

# TOURISM SOUTH EAST



## Annual Report & Financial Statements

Year Ended 31 March 2013

the Beautiful South

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# Statements from the Chairman and Managing Director



Over the last few years we have all had to get used to the effects of the economic crisis and resulting cuts to public funding. Operating costs are up, revenues are down, margins are squeezed. Some of our potential visitors are relatively unaffected, but many have cut their leisure spending, and inbound tourists are deterred by our excessive taxes, making our competitors seem much more affordable and better value.

These are the very circumstances in which it's strongly beneficial to work together, to attract more visits to our area and ensure we deliver better experiences to our customers. So the need for the services that TSE provides to our members and partners has never been greater. Our ability to do so has never been tougher. We have had to adapt speedily to the loss of core grant funding and had to adapt from being the official regional tourist board to focus solely on being a provider of paid-for specialist expertise and services to our members. The changes that Peter Colling and our team have managed have not been easy, but it is greatly to their credit that we can present this report and record of so much successful activity. I would also like to record my thanks to the members of the Board whose commitment and expertise is so vital to our continuing development. We are not out of the woods yet, but with a willingness to adapt and

constantly focus on what you, our members need, we can succeed.

The Government has funded the GREAT national image-building campaign, and the television campaigns to boost domestic tourism. But at the same time they have repeatedly cut the funding to VisitEngland and VisitBritain, and increased the funding pressure on local authorities, who have in recent years been such strong supporters of tourism. The Government's Comprehensive Spending Review aimed at 11% cuts across all Departments but limited the cut to VisitBritain to 5% and held VisitEngland's grant at current levels. This was a good result but with no allowance for inflation, they will still need to do more with less.

So, we are largely on our own. We must work together more effectively and help more tourism businesses with the services we can provide. It is up to us, up to you. Help us bring more members into our partnership. Together we are stronger, and will ensure more visitors have better tourism experiences in our area, and our businesses survive and thrive and our host communities benefit from this challenging but rewarding business of Tourism.

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



We went in to 2012/13 knowing it was going to be an unusual, challenging and unpredictable year – and so it proved to be. The recession stayed with us, depressing leisure spending but helping to keep holidays at home. Rain dominated the weather but the clouds finally parted for the Olympic and Paralympic Games – a brilliant spectacle that lifted spirits and improved greatly our international reputation and profile. Some of the images from Dorney Lake and the road race around Bexhill in Surrey will last in the memory for a life time. Whilst official statistics show mixed results for the tourism industry over the course of the year, the signs are that the positive impressions of Britain will pay dividends in 2013/14.

Meanwhile, the operating climate for TSE and many destination partners remained challenging. The transition which is allowing us to adapt to a changing landscape of tourism support continued but, as the public sector shrinks, we are still confident that we have a crucial role to play – working with individual tourism businesses, our established and emerging destination organisations, and partners VisitEngland and VisitBritain.

Our focus remained the delivery of high value services to our members and destination partners. The following pages of this Annual Report tell an impressive story of achievement in 2012/13 from the £17m of international coverage generated from media and trade activities to over 2,000 participants on Welcome to Excellence courses. Our overall approach was to refocus on the needs of our members and partners and to balance winning new business with a strong commitment to working in partnership to pool resources and avoid duplicating effort.

Let me take this opportunity to thank the team at TSE for working so hard through a very turbulent period and delivering such an impressive programme of support for the tourism industry. And finally, my thanks to the members and destination partners that have continued to support us and play a part in our ongoing transition.

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

# Attracting More Visitors to the South East

We have been working harder than ever to showcase our members' destinations, things to do and places to stay to domestic and international visitors. As part of this we responded to the changing needs of our partners and members by adding a range of new digital marketing packages to our other successful campaign activity.



Travel! The Workshop, Belgium



International Trade Workshop, Beijing



Group Travel Fair, Knebworth House

## MAKING THE MOST OF PR OPPORTUNITIES

2012/13 was a year like no other. The Games, the Silver Jubilee and regional events such as the Dickens Bicentenary provided unprecedented opportunities for stimulating domestic and international PR and media coverage.

