

# TOURISM SOUTH EAST



# Annual Report

and financial statements

The Southern & South East England Tourist Board

YEAR ENDED 31 MARCH 2009

# Annual Report & Financial Statements

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INVESTOR IN PEOPLE



Front cover images

Top - left to right:

Cycling, Kent. Spinnaker Tower, Portsmouth. Denbies Wine Estate, Surrey

Bottom - left to right:

The Royal Pavilion, Brighton. Punting, Oxford. Herstmonceux Castle, East Sussex

# Chairman's Summary

The past year was one of great change and development for Tourism South East. In the early period, independent consultants appointed by the South East England Development Agency (SEEDA) gave an excellent assessment of our overall performance.



Not only was this welcome in itself as a recognition of the work of the Board and staff in recent years, but it helped pave the way for SEEDA to renew its financial support for us for a further three year period. This meant that Tourism South East could face the challenges of the economic downturn which emerged later in the year on a stable basis and with resources and a sound business plan to help tourism and our members in the South East.

After more than six years as your Chairman, my term of office came to an end in March this year. I enjoyed these years immensely and will miss the many friends and colleagues with whom I had the pleasure of working, as well as the opportunities my job afforded me to travel widely throughout the region – truly one of the most beautiful and richly diverse parts of Britain. I especially valued the enormous contribution made by my Board colleagues and by Managing Director, Bob Collier, who left to take up a new challenge in Scotland around the same time as my departure.

The year ahead is going to have its ups and downs as the recession works its way through the domestic tourism industry. The South East has a better chance than most to “accentuate the positive and eliminate the negative”, in the words of the song. And Tourism South East is well placed to play a key role. I wish the new team of Chairman John Williams and Chief Executive Mike Bedingfield every success. They are exceptionally well qualified to take Tourism South East forward.

One of greatest rewards of working with Tourism South East was the satisfaction of supporting such an enthusiastic and professional team of people with whom I was proud to be associated. I take this opportunity to thank them for their dedication and to wish them, Tourism South East's members and the tourism industry in the South East all success in the years ahead.

**Nigel Walmsley**  
Chairman

## A Message from SEEDA

Tourism is one of the South East's principal drivers of economic prosperity. It is the lifeblood of many urban and rural economies, particularly coastal towns, creating an energy and engagement in local communities that other sectors simply cannot match. Indeed, the current economic climate is providing a fantastic opportunity for the tourism sector to help lift our economy out of recession. There is no better time to holiday at home, whilst overseas visitors are increasingly attracted by favourable exchange rates.

SEEDA's partnership with Tourism South East, local authorities and other agencies is directed at ensuring the tourism industry is fully equipped to fulfil this potential. The Annual Report and Financial Statements clearly demonstrate the added value Tourism South East brings to the table. It has been particularly effective in meeting short term needs, including the 'Winning in Recession' campaign that provided urgent marketing and business support to help the industry through the early downturn. In addition, Tourism South East continued its investment in longer term programmes to ensure an even stronger emergence from the recession.

It has also been successful in driving up skills with some impressive outputs from the Welcome to Excellence programme again this year. The Fresh Skills for Chefs initiative raised the bar with culinary

expertise and also benefited suppliers of local produce. The synergy between improving skills and maximising the impact of the 2012 Olympic and Paralympic Games was ably demonstrated by the launch of the 'Hosting the World' training programme in Eton Dorney. I look forward to its rollout across the rest of the region in the lead up to 2012.

Tourism South East's effectiveness was also recognised in an independent SEEDA sponsored evaluation of its impact and performance. It confirmed that Tourism South East is generating good value for money and delivering well relative to other regions. SEEDA remains committed to its partnership with Tourism South East and the part it will play in supporting tourism's role in the economic recovery.

**James Brathwaite CBE**  
Chairman



# Managing Director's Review

In my final year as Managing Director at Tourism South East, it was very pleasing to see the SEEDA review of the last five years reporting that Tourism South East had achieved significant progress in that time and is still well respected amongst businesses and stakeholders. This will no doubt stand it in good stead in tackling the challenges ahead, not least the onset of the economic recession, which became a major focus for Tourism South East's activity in 2008/09.



