestic campaigns and invested heavily in the consumer website to ensure it remains a principal source of inspiration for potential visitors to the South East. Our commitment to supporting the skills needs of businesses saw an 18% increase in participation in our Welcome to Excellence courses and there was strong demand for our specialist research and visitor information services. We will be looking to build on these successes and develop new services and benefits for members and partners in 2014/15. We will also continue to lobby hard with our partners, the Tourism Alliance, for government policies that are helpful to businesses – our ongoing support for the campaign to reduce VAT on tourism services being part of this.

Without the hard work, experience and commitment of a great team who work long hours on behalf of our members and partners, none of this would be possible. My thanks to them all. I am also very grateful to Ken Robinson and the TSE Board for their continued support and guidance through a challenging period. It is heartening to see the progress we have made over the last three years towards a sustainable business model. Most of all, I am extremely grateful to our members and destination partners who ultimately own TSE and provide us with our raison d'être.

**Peter Colling, Managing Director
Tourism South East**



Welcome to Excellence



Excursions 2014



Petersfield TIC relocation

Creating Compelling Marketing Campaigns

We worked harder than ever in 2013/14 using our specialist expertise and experience to deliver effective and great value campaigns for our members and destination partners



War Horse at Excursions 2014



UK Inbound Buyers enjoying local tea room



Tweet from Annual Media Party

GROUP TRAVEL RECORDS BROKEN

Excursions™, which TSE organises in partnership with Group Travel Organiser Magazine, was hailed a "great success" following its biggest and most successful year yet. The show moved into the larger Great Hall at Alexandra Palace for the first time and welcomed a 34% increase in attendance of group travel buyers and 10% more exhibitors. Other TSE group travel events held their own or showed a slight fall in attendees due, in part, to poor weather. We will be taking this into account in planning for next year. As part of the programme, the South East England group travel guides and regular trade e-newsletters were distributed to our 10,000 strong database of group buyers ensuring South East England remains on their agenda when planning group days out, short breaks and holidays. Early signs are that bookings for Excursions 2015 are already well ahead of previous years.

ATTRACTING OVERSEAS MARKETS

TSE's campaigns continued to focus on Near Europe and Asia where we worked closely with Visit Britain, Visit England and our campaign partners to target overseas and UK based inbound travel organisers. Visit Britain's 'Hosted Buyers Event', 'March Market Place' in London and China Sales Mission in Chengdu were amongst the highlights of a full programme of trade events where TSE represented its campaign partners.

On the consumer and trade side, Vakantiebeurs, in Utrecht again demonstrated the huge interest in the South East of England amongst potential Dutch and Belgian visitors. The ambition is to create a much larger coordinated presence for our partners in 2014/15.

Other notable achievements included the Discover Hampshire Workshop in March with UK Inbound and the Great China Welcome Charter Mark awarded to us by Visit Britain for our pioneering work in China. The reported 13% growth in overseas visitors by Visit Britain in 2013 suggests great opportunities for the South East next year.

PUBS CAMPAIGN GATHERS MOMENTUM

TSE's Great Country Pubs campaign went from strength to strength in 2013/14. 160 pubs participated in the campaign, a new mobile site was launched and web visits topped 35,000 a month – a 100% increase on the previous year. A wide ranging PR campaign helped boost traffic, including a two page feature in the Sunday Telegraph in April 2013 worth the equivalent of £50,000 in advertising spend.

MAKING THE MOST OF PR OPPORTUNITIES

Stimulating press and media coverage for our destination partners and members is an extremely effective way to showcase all that the South East has to offer. As part of this we worked with Visit Britain and Visit England on a wide range of reactive and proactive activity at home and abroad including attendance at various 'meet the media events'. We also invested in the Travmedia network to create a stream of weekly press enquiries which were serviced directly or in conjunction with our partners and members.

The programme culminated in TSE's Annual Media Party in London on the 18th March. Ten destination partners joined TSE in networking with 60 journalists from national and regional titles and websites – some of whom took up the opportunity for individual and themed group visits in the months that followed. Our thanks to those members that offered prizes to stimulate media visits.