Over the year, TSE worked with VisitEngland, VisitBritain, destination partners and our PR agency Hume Whitehead on an extensive PR programme which included 34 familiarisation visits by journalists, TV crews and tour operators from around the world and following up over 100 other leads. Metrica (VisitBritain's press tracking agency) identified around £220m of international press coverage alone for the South East of which at least £17m was linked to TSE's activities.

The Annual Media Party held in London in March was attended by around 75 travel journalists from regional and national titles. The interest it generated stimulated a considerable number of follow up visits and subsequent coverage for participating destinations and businesses.

## GROWING INTERNATIONAL MARKETS

Near Europe and Asia Pacific were the focus of an impressive TSE-led programme to attract overseas visitors. Germany, France, Belgium and the Netherlands were the targets for near Europe activity. Highlights included a conference for French Airport operators and media in June, to explore opportunities for increasing the number of flights into the South East and Vakantiebeurs in January. Vakantiebeurs is one of Europe's biggest tourism and leisure fairs attracting over 126,000 consumers. The stand coordinated by TSE attracted considerable interest which we are planning to build upon in 2013/14.

The Go Asia campaign culminated in the Shanghai trade show in November. Although relatively small at the moment, the Chinese market is one of the fastest growing and TSE has well established contacts and a seven year track record. With the help of China Holidays and campaign partners, TSE distributed over 1,000 brochures at the Shanghai event and had meetings with around 50 trade representatives.

BoBi, VIBE and Travel! The Workshop Brussels were amongst the other national and international trade shows where TSE coordinated a South East presence. In collaboration with VisitBritain and VisitEngland we also facilitated and hosted 9 trade familiarisation visits for tour operator delegations.

## GROUP TRAVEL SUCCESS

TSE's reputation as the market leader in the group travel market was enhanced by the success of the flagship show Excursions™ in January which attracted a record number of exhibitors and trade visitors. A move to the larger Great Hall at Alexandra Palace is on the cards for 2014. New exhibitor interest came from short-haul European operators increasing the show's appeal which broke the 1,000 visitors target for the first time - an increase of 9%.

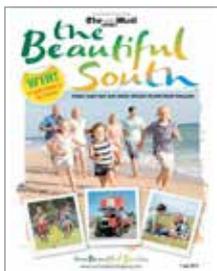
Group travel fairs held at Brooklands Museum, Knebworth House and Portsmouth Historic Dockyard together with the South West Group Travel Show, held at the Fleet Air Arm Museum, drew around 1,000 visitors and 200 businesses collectively. The group travel exhibition season ended on a high with TSE and its partners showcasing the Beautiful South at BoBi in March 2013.

# Making Marketing Budgets Work Harder

The expertise and efficiencies TSE delivers helped businesses, destination partners and trade associations make the most of their budgets and take advantage of new on line opportunities.



www.visitsoutheastengland.com



Mail on Sunday Supplement, July 2012



www.greatcountrypubs.com

## FAMILY FUN

TSE's main domestic campaign, Family Fun, launched with a Mail on Sunday supplement on the 1st July. Reaching a readership of around 2.5 million people in the southern half of the country, the supplement was supported by a Family Fun section on the new consumer website, 5 e-newsletters and extensive PR activity. The PR coverage achieved 12 national, 3 regional and 28 on line pieces worth an estimated £470k in equivalent advertising.

## THE POWER OF THE WEB

2012/13 saw the launch of TSE's new consumer website, [visitsoutheastengland.com](http://visitsoutheastengland.com). It has given visitors to the site a fresh, new experience with improved usability and easier access to members' and partners' content. The new platform was built to allow for ongoing technology developments and improved rankings in search engines. TSE also incorporated the functionality to access social media platforms and greater visibility amongst the social media channels.

A separate mobile platform is now planned to represent members and partners across the many platforms that the consumer site is increasingly being viewed.

## HELPING BUSINESSES AND PARTNERS TO GET DISCOVERED ON LINE

TSE's domestic marketing campaigns were reviewed during 2012/13 in line with feedback from members and partners. From this came a range of new digital packages incorporating social media as an addition to TSE's marketing services proposition. These packages cover a variety of website opportunities to help members and partners increase their digital and social media visibility.

## CONTRACTED MARKETING SERVICES

The take up of TSE's expertise and tailored services offered on a contract basis grew in 2012/13. These included contracts with partners for managing digital data, the production of destination brochures, support for projects promoting museums in the Thames Valley and various PR projects.