One of the great strengths of Tourism South East is its ability to use the core funding from SEEDA to lever much larger amounts of expenditure for the benefit of the region. The charts at the bottom of the page show that during 2008/09 an additional £3.3 million of income was generated over and above the SEEDA core contribution.

During the second half of the year a major element of our response was implementing a 'Winning in Recession' marketing campaign together with a range of business support and training programmes.

Preparing for the opportunities which will arise from the 2012 Olympic & Paralympic Games was also a significant programme of work in 2008/09. This began at the end of last year with the launch of the 2012 Visitor Economy Strategy on behalf of the South East Partnership. In August, Tourism South East joined the other South East representatives at the Beijing Olympics to begin building relationships with press and media, the National Olympic Committees and trade contacts in China. The 2012 'Hosting the World' customer service training project was also piloted in Eton Dorney and work began on using the Paralympic Games to make the South East the most accessible region in the country. In collaboration with SEEDA, a wide range of high profile sports events were attracted to the region including the Tour of Britain cycle race and the World Beach Volleyball Championships.

The SEEDA review demonstrated that one of the most highly regarded parts of Tourism South East's work is in the field of training and once again 2008/9 was a highly productive year - nearly 3,500 employees and 880 businesses benefited from Tourism South East training programmes. The Fresh Skills for Chefs initiative led to 22 master-classes and nine chefs tours around the region not only helping to improve skills but also promoting the use of local produce.

The digital age has also seen the organisation focus much more on its website, e-marketing and regional data management activity. 2008/09 saw the creation of a dedicated web and data management team that achieved a newly designed consumer site, the quick implementation of a dedicated site for the recession marketing and the building of confidence and skills across the region's data stewards. On the ground, research also showed that connectivity in businesses in the region has now exceeded the targets set by SEEDA a couple of years ago.

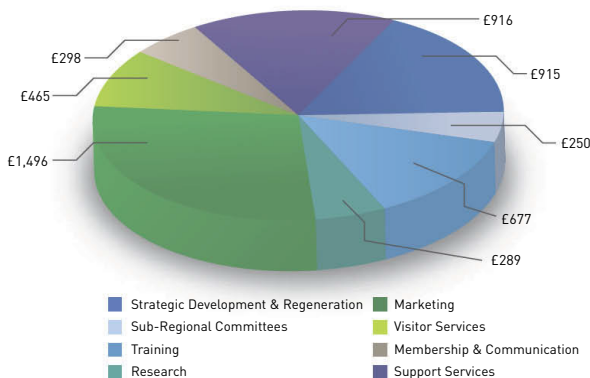
The recession has intensified the need for businesses to demonstrate greater value and quality so Tourism South East has continued to promote the national quality assessment schemes and introduced new one-to-one support this year to encourage greater take up by accommodation operators. It was also telling to see a record number of entries in the regional round of the England for Excellence Awards which was celebrated at Wentworth in October and brilliantly hosted by travel writer and broadcaster Simon Calder. Simon went on to support the press launch of our 'Winning in Recession' marketing campaign in London later in the year.

Tourism South East continued its support for regeneration schemes helping to secure £9 million from the Sea Change programme for projects in Kent and Sussex. A very successful Wavelength conference was held in Hastings attracting over a 100 MPs, Council Leaders and Chief Executives to hear about tourism and cultural regeneration.

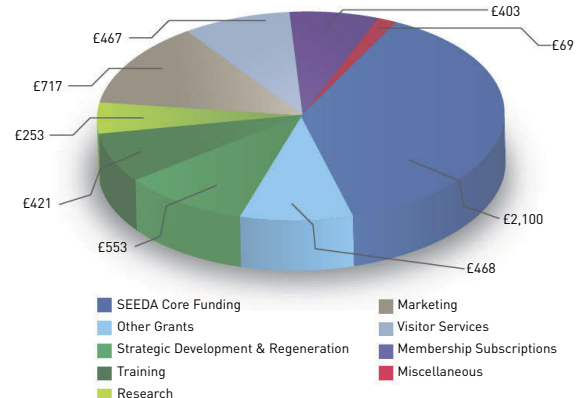
I have thoroughly enjoyed my time at Tourism South East over the past six years and my thanks must go to the staff and Directors of the Board and the many friends and colleagues in businesses and partner agencies that I have had the privilege of working with during that time. I also wish the new leadership of Chairman John Williams and my replacement Mike Bedingfield the very best in facing the challenges of the future.