Making the Most of Digital Opportunities

TSE has an important role to play in providing new digital routes to market for its partners and members and supporting them with expertise and technical delivery



Website Blog



Twitter feeds on Website



TSE Digital Contracts

VISITSOUTHEASTENGLAND.COM

Our website is a principal source of information and ideas for domestic and international visitors considering a visit to the South East. We worked hard to create compelling content, encourage our partners and members to make the most of their presence and introduce new video and social media content. This year our new blogger played a valuable part in this. We also paid attention to stimulating traffic leading up to key holiday periods and launched a new mobile version of the site in July 2013.

This strategy helped to consolidate and build traffic with growth in key holiday periods throughout the year including Bank Holidays, school breaks, Easter and Bonfire Night. Members also gained better value for money from their web presence from the opportunity for special offers, social media posts embedded on themed pages, apps on TSE's mobile site and inspirational imagery on landing pages. We expect our focus on social media will pay further dividends in 14/15.

Overall, the decline in website traffic that had occurred in the previous two years due to the reduction in SEEDA funded campaigns, was largely halted in 13/14 and new growth targets have been set for 14/15.

Plans were also put in place to improve the content and functionality of the website for 14/15 including social media feeds, facilitation of online booking for accommodation and making it easier for members and partners to put their events on the site.

NEW DIGITAL PACKAGES

13/14 saw the launch of a series of new digital packages. Thematic and solus e-newsletter campaigns linking to content on the website and social media channels were particularly successful. Destination partners and members also used the digital team to design and build e-newsletters to meet specific requirements and disseminate to TSE's consumer database of 70,000 people looking for 'things to do' in South East England.

DIGITAL CONTRACTS

TSE digital team's reputation for delivering cost effective, bespoke and relevant digital services to destination partners when they need it grew. This included services such as data management, website maintenance and website audits for partners such as Visit Isle of Wight, Visit Thames, Hampshire County Council and 1066 Country. The plan is to build upon this significantly in 14/15.

Delivering Expertise and Specialist Services

Over many years TSE has developed specialist expertise and capacity in a number of areas in response to partner and member needs. Offering them more widely on a paid-for-basis created a valuable income stream in 2013/14



Training Awards for Bletchley Park staff and volunteers



Metro Bus driver training



New Agency launch at Romsey TIC

BESPOKE MARKETING AND ADMINISTRATION SUPPORT

TSE offers cost effective ways for partners and members to secure specialist marketing and administration expertise on a paid-for-basis - very much in line with our transition to becoming a provider of bespoke tourism services. In 2013/14 contracted activity ranged from the administration of tourism associations and marketing consortia to data stewarding and destination website support.

Visit England recognised our ability to coordinate support programmes for the tourism industry when they contracted us to deliver workshops for businesses impacted by the floods. Despite very short notice and with the help of destination partners five workshops were delivered before the end of the year along with one-to-one advice for those who needed it. By making our expertise available on a cost covering basis, we hope to extend our support for partners and members in 2014/15.

DEVELOPING THE SKILLS OF BUSINESSES

TSE has a reputation for effective, tailored, cost effective training including the renowned Welcome to Excellence programme which we coordinate nationally. Participation in the programme across the South East was 18% up year on year at 2,121. Numbers were boosted by the participation of companies such as Bourne Leisure who committed to training 5,000 staff and bus operators Metro and First who embarked on training for their drivers. TSE also signed new contracts with Hampshire County Council to train 1,000 volunteers and staff and with Professional Training Solutions for government funded training to help the long term unemployed find jobs.

We also tried to respond to other member training needs. This led to collaborations with regional partners to deliver Managing Your Online Reputation and with Shopper Anonymous to deliver workshops on attracting the weddings and conference market. Our expertise was recognised when we were awarded 'Accredited Centre' status by the Institute of Leadership and Management. New opportunities will accrue from this in 2014/15.