TSE's capacity and experience was also utilised by the River Thames Alliance and the New Forest Tourism Association to support the administration of their membership schemes and associated events.

## GREAT COUNTRY PUBS

Country pubs are an important tourism asset but hundreds are being lost every year. The Great Country Pubs Project, funded by the Rural Development Programme for England, was created by TSE to unite the best of them under a single inspirational brand to help them realise their tourism potential. By the end of 2012/13 ninety pubs featured on the campaign website, [greatcountrypubs.com](http://greatcountrypubs.com) and a wide range of PR coverage, including pieces in Homes and Gardens and Readers Digest, increased visits five-fold to just under 19,000 a month.

The Feathered Nest, a founding participant in the campaign, won gold in the pubs category at the 2012/13 Beautiful South Awards and at the VisitEngland Tourism Excellence Awards.

With the support of our partners, Pub is the Hub, the plan is to extend the campaign into the East of England in 2013/14 to provide a coherent short break proposition for Londoners.

# Delivering Expertise and Specialist Services

A 25 year track record of delivering specialist expertise and services to tourism businesses and destination partners was the basis of many of TSE's activities in 2012/13. From established specialisms such as customer service training and tourism research to the organisation of the Disabled British Golf Open, TSE maintained a reputation for providing high quality, cost effective services.



Launch of Delivering Service Excellence training course



Haven Leisure - Owners Exclusive proudly holding their national training award



A Guide to Destination Access Audits

## GETTING THE WELCOME RIGHT

Inspired by the events of 2012, getting the welcome right became a priority for many businesses and destinations and this stimulated a great deal of interest in Welcome to Excellence training. An example was the Welcome programme delivered at Gatwick Airport where 300 volunteers took part.

To attract a broader range of customers TSE developed a new generic customer service course with partners, Delivering Service Excellence. It was launched at the Customer Service Training Network Awards event in July and was quickly taken up by a number of large national businesses that had previously not engaged with us. One of these was First Bus which will be putting 1,000 bus drivers on courses over the next two years. A total of 2,094 participants attended the range of Welcomes courses during 2012/13 and 550 of these successfully achieved the City and Guilds level 2 customer service award.

TSE's expertise was rewarded by the extension of the contract for co-ordinating the national Welcome to Excellence programme by a further two years. As part of this, in 2012/13 TSE instigated national promotion and PR relating to the programme and organised sponsorship of the customer service category at the VisitEngland Awards for Excellence and the Customer Service Training Network Awards where Welcome to Excellence advocate, Haven Leisure - Owners Exclusive, won Gold for the best training programme.

## CHAMPIONING ACCESSIBILITY

2012/13 was the culmination of a four year Legacy Trust funded programme to make the South East the most welcoming part of the UK for visitors with disabilities. As part of this, TSE delivered a further 3 destination access audits with destination partners bringing the total to fifteen overall. To capture and spread the learning from these projects, TSE commissioned a best practice guide that included practical instructions on how to go about conducting an audit. It was launched in October at an event on the Accentuate Project for MPs in Westminster. The combined expenditure on accessibility

improvements stimulated by audits over the last four years is estimated to be well in excess of £2m.

With the help of our partners, Azalea, sponsors including the Legacy Trust and the amazing goodwill of hundreds of volunteers, the 4th Disabled Golf Open Championship was held between the 26 and 28 August at the East Sussex National Golf Resort. It retained the accolade of being the largest event in Europe of its kind attracting 75 elite competitors from around the world and over £500k of media coverage including Sky TV. Subject to finding a principal sponsor, the ambition is to take the event to higher level and use the experience to support other disabled events.

## DELIVERING SPECIALIST RESEARCH AND MARKET INTELLIGENCE

TSE's research team is recognised for its expertise in interpreting latest trend research and it disseminated regular intelligence bulletins for members and partners. It was also another successful year for securing a wide variety of research contracts within the South East and beyond. The South Downs National Park Survey was one of the most significant. It was completed despite poor weather disrupting field work and the results are forming part of the evidence base for the new National Park Plan.