**Robert Collier**  
Managing Director

Expenditure (£000) 2008/09  
(Total £5,306,000)



Turnover (£000) 2008/09  
(Total £5,451,000)



# Looking ahead, from the new Chairman and Chief Executive...

**I first want to thank and congratulate both Nigel Walmsley and Bob Collier for what they have achieved over their six years together as Chairman and Managing Director, and for the welcome and support they gave me in handing over the reins. This report reflects the considerable legacy they have left.**

My first, and crucial task, was to lead the search for a Chief Executive and I am delighted that we were able to persuade Mike Bedingfield to join us from VisitBritain. Mike has huge knowledge and experience of tourism, management and marketing and will be a great asset to us all.

I am new to tourism and I have been struck by just how big and important an industry it is. It makes a major impact on our economy, on our culture and on our quality of life, something not always fully appreciated by our legislators and policy makers. This scale of impact is particularly true in the South East. We have the largest concentration of tourism businesses in the UK, the vast majority of which are small independent operators, yet still generate over £10.5 billion of visitor expenditure and create employment for over 300,000 people.

Given the huge economic pressures and tough public spending decisions ahead, I expect our role to be challenged and scrutinised more than ever in the year ahead. But from my many visits already, I have seen the vital role we play, often behind the scenes, to act as coordinator, motivator, champion and source of tremendous experience and expertise. I am convinced we can continue to demonstrate - to our members, our funders, our partners and our stakeholders - that we add real value in what we do, and underpin an industry that can and will be an engine of our economic recovery.

**John Williams**  
Chairman



**I was delighted, in June 2009, to take over at the helm of Tourism South East as Chief Executive from Bob Collier, who left a legacy of a strong, talented and effective organisation. I am a great advocate for the region having grown up in Hampshire and Sussex and bring a detailed knowledge and genuine passion for the region.**

I arrive in a period of change in our economy, with tourism as an industry needing help and support. Joining from VisitBritain, I am acutely aware of the issues facing the tourism industry, as well as the importance of tourism as an industry and the positive impact it has on the economy.

Even during these tough times, I am seeing opportunities for the tourism sector in the South East, especially with 2009 being regarded as "the year to holiday at home". I recognise that to make the most of our region's tourism offer, we need to work more closely with our members, stakeholders and funders.

Doing this, we will maximise short term wins and build foundations for long term sustainability in the tourism industry. This is essential to realise the full economic benefit associated with the 2012 Olympic and Paralympic Games and the legacy these will leave for our industry.

Tourism is a people business and with the challenge of the 2012 Games now in our sights, we are committed to raising the bar in terms of the quality of the visitor experience. Training continues to be a vital part of our offering and an integral part of how Tourism South East demonstrates genuine and measurable value in all we do to grow one of the region's most important industries.

Personally, I shall endeavour to meet as many of our members and stakeholders in my first year as possible, to understand your needs and demonstrate how Tourism South East can support you. I look forward to meeting you.

**Mike Bedingfield**  
Chief Executive



# Competing for the Customer

Marketing activity in the latter part of 2008/09 was concentrated on the 'Winning in Recession' campaign whilst the core domestic and overseas trade and consumer activity had continued success. The domestic campaigns returned an additional £3 million of incremental spend, whilst an increased presence in overseas markets exceeded both funding and visitor targets. Travel Trade activity achieved much greater engagement with trade operators as well as 28% more income than planned.

Work to improve the provision and quality of information to visitors also developed through Tourist Information Centre consultancy and contracts.

## Winning in Recession

In October 2008 SEEDA allocated a sum of £200,000 to undertake a marketing campaign to combat the effects of the downturn in the economy. It was also envisaged that a further £300,000 in matched funding would be raised from partners. At the heart of the campaign was a new website – [www.southeastoffers.com](http://www.southeastoffers.com) - that displayed offers, discounts and incentives, available as downloadable vouchers, put forward by accommodation, attractions, activity providers and eating-out establishments. The site also encouraged visitors to sign up to receive monthly newsletters and enabled a database of over 12,000 consumers to be established.