MODERNISING VISITOR INFORMATION SERVICES

Destination partner budgets are under pressure as never before and visitor services are under increasing scrutiny. As well as delivering savings by running 7 very cost effective VICs on contract, TSE also advised and supported destination partners in exploring and delivering new approaches to information provision - for instance through satellite information points in local businesses. One of the major undertakings in 2013/14 was the move of Petersfield VIC into the library. Its success was a demonstration of successful partnership working with Hampshire County Council and East Hampshire District Council. Approaches to visitor services will continue to evolve and we will work with partners to find solutions.

Our discount purchasing service recorded a 5% increase in sales despite increased competition from new suppliers.

Joining Forces to Support Tourism

The case for businesses and destination partners to work together for the benefit of tourism has never been stronger. With its expertise and ability to coordinate across the whole of the South East, TSE played an important role in this



AGM & Conference 2013 University of Surrey



Beautiful South Awards 2013



Cut VAT campaign

WORKING HARDER FOR MEMBERS

TSE enjoys the support of over 1,000 commercial members, from chains hotels and major attractions to micro businesses. Strengthening the membership base by adding to the benefits package was a priority in 2013/14. Amongst them were the free workshops on Winning More Conference Business and the free 'TSE Connect' customer feedback service pilot. Networking events, e-newsletters, e-blasts and regularly refreshed content on the B2B website kept members informed about TSE's work and the wider support available. Where it makes sense, we work with destination partners to provide joined up membership support packages and in 2013/14 had arrangements with Visit Kent, Experience Oxfordshire and Winchester and the Heart of Hampshire Partnership.

AGM AND ANNUAL TOURISM CONFERENCE

On the 19th September 135 members and partners attended the AGM and Annual Tourism Conference at Surrey hosted by Surrey University. The 'understanding and connecting with customers' theme addressed the growing influence of social media and on-line reputation on tourism services and the relevance of effective, immediate customer feedback. The response on the day was extremely positive. The conference was one of many networking events over the year.

REPRESENTING MEMBERS' INTERESTS

Lining up with national organisations such as the Tourism Alliance and British Hospitality Association, we continued to press the case for government policies sympathetic to the tourism industry. As part of this, regular member updates were provided through the e-newsletter and B2B website on the campaign to reduce VAT on tourism services, changes to minimum wages, new employment laws and a range of other issues.

RECOGNISING AND CELEBRATING EXCELLENCE

Following a record number of entries into the Beautiful South Awards, 200 guests from shortlisted businesses and 38 sponsors enjoyed the celebration dinner at the Feldbridge Hotel in Sussex on the 27th November. A hiccup with the hotel's water supply didn't dampen proceedings hosted by TSE's chair Ken Robinson and journalist Alison Rice. Congratulations to the winners and to the 8 who went on to become finalists in Visit England's national awards. A well deserved special mention should be given to the Feathered Nest, Oxfordshire, one of TSE's 'Great Country Pubs', for winning national Gold in the pub category for the second year running.

SUPPORTING OUR DESTINATION PARTNERS

Destinations play a central role in the landscape of tourism support and are principal partners of TSE. All are faced with budget pressures and need to show greater accountability for spending. Our response has been increasingly tailored Service Level Agreements (SLA) setting out support and benefits. This approach helped to retain 36 destination partners in 2013/14.

In January, many of our partners came to TSE's Destination Managers Forum to debate current topics such as approaches to the dominance of on-line travel agents and visitor information provision.

Report and Financial Statements

For the year ended 31 March 2014

Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 March 2014.

RESULTS

The profit and loss account is set out on page 12 and shows the loss for the year.

PRINCIPAL ACTIVITIES

REVIEW OF THE COMPANY'S ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the company is the promotion and development of tourism.

The company seeks to provide the best possible range of support services to members and partners and has responded to changing needs and demands in both the commercial and local authority sectors. The range of services is constantly reviewed and increasingly offered outside the traditional South East boundary with a view to generating income streams that will help deliver core activities.

RESULTS

Turnover for the year amounted to £2,077,378 (2013: £2,229,338), comprising income arising directly from the company's activities of £1,856,254 (2013: £1,969,293) and membership subscription income of £221,124 (2013: £260,045). The decrease in turnover is due to a combination of normal trading fluctuations, planned changes in activity and a further reduction in grant funded project activity. Other operating income from rent and service charges was £44,956 (2013: £35,987).