Demand for our expertise in tourism volume and value evaluation remained strong with the delivery of Cambridge Model studies for 56 locations and completion of a 'local events impact model' for Visit Kent and its European partners in the Sustainable Research Intelligence Partnership. The Isle of Wight Ferry Passenger Survey, one of the largest and most robust destination surveys of its kind, was again delivered successfully and benefitted from our new I-Pad technology to speed up results. Success also came from partnership with other agencies and opened up opportunities for work in other areas and fields. One such jointly secured project was an audit of tourism on the Isle of Man.

# Joining Together to Grow Tourism

As the tough economic climate dragged on and partners faced budget cuts, TSE's role in bringing members and destination partners together became more important than ever. This extended to our work with the Tourism Alliance to raise political understanding of tourism's importance to economic recovery.



Delegates at Members' Conference in Portsmouth



Beautiful South Awards at Denbies Wine Estate



Romsey Tourist Information Centre celebrate the Diamond Jubilee

## SUPPORTING MEMBERS

With more and more businesses relying on digital communications, a new industry website was launched in May providing direct access to online resources and guides, local news stories, event diary and a dedicated member/partner area. Local approaches were reinforced by the joint membership arrangements in Oxfordshire, Winchester and the Heart of Hampshire and Kent.

## CELEBRATING THE BEST

Some of the very best tourism businesses and experiences in the South East were celebrated at the Annual Beautiful South Awards at Denbies Wine Estate on the 28 November. Toby Anstis, a presenter from one of our sponsors Heart FM, kept the audience of hopeful finalists entertained. Judging covered 17 categories including Pub of the Year for the first time. Lord March was presented with the Outstanding Contribution to Tourism Award. Three winners went on to win Gold at the VisitEngland national Tourism Excellence Awards later in the year.

## ANNUAL CONFERENCE: SUCCEEDING IN TESTING TIMES AND NETWORKING EVENTS

Over 100 members and partners gathered at the Portsmouth Marriott Hotel for TSE's Annual Tourism Conference on the 20 September. The theme reflected the tough operational climate and the challenges faced by businesses and destinations. Industry experts shared national insights on trends and the political landscape and a number of businesses spoke about the lessons they had learned that were helping them to succeed in spite of the testing times. The conference was one of many networking events organised for members by TSE over the course of the year.

## DESTINATION MANAGERS FORUM

The Forum meets twice a year and is an opportunity for destination managers from around the South East to share ideas, debate current issues, catch up on TSE activities and hear from experts including Visit England. Englandnet has been a hot topic at the Forum as well as workshops that have provided valuable input from destination managers into TSE's marketing plans.

## MODERNISING VISITOR SERVICES

The pressure on VIC services to deliver greater efficiencies and demonstrate their worth was greater than ever in 2012/13. It meant TSE's was regularly called upon by destination partners to help make the case for existing services and advise on new approaches. More in-depth support was provided on a contract basis to a number of partners including Lewes and Worthing District Councils.

Tourism South East retained the management contract for 7 visitor information centres which it ran for destination partners. This included an enhanced contract with Rother District Council which led to the successful development of a series of satellite information points across the District – an approach other destinations are following. The expertise and economies of scale TSE brings to these contracts helped partners retain services at a time of intense budget pressure. To improve VIC sales margins, TSE continued to operate a discount purchasing service and extend the range of clients.

## MAKING THE CASE FOR TOURISM

Tourism was one of the few growth sectors in 2012/13, creating around a third of all new jobs at a time of economic downturn. And yet, convincing politicians at local and national level of the need to support the industry remained an ongoing challenge. TSE is a member of the Tourism Alliance and supported their efforts to make the case for tourism which included lobbying to reduce VAT on tourism services and to address the burden of unnecessary regulations. Successes included the winning of concessions in respect of proposed VAT on static caravans and listed buildings and the application of age discrimination legislation to tourism. Updates and calls to action were posted on the new B2B website.

TSE also helped defend tourism budgets and made representations on planning, funding and legal matters.

# Report and Financial Statements For the year ended 31 March 2013 Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 March 2013.

## 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 £2,229,338 (2012: £2,906,896), comprising income arising directly from the company's activities of £1,969,293 (2012: £2,639,812) and membership subscription income of £260,045 (2012: £267,084). The decrease in turnover is due primarily to a further significant reduction in the level of grant-funded project activity and related changes to the structure of ongoing marketing activities. Other operating income from rent and service charges was £35,987 (2012: £42,165).