A media launch for the campaign was held in London in January 2009, hosted by travel broadcaster, Simon Calder, and attended by over 40 travel journalists. Advertising aimed at raising awareness of the campaign partners and driving traffic to the website took place in a variety of media including Classic FM, Heart FM, Magic FM and One Network radio and websites; poster sites on the South West Trains network; press advertising; monthly newsletters; a viral campaign and supplements in the Telegraph and Guardian. Tourism South East also had a presence at extra holiday shows and exhibitions in London, the Midlands and the North West.

## Domestic Marketing

The effectiveness of domestic marketing activity undertaken continued to improve in 2008/09. With a return on investment of 22:1 against an original projection of 10:1, these highly successful campaigns reached an audience of over 173 million, including 1 million visits to the website.

Ongoing investment in e-marketing communications, including targeted campaigns to a select database and the introduction of new software led to 41% of recipients opening e-communications, some 16% higher than the industry norm.

The new 'Time for Us' campaign, aimed at the affluent couples market, was launched and included supplements in The Independent and The Sunday Telegraph with sponsorship by First Great Western. It also included Tourism South East's first radio promotion in London with Magic FM.

The Family Fun campaign continued in popularity and is now in its third year. It launched with a Mail on Sunday supplement, jointly funded with Enjoy England and key sponsor South West Trains. Further coverage was achieved in Enjoy England's Daily Telegraph supplement.

## Overseas Marketing

New for 2008/09 was a Trade Sales Mission in Germany, which included face-to-face meetings with key German trade operators in London, Berlin and Hamburg. Follow up meetings took place at the

ITB exhibition in Berlin. All destination and commercial partners involved reported an increase in German trade.

Work continued in collaboration with VisitBritain with trade and media in Belgium with the South East being represented at a 'Meet the Media' event in Brussels. In addition, Thomas Cook Travel Agents were provided with tour hotel contacts.

In the French market, Tourism South East worked with Flybe and Brittany Ferries on an e-marketing campaign and a South East micro site was developed as part of EnjoyEngland's French website. Several French press trips took place, including 10 media representatives attending the Winchester Group Travel Fair.

A dedicated Chinese website was launched, supported by a guide and CD calendar. The Go! China Partnership continued to grow and now includes 12 partners who were promoted overseas at Destination Britain in Australia, the Olympics in Beijing, CITM in Shanghai and as part of Hello Britain's stand with China Holidays. Other activity included regular meetings with China tour operators and a series of familiarisation visits to the South East.

In the US market, Tourism South East worked closely with Visit Kent and England's Hidden Heritage, supporting attendance at three Conferences/Workshops in the US as well as generating press trips to the region.

## Travel Trade and Exhibitions

Overall, Travel Trade businesses indicated an increase in business during the year. Over 1100 visitors attended Tourism South East's travel trade showpiece event, Excursions, a 7.5% increase on 2007/08. More coach operators attended and 95% of exhibitors said that they would book again the following year.

Three Group Travel Fairs took place at Winchester Cathedral, Dickens World and Hatfield House, generating over 750 trade visitors.

Tourism South East coordinated a regional presence at the Best of Britain and Ireland (BOBI) exhibition, the replacement for British Travel Trade Fair. Most of the 18 exhibitors from the South East that participated reported favourably and are likely to exhibit again in 2009/10. The Travel Agent Brit Awards were sponsored by Tourism South East in association with Arun District Council and West Sussex County Council. Direct contact was made with over half of the 250 travel agents attending and Tourism South East was recognised with a Highly Commended UK Coach Award for its work with the Coach Industry.

The Group Travel Guide was mailed to over 7,000 contacts and a Coach Operator's newsletter was sent to over 3,000 contacts. Advertising



Ascot Racecourse, Berkshire



The Independent Supplement



The Mail on Sunday Supplement



The Sunday Telegraph Supplement



Group Travel Fair, Milestones Museum



Group Travel Fair, Winchester Cathedral



southeastoffers.com



visitsoutheastengland.com

value of over £45,000 was generated through PR activity, reaching in excess of 180,000 consumers.

A major piece of Group Travel Market research was commissioned in association with major trade operators. The results will provide key insights for travel trade businesses and inform regional activity in this sector in coming years.