Administrative expenses have reduced to £317,959 (2013: £481,832). This figure includes restructuring costs of £10,860 (2013: £105,249) required to realise savings across the company in future years.

The loss on ordinary activities for the year after taxation amounted to £47,142, (2013: £287,023). The reduction in the deficit is in part attributable to efficiency savings as a consequence of changes in activity in previous years and the restructuring costs incurred as a result.

The Statement of total recognised gains and losses includes a pension scheme net actuarial loss of £66,000 (2013: gain of £161,000) giving total recognised losses for the year of £113,142 (2013: loss of £126,023).

PRINCIPAL RISKS AND UNCERTAINTIES

Annual real terms reductions in central government funding for Local Authorities continue to pose a serious threat to the budgets available for activities and services provided by the company. The Board manages risk by continually reviewing its priorities and activities, operational efficiencies and by ensuring that its commercial activities are as effective as possible.

GOING CONCERN

As reported above the company has incurred a loss on ordinary activities in the year of £47,142 (2013: £287,023), and is continuing to take action to target a return to break even. Although the balance sheet reflects net liabilities of £2,651,409, this includes a provision for a pension deficit of £3,455,000 which is not a current liability. The net position before pension deficit at 31 March 2014 is £803,591 of which £589,523 is held in cash and cash deposits.

The directors have considered the forecasts for 2015 and 2016 and are confident that the company has the cash resources to cover their liabilities as they fall due over the 12 months from the date of this report and accordingly the accounts are prepared on the going concern basis.

RESERVES

The company has the following reserves as at 31 March 2014:

The special projects reserve of £50,120 (2013: £58,259) which has been created by decision of the board to be used at the discretion of the Managing Director for local projects that support members and destination partners.

The accumulated deficit of £2,701,529 (2013: £2,596,526) comprising:

- the accumulated surplus (excluding pension liability) of £753,471 (2013: £833,474)
- the pension liability of £3,455,000 (2013: £3,430,000).

Further information about the company's reserves is provided within Note 11.

Directors' Report

DIRECTORS

The directors of the company during the year were:

Ken Robinson CBE	Chairman
Peter Colling	Managing Director
David Philip FCA	Vice-Chairman, co-opted
Sandra Barnes-Keywood	Tourism Council
Lyn Bibbings	Berks Bucks Oxon
Stephen Munn	Hampshire
Adam Bates	Co-opted
CLlr Alan Mellins	Tourism Council
Mark Smith	Co-opted
Christopher White	Tourism Council
Terry Boswell	Tourism Council (Appointed 19.09.2013)
Hayley Beer	Destination Managers' Forum (Resigned 31.01.2014)
Sandra Matthews-Marsh	Kent (Resigned 29.10.2013)

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 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.

AUDITORS

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Following a change to the Articles of Association, which was approved by Special Resolution at the Annual General Meeting on 19 September 2013, whereby the decision to recommend the appointment of Auditors should be at the discretion of the directors, the directors resolved, at a subsequent Board meeting, the implementation of a cost saving plan which included discontinuation of the audit but that independent accountants should be appointed to review the Annual Accounts and report to the company.

The Board resolved to engage BDO LLP as an independent accountant after the expiry of their current term as Auditors. BDO LLP have expressed a willingness to act in this capacity and this will ensure continuity of external oversight and valuable support to the company.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the board



P Oliver
Secretary

17 July 2014

Independent Auditors' Report

To the members of The Southern and South East England Tourist Board

We have audited the financial statements of The Southern & South East England Tourist Board for the year ended 31 March 2014 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 AUDITORS

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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/auditscopeukprivate.