Administrative expenses have reduced to £481,832 (2012: £626,824). This figure includes restructuring costs of £105,249 (2012: £28,125) required to realise savings across the company in future years.

The deficit for the year after taxation amounted to £287,023, (2012: £282,917). A significant proportion of the deficit reflects continuing transitional costs and investments required to deliver future efficiency savings.

## 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 deficit in the period although this includes restructuring costs of £105,249. As a result of the restructuring the company has a lower cost base going forward. Although the balance sheet reflects net liabilities of £2,538,267, this includes a provision for a pension deficit of £3,430,000 which is not a current liability. The directors consider that the company has adequate resources to cover the next twelve months and accordingly the accounts are prepared on the going concern basis.

## RESERVES

The company has the following reserves as at 31 March 2013:

- The Pension funding reserve of £nil (2012: £326,000), which was created by decision of the Board in response to the defined benefit pension scheme deficits identified in note 11. By decision of the Board the balance of this fund as at 31 March 2013 was transferred to the Accumulated deficit on the grounds that this is where pension deficit contributions and actuarial adjustments relating to the relevant schemes are recognised.
- The Area Tourism Partnership reserve of £nil (2012: £75,852) was created by decision of the Board to represent unallocated Area Tourism Partnership funds held for future expenditure. By decision of the Board the unspent residue of this fund as at 31 March 2013 was transferred to the Special Projects reserve.
- The Special Projects reserve of £58,259 (2012: £nil), 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 £2,596,526 (2012: £2,814,096) comprising:
  - the accumulated surplus (excluding Pension Liability) of £833,474 (2012: £762,904).
  - the Pension Liability of £3,430,000 (2012: £3,577,000).

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
Hayley Beer	Destination Managers' Forum
Sandra Barnes-Keywood	Tourism Council
Lyn Bibbings	Berks Bucks Oxon
Stephen Munn	Hampshire
Sandra Matthews-Marsh	Kent
Vivian Williams	Tourism Council (resigned 20.09.12)
Jan Halliday	Tourism Council (resigned 15.01.13)
Adam Bates	Co-opted (appointed 19.07.12)
Cllr Alan Mellins	Tourism Council (appointed 20.09.12)
Mark Smith	Co-opted (appointed 19.07.12)
Christopher White	Tourism Council (appointed 20.09.12)

## 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.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

By order of the board



J P Atherton  
Secretary

25 July 2013

# 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 2013 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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 2013 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.



Paul Bricknell (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Southampton  
United Kingdom  
29 July 2013

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 2013

	Note	2013 £	2012 £
Turnover	2	2,229,338	2,906,896
Cost of sales		<u>2,028,060</u>	<u>2,617,466</u>
<b>Gross profit</b>		<b>201,278</b>	<b>289,430</b>
Administrative expenses		<u>481,832</u>	<u>626,824</u>
		<b>(280,554)</b>	<b>(337,394)</b>
Other operating income		<u>35,987</u>	<u>42,165</u>
<b>Operating loss</b>	3	<b>(244,567)</b>	<b>(295,229)</b>
Other interest receivable and similar income		21,544	44,312
Other finance charges		<u>(64,000)</u>	<u>(32,000)</u>
<b>Loss on ordinary activities before and after taxation for the financial year</b>		<b><u>(287,023)</u></b>	<b><u>(282,917)</u></b>

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

	Note	2013 £	2012 £
<b>Statement of total recognised gains and losses</b>			
Loss for the financial year		(287,023)	(282,917)
Pension scheme net actuarial gain/(loss)		<u>161,000</u>	<u>(1,052,000)</u>
<b>Total recognised gains and losses for the financial year</b>		<b><u>(126,023)</u></b>	<b><u>(1,334,917)</u></b>

The notes on pages 13 - 18 form part of these financial statements.