### Websites and Data Management

A new web team was established and focus group research, examining the usability of [visitsoutheastengland.com](http://visitsoutheastengland.com), was undertaken. The results were integrated into a new web strategy, which led to the development and launch of the new consumer website in February 2009, featuring increased functionality and improved search engine optimisation. The new site delivered a growth in visits in excess of 38% with a satisfaction score of 75%.

A new Regional Destination Management System (DMS) co-ordinator was appointed to focus on data management. A Data Steward Strategy was developed, the Regional Data Steward Forum revitalised and robust relationships with Data Stewards as well as DMS suppliers New Mind and New Vision were achieved.

### Tourism Contract Services

Contracts were successfully delivered on behalf of Gosport Borough Council, Buckinghamshire Tourism Officers, New Forest Tourism Association, Havant Borough Council and Best of Dorset consortium. Brochures have been produced for many of these as well as newsletters, forums and Annual General Meetings.

### TIC Contracts

A new Tourist Information Centre contract for Rye, East Sussex was secured. As an Enjoy England Official Partner, Tourism South East will operate this Tourist Information Centre contract on behalf of Rother District Council. The existing 8 TIC contracts and the associated regional central purchasing programme continued to perform well, delivering a substantial level of income.

### TIC Network

Tourism South East worked closely with VisitBritain in delivering the Enjoy England Official Partner Programme and national TIC support as well as advising on the recruitment panel for the City of London TIC Manager. An invitation to tender for a strategic TIC study in Wiltshire was also received.

Tourism South East went on to develop and extend the national Enjoy England Official Partner Training Programme, on behalf of VisitBritain. Over 350 TIC staff nationwide have registered to take part.

A pioneering national TIC Economic Impact Study was delivered on behalf of VisitBritain. This study, developed from an original South East study, provided robust and critical evidence to support the role and importance of the Tourist Information Centre service.

Advisory visits to most Tourist Information Centres took place across the year as part of the activity in support of the TIC network. Often these involved advising Local Authority Officers and Councillors on the future provision of visitor information.

# People, Products, Places

Through a diverse range of programmes in training, research, development and regeneration, Tourism South East worked extensively with partners to improve the visitor experience. Despite the challenging conditions, good progress was made on improving business skills and quality as well as raising awareness of broader issues such as sustainable practices and greater accessibility. Underpinning this was the provision of effective market intelligence and research services and the continuing drive to revitalise coastal resorts and rural communities.

## Welcome to Excellence National Contract

Tourism South East continued to perform the national coordinating role for the Welcome to Excellence programme on behalf of region tourism bodies. Negotiation with City and Guilds and Sector Skills Councils to ensure relevant accreditations was part of this, leading to Welcome Host's inclusion on the 'Qualification Credit Framework'.

Through 2008/09 discussion continued with the Sector Skills Council for the Hospitality Sector, People 1st and the new Hospitality Skills Academy, with a view to reaching agreement on a joint approach to customer care training.

## The Tourism Skills Network

The combination of the central training team at Tourism South East and local Tourism Skills Coordinators continued to be highly effective in delivering skills and training programmes across the region. Overall 880 tourism businesses benefitted and over 3,400 individuals took part. Of these, 3,200 took advantage of the Welcome to Excellence Programme, the family of customer care courses.

## New Skills Projects

During the year two new SEEDA-funded projects were launched, Fresh Skills for Chefs and Hosting the World. Encouraging existing chefs to acquire the skills and confidence to serve local produce is the objective of the former and over the course of 2008/09, 22 'master classes' were run and nine chefs' tours. Development of the 'Hosting the World' customer care programme was also piloted in the Eton Dorney and Thames Valley corridor and will roll out across the region in 2009/10.

## E-marketing Courses

Helping businesses to fully exploit the potential of the web and the public sector investment in 'Destination Management Systems' remained a priority. Courses and workshops were organised to stimulate use of the web as a marketing tool achieving participation over the year by 208 businesses. Social media and search engine optimization courses proved particularly popular. 50 one-to-one advisory sessions for businesses on optimising their own website were also delivered.

## Winning in Recession Workshops

A series of workshops focused on surviving and making the most of opportunities in the recession was developed and rolled out in March 2009. Five workshops were held in Surrey, Sussex, Kent, Hampshire and the Isle of Wight.