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

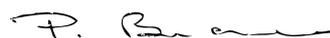
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Paul Bricknell (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom

27 August 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and Loss Account

For the year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	2,077,378	2,229,338
Cost of sales		1,843,716	2,028,060
Gross profit		233,662	201,278
Administrative expenses		317,959	481,832
		(84,297)	(280,554)
Other operating income		44,956	35,987
Operating loss	3	(39,341)	(244,567)
Other interest receivable and similar income		14,199	21,544
Other finance charges		(22,000)	(64,000)
Loss on ordinary activities before and after taxation for the financial year		(47,142)	(287,023)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2013

	Note	2014 £	2013 £
Statement of total recognised gains and losses			
Loss for the financial year		(47,142)	(287,023)
Pension scheme net actuarial gain/(loss)		(66,000)	161,000
Total recognised gains and losses for the financial year		(113,142)	(126,023)

The notes on pages 14 - 19 form part of these financial statements.

Balance Sheet

At 31 March 2014

Company number 01345038

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	6	493,028	468,424
Fixed asset investments	7	290	1,000
		<u>493,318</u>	<u>469,424</u>
Current assets			
Stocks		46,658	52,543
Debtors	8	258,318	275,420
Investments		85,000	500,000
Cash at bank and in hand		504,523	358,262
		<u>894,499</u>	<u>1,186,225</u>
Creditors: amounts falling due within one year	9	<u>584,226</u>	<u>763,916</u>
Net current assets		<u>310,273</u>	<u>422,309</u>
Net assets excluding pension scheme liabilities		<u>803,591</u>	<u>891,733</u>
Pension scheme liabilities	10	<u>(3,455,000)</u>	<u>(3,430,000)</u>
Net liabilities including pension scheme liabilities		<u>(2,651,409)</u>	<u>(2,538,267)</u>
Capital and reserves			
Special projects reserve	11	50,120	58,259
Profit and loss account	11	(2,701,529)	(2,596,526)
Total deficit		<u>(2,651,409)</u>	<u>(2,538,267)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board of directors and authorised for issue on 17 July 2014.

K G Robinson
Director



D R Philip
Director



The notes on pages 14 - 19 form part of these financial statements.

Notes forming part of the Financial Statements

For the year ended 31 March 2014

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of freehold land and buildings.

The following principal accounting policies have been applied:

Revenue recognition

In accordance with Statement of Standard Accounting Practice 4, Government and similar grants receivable are recognised in the profit and loss account of the period in respect of which the expenditure to which they relate is incurred. Any amounts received in excess of amounts earned are reflected in deferred income. Revenue from other projects is reflected in the period the provision of services to which the income relates is performed. Membership income is accounted for in the period in which the subscription relates.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable surpluses in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Depreciation

Depreciation is provided on all tangible fixed assets with the exception of freehold land on a consistent basis at rates calculated to write off the cost or valuation of each asset evenly over its estimated useful economic life as follows:

Freehold property	50 years, with subsequent additions depreciated over the remaining life of the property
Plant and equipment	5 years
Motor vehicles	4 years
Computer equipment	3 years

Assets with an individual cost of less than £1,000 are written off on purchase.

The transitional provisions of FRS 15, Tangible Fixed Assets, have been adopted. Under these provisions assets brought into account at valuation were retained at their book value and subsequently not revalued, valuations after March 2000 having been obtained for information only and not incorporated in the balance sheet. Details of the valuation in 1998 of the company's freehold property are given in note 9.

Stocks

Stocks of saleable publications are valued at the lower of cost and net realisable value. Stocks of non saleable publications are, by decision of the Directors, not valued in the financial statements.

Pension costs

The company operates two defined benefit schemes and one defined contribution scheme. The assets of the schemes are held and managed separately from those of the company.

For the defined benefit schemes, the company has adopted in these financial statements the provisions of the FRSSE Accounting for Retirement Benefits: Defined Benefit (FRSSE ARB) 'Retirement Benefits' in that the amounts charged to operating results are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest costs and the expected returns on assets are shown as a net amount of other finance costs or income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projection unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to scheme liabilities. The actuarial valuations are obtained triennially and are updated at the balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

For the defined contribution schemes the amounts charged to the profit and loss account in respect of pension costs and other post retirement benefits represent the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

2 TURNOVER

Turnover arises solely within the United Kingdom.

Income from government grants totalled £49,380 for the year (2013: £125,106).