# Balance Sheet

At 31 March 2013

Company number 01345038

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	6	468,424	485,958
Fixed asset investments	7	1,000	1,000
		<u>469,424</u>	<u>486,958</u>
<b>Current assets</b>			
Stocks		52,543	56,391
Debtors	8	275,420	332,014
Investments - cash deposits		500,000	500,000
Cash at bank and in hand		358,262	917,256
		<u>1,186,225</u>	<u>1,805,661</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>763,916</u>	<u>1,127,863</u>
<b>Net current assets</b>		<u>422,309</u>	<u>677,798</u>
<b>Net assets excluding pension scheme liabilities</b>		<u>891,733</u>	<u>1,164,756</u>
<b>Pension scheme liabilities</b>	10	<u>(3,430,000)</u>	<u>(3,577,000)</u>
<b>Net liabilities including pension scheme liabilities</b>		<u>(2,538,267)</u>	<u>(2,412,244)</u>
<b>Capital and reserves</b>			
Area Tourism Partnership reserve	11	-	75,852
Special projects reserve	11	58,259	-
Pension funding reserve	11	-	326,000
Profit and loss account	11	(2,596,526)	(2,814,096)
<b>Total deficit</b>		<u>(2,538,267)</u>	<u>(2,412,244)</u>

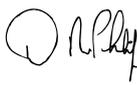
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board of directors and authorised for issue on 25 July 2013.

K G Robinson  
Director



D R Philip  
Director



The notes on pages 13 - 18 form part of these financial statements.

# Notes forming part of the Financial Statements

For the year ended 31 March 2013

## 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
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 6.

### 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 two defined contribution schemes. 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 £125,106 for the year (2012: £551,242).

# Notes forming part of the Financial Statements

For the year ended 31 March 2013

## 3 OPERATING LOSS

	2013 £	2012 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	29,755	44,018
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	1,750
Auditors' remuneration - other services	4,600	4,850
Auditors' remuneration - assurance services relating to grant audits	-	18,000
Redundancy costs	<u>105,249</u>	<u>28,125</u>

If redundancy costs were excluded, Administrative expenses would change from £481,832, (2012: £626,824) to £376,583 (2012: £598,699).

## 4 DIRECTORS' REMUNERATION

	2013 £	2012 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	73,094	201,222
Company contributions to money purchase pension schemes	<u>10,241</u>	<u>15,194</u>

There was 1 director in the company's defined benefit pension scheme (2012 - 2) and no directors in the company's defined contribution pension scheme (2012 - 2) during the year.

Aggregate emoluments include severance costs of £nil (2012: £22,182).

## 5 OTHER FINANCE CHARGES

	2013 £	2012 £
Expected return on pension scheme assets	(422,000)	(478,000)
Interest on pension scheme liabilities	<u>486,000</u>	<u>510,000</u>
	<u><u>64,000</u></u>	<u><u>32,000</u></u>

# Notes forming part of the Financial Statements

For the year ended 31 March 2013

## 6 TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Total
<b>Cost or valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2012	545,000	424,537	969,537
Additions	9,820	7,527	17,347
Disposals	-	(111,843)	(111,843)
At 31 March 2013	<u>554,820</u>	<u>320,221</u>	<u>875,041</u>
<b>Depreciation</b>			
At 1 April 2012	92,737	390,842	483,579
Provided for the year	6,988	22,767	29,755
Disposals	-	(106,717)	(106,717)
At 31 March 2013	<u>99,725</u>	<u>306,892</u>	<u>406,617</u>
<b>Net book value</b>			
At 31 March 2013	<u>455,095</u>	<u>13,329</u>	<u>468,424</u>
At 31 March 2012	<u>452,263</u>	<u>33,695</u>	<u>485,958</u>

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 (2012: £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 (2012: £Nil).

## 7 FIXED ASSET INVESTMENTS

### Shares in group undertakings and participating interests £

<b>Cost</b>	
At 1 April 2012 and 31 March 2013	<u>1,000</u>

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 is event management, including organisation of the Disabled British Golf Open.

Remarkable Events Limited	£
Aggregate capital and reserves at 31 March 2013	1,520
Loss for the period 7 November 2011 - 31 March 2013	(480)

# Notes forming part of the Financial Statements

For the year ended 31 March 2013

<b>8 DEBTORS</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	199,351	213,614
Other debtors	76,069	118,400
	<u>275,420</u>	<u>332,014</u>

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

## **9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	348,014	521,559
Taxation and social security	18,073	26,680
Other creditors	397,829	579,624
	<u>763,916</u>	<u>1,127,863</u>

## **10 PENSIONS**

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

At 31 March 2013 contributions of £35,883 (2012: £19,956) by the company were outstanding in respect of one of the defined benefit schemes and are included within creditors.