## Driving Up Quality

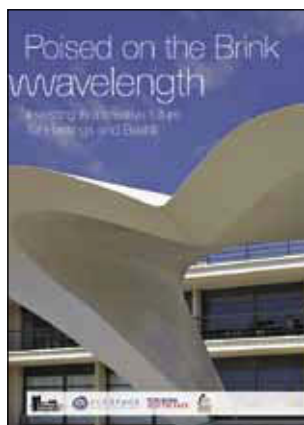
Tourism South East is committed to the national quality assessment scheme for accommodation and in a drive to encourage participation ran 11 quality workshops with 16 follow-up one-to-one advisory visits.

## Interreg IVA

'Interreg' is potentially an important source of European funding for tourism support programmes. With its French partner, Tourism South East submitted a major bid in June 2008 for funding to support an extensive programme of cultural events and festivals across the South East. After initial rejection it was resubmitted and a decision is anticipated later in 2009.



Welcome to Excellence training opportunities



Wavelength conference



Herbs and Salads Masterclass, Fresh Skills for Chefs project



RHS Garden, Wisley, Surrey

### New Regulations

Businesses are facing an increasing burden of new regulations. Again in 2008/09 dedicated resources were deployed to examine proposed regulation, consult the industry, lobby for change and advise operators on compliance. Of particular note, was work with the Tourism Alliance to influence new regulations on consumer protection, holiday entitlement and the sale of alcohol.

### Specialist Business Advice

Closer working arrangements with Business Links were explored to create more joined-up advisory services tailored to the tourism sector. To this end progress was made in Sussex and Surrey, where a specialist tourism advisor was retained to offer one-to-one guidance to businesses.

### Market Intelligence and Research Services

Up to date market intelligence was as important as ever in helping Tourism South East and the industry to understand changes in the operating climate and shape responses to it. Core elements were the Regional Occupancy Survey and Business Confidence Survey. Additional monitoring of the impacts of the economic situation helped plan the components of the Winning in Recession programme.

Tourism South East's expertise continued to be offered through paid-for research services to local authorities, tourism businesses and other organisations. A total of 34 research contacts were completed in 2008/09 covering projects of all kinds, from a commission to research the economic impact of Tourist Information Centres for VisitBritain, to visitor surveys for major attraction operators.

### Accommodation Future Studies

The objective of this programme is to identify, with local authority partners, gaps in current accommodation provision and find ways to fill them. In 2008/09 the focus was on hotel investment and three local authority partnerships collaborated on supply and demand studies. These covered Coastal West Sussex, East Sussex and Hampshire. All are being used to inform planning policy and potential investors. In the case of Hampshire the study led to a seminar for planners, jointly chaired by Tourism South East and Hampshire County Council.

### Support for Rural Businesses

A potential source of funding for projects supporting rural businesses is the Rural Development Programme for England. During 2008/09 Tourism South East led and supported a number of bids some of which are yet to come to fruition. However, a partnership bid with 'Hidden Britain' was successful, securing £140,000 for projects promoting the region's unheralded local heritage.

### Regeneration in Coastal Towns

Part of Tourism South East's drive to regenerate the region's seaside resorts has focused on support for local authority partners to take advantage of the Sea Change programme. Importantly, this included Hastings which was awarded a grant of £2m towards the essential public realm works associated with the planned Jerwood Art Gallery. A further £7m was awarded to projects in Dover, Bexhill, Littlehampton, Margate and Leysdown.

In Hayling Island, Tourism South East worked with Havant Borough Council on a seafront improvement plan, which included detailed designs for an extreme sports centre with accommodation. An Area Action Plan for Herne Bay was also a significant achievement.

In October, Tourism South East organised and hosted a very successful 'wavelength' conference, held at the Azur Pavilion in Hastings. Over 100 delegates including MPs, Council Leaders and Chief Executives attended.

### Encouraging Sustainability

Advice, in the form of 'Green Advantage' workshops, was a core component of Tourism South East's efforts to encourage business to adopt more sustainable practices. Eight workshops were held with excellent feedback. Tourism South East also continued to play a leading role on the Climate Change Partnership for the South East.

### Accessibility

SEEDA funding was