Notes forming part of the Financial Statements

For the year ended 31 March 2014

3 OPERATING LOSS

	2014 £	2013 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	18,553	29,755
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	8,500	8,500
Auditors' remuneration - tax advisory services	1,500	1,500
Auditors' remuneration - other services	4,750	4,750
Redundancy costs	10,860	105,249

4 DIRECTORS' REMUNERATION

	2014 £	2013 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	73,800	73,094
Company contributions to money purchase pension schemes	10,344	10,241

There was 1 director in the company's defined benefit pension scheme (2013-1) and no directors in the company's defined contribution pension scheme (2013-0) during the year.

5 OTHER FINANCE CHARGES

	2014 £	2013 £
Expected return on pension scheme assets	(456,000)	(422,000)
Interest on pensions scheme liabilities	478,000	486,000

Notes forming part of the Financial Statements

For the year ended 31 March 2014

6 TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Total
Cost or valuation	£	£	£
At 1 April 2013	554,820	320,222	875,042
Additions	40,058	3,099	43,157
Disposals	-	(19,118)	(19,118)
	<hr/>	<hr/>	<hr/>
At 31 March 2014	594,878	304,203	899,081
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2013	99,725	306,893	406,618
Provided for the year	8,528	10,025	18,553
Disposals	-	(19,118)	(19,118)
	<hr/>	<hr/>	<hr/>
At 31 March 2014	108,253	297,800	406,053
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2014	486,625	6,403	493,028
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2013	455,095	13,329	468,424
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The company's freehold land and buildings were valued in 1998 and reduced to £545,000. In this case there is no difference in net book value between accounting for fixed assets on a revalued or historical cost basis.

Included within freehold land and buildings is £280,000 (2013: £280,000) for land upon which no depreciation has been provided.

As referred to in note 1, under the provisions of FRS 15 adopted from March 2000, assets brought into account at the valuation detailed above were retained at their book value at that date and subsequently not revalued in the financial statements. If the company's property were sold at its 1998 valuation no corporation tax liability would arise (2013: £Nil).

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings and participating interests £
At 1 April 2013	1,000
Impairment adjustment	(710)
	<hr/>
At 31 March 2014	290
	<hr/> <hr/>

The company acquired 50% of the ordinary share capital of Remarkable Events Limited on the incorporation of that company on 7 November 2011. The nature of the business of Remarkable Events Limited was event management, including organisation of the Disabled British Golf Open. The company ceased trading on 31 March 2014 and will be dissolved in the year ending 31 March 2015.

Remarkable Events Limited	£
Aggregate capital and reserves at 31 March 2014	580
Loss for the year 31 March 2014	(940)

Notes forming part of the Financial Statements

For the year ended 31 March 2014

8 DEBTORS	2014 £	2013 £
Trade debtors	206,455	199,351
Other debtors	51,863	76,069
	<u>258,318</u>	<u>275,420</u>

All amounts shown under debtors fall due for payment within one year.

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	223,846	348,014
Taxation and social security	29,374	18,073
Other creditors	331,006	397,829
	<u>584,226</u>	<u>763,916</u>

10 PENSIONS

The company participates in the defined benefit schemes administered by Hampshire County Council and Kent County Council and also operates one defined contribution scheme. The Southern and South East England Tourist Board is not a trustee of any of the schemes and has no control over the investment decisions and assumptions made by their administrators.

At 31 March 2014 no contributions of the company were outstanding in respect of defined benefit schemes and no related amounts are included within creditors. (2013: £35,883).

The last full actuarial assessments of both local authority funds were carried out by qualified independent actuaries at 31 March 2013.

At 31 March 2013 the market value of the company's share of assets within the Hampshire County Council scheme was equivalent to a funding level of 80%. To spread this deficit over employees' expected remaining service lives the company, on actuarial advice, is paying a contribution rate of 15.6% plus £29,200 and 15.6% plus £35,000 for the years ending 31 March 2015 and 2016 respectively, and a contribution rate of 15.6% plus £42,000 for the year ending 31 March 2017. From 1 April 2014 the employees are paying between 5.5% and 12.5%.