The last full actuarial assessments of both local authority funds were carried out by qualified independent actuaries at 31 March 2010.

At 31 March 2010 the market value of the company's share of assets within the Hampshire County Council scheme was equivalent to a funding level of 72%. To spread the deficit over the employees' expected remaining service lives the company, on actuarial advice, has paid contribution rates of 15.6% plus £19,500 and 15.6% plus £21,900 for the years ended 31 March 2012 and 2013 respectively and is paying a contribution rate of 15.6% plus £24,300 for the year ending 31 March 2014. From 1 April 2008 the employees are paying between 5.5% and 7.5%.

At 31 March 2010 the market value of the company's share of assets with the Kent County Council scheme was equivalent to a funding level of 77%. To spread the deficit over the employees' expected remaining service lives the company, on actuarial advice, has paid contribution rates of 18.1% plus £46,000 for the years ended 31 March 2012 and 2013, and is paying a contribution rate of 18.1% plus £46,000 for the year ending 31 March 2014. From 1 April 2008 the employees are paying between 5.5% and 7.5%.

The next full actuarial assessments of both local authority funds are being carried out by qualified independent actuaries at 31 March 2013. The results will be available by 31 March 2014.

The valuations have been updated by the actuaries to take account of the requirements of FRSSE (ARB) in order to assess the liabilities of the funds as at 31 March 2013. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

The defined benefit schemes are closed to new members and so under the projected unit method the current service cost would be expected to increase over time as members of the scheme approach retirement. Should the company cease to participate in the admission agreements a greater liability than that calculated for FRSSE (ARB) purposes might result.

# Notes forming part of the Financial Statements

For the year ended 31 March 2013

	2013 £	2012 £
<b>Value of scheme assets and liabilities</b>		
Market value of assets	7,786,000	6,982,000
Present value of scheme liabilities	<u>(11,216,000)</u>	<u>(10,559,000)</u>
Pension scheme deficit	<u>(3,430,000)</u>	<u>(3,577,000)</u>
	2013 £	2012 £
<b>Movements in the year</b>		
Pension scheme deficit at the beginning of the year	(3,577,000)	(2,593,000)
Current service cost	(59,000)	(77,000)
Interest cost	(486,000)	(510,000)
Cash contribution	170,000	177,000
Actuarial (gains)/losses	161,000	(1,052,000)
Expected return on assets	422,000	478,000
Past service costs	<u>(61,000)</u>	<u>-</u>
Pension scheme deficit at the end of the year	<u>(3,430,000)</u>	<u>(3,577,000)</u>

## 11 RESERVES

	Area Tourism Partnership reserve £	Special Projects reserve £	Pension Fund reserve £	Profit and loss account reserve £
At 1 April 2012	75,852	-	326,000	(2,814,096)
Loss for the year	-	-	-	(287,023)
Transfers	(75,852)	58,259	(326,000)	343,593
Actuarial gain	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,000</u>
At 31 March 2013	<u>-</u>	<u>58,259</u>	<u>-</u>	<u>(2,596,526)</u>

If the pension scheme liability was excluded from the financial statements, the accumulated deficit would change from £2,596,526 (2012: £2,814,096) to an accumulated surplus of £833,474 (2012: £762,904).

## 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 arms length and at normal commercial rates and with the exception of those with Welcome to Excellence Limited (WEL), formerly Regional Tourist Board Partnerships, 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.

# Notes forming part of the Financial Statements

For the year ended 31 March 2013

## 12 RELATED PARTY DISCLOSURES - continued

TSE is a director and shareholder of Remarkable Events Ltd, a joint venture company whose principal activity is the delivery of events such as the British Disabled Golf Open. During the year TSE made £10,000 (2012: nil) of purchases from Remarkable Events Ltd. There is no amount owed (2012: £1,000) at the balance sheet date in respect of the investment.

The Company received income from WEL totalling £22,415 during the period (2012: £15,816) and made purchases of £9,364 (2012: £9,489). At the balance sheet date the amount owed to the Company by WEL was £24,723 (2012: £18,979) and the amount owed to WEL was £62,334 (2012: £71,518).

## 13 CAPITAL COMMITMENTS

	2013	2012
	£	£
Contracted but not provided for	<u>19,230</u>	<u>-</u>

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.



# TOURISM SOUTH EAST

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