At 31 March 2013 the market value of the company's share of assets with the Kent County Council scheme was equivalent to a funding level of 83%. To spread this deficit over employees' expected remaining service lives the company, on actuarial advice, is paying a contribution rate of 30.3% plus £43,000 and 30.3% plus £45,000 for the years ending 31 March 2015 and 2016 respectively, and a contribution rate of 30.3% plus £47,000 for the year ending 31 March 2017. From 1 April 2014 the employees are paying between 5.5% and 12.5%.

The next full actuarial assessments of both local authority funds are being carried out by qualified independent actuaries at 31 March 2016. The results will be available by 31 March 2017.

The valuations have been updated by the actuaries to take account of the requirements of FRS 17 in order to assess the liabilities of the funds as at 31 March 2014. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

Both County Council funds are closed to new members from The Southern and South East England Tourist Board and therefore use of the projected unit method to value liabilities will mean that the current service cost increases as the members approach retirement. Should the company cease to participate in the admission agreements a greater liability than that concluded for FRS 17 purposes might result.

The following table refers to The Southern and South East England Tourist Board's portion of the scheme assets and liabilities.

Notes forming part of the Financial Statements

For the year ended 31 March 2014

10 PENSIONS - continued	2014 £	2013 £
<i>Value of scheme assets and liabilities</i>		
Market value of assets	7,862,000	7,786,000
Present value of scheme liabilities	<u>(11,317,000)</u>	<u>(11,216,000)</u>
Pension scheme deficit	<u><u>(3,455,000)</u></u>	<u><u>(3,430,000)</u></u>
	2014 £	2013 £
<i>Movements in the year</i>		
Pension scheme deficit at the beginning of the year	(3,430,000)	(3,577,000)
Current service cost	(41,000)	(59,000)
Interest cost	(478,000)	(486,000)
Cash contribution	104,000	170,000
Actuarial (losses)/gains	(66,000)	161,000
Expected return on assets	456,000	422,000
Past service costs	-	(61,000)
Pension scheme deficit at the end of the year	<u><u>(3,455,000)</u></u>	<u><u>(3,430,000)</u></u>
11 RESERVES	Special Projects reserve £	Profit and loss account £
At 1 April 2013	58,259	(2,596,526)
Loss for the year	-	(47,142)
Transfers	(8,139)	8,139
Actuarial loss	-	(66,000)
At 31 March 2014	<u><u>50,120</u></u>	<u><u>(2,701,529)</u></u>

If the pension scheme liability was excluded from the financial statements, the accumulated deficit would change from £2,701,529 (2013: £2,596,526) to an accumulated surplus of £753,471 (2013: £833,474).

12 RELATED PARTY DISCLOSURES

In the normal course of its activities the company enters into commercial transactions with several of its non executive directors and entities in which non executive directors are interested. These transactions are carried out at arm's length and at normal commercial rates and with the exception of those with Welcome to Excellence Limited (WEL) are considered by the company to be immaterial for the purposes of disclosure requirements of the Companies Act and the relevant Financial Reporting Standard. TSE is a director of, and agent for, WEL whose principal activity is the promotion and development of tourism through the training system known as the Welcome to Excellence Programme. The directors consider that no one party has control over the company.

The company received income from WEL totalling £17,615 during the year (2013: £22,415) and made purchases of £7,040 (2013: £9,364). At the balance sheet date the amount owed to the company by WEL was £17,615 (2013: £24,723) and the amount owed to WEL was £43,150 (2013: £62,334).

TSE is a director and shareholder of Remarkable Events Ltd, a joint venture company whose principal activity was the delivery of events such as the British Disabled Golf Open. During the year TSE made no purchases (2013: £10,000) from Remarkable Events Ltd.

Notes forming part of the Financial Statements

For the year ended 31 March 2014

13 CAPITAL COMMITMENTS

	2014 £	2013 £
Contracted but not provided for	-	19,230

The company has no annual commitments under non-cancellable operating leases.

14 CAPITAL

The company is incorporated under the Companies Act 1948 as a company limited by guarantee and not having share capital.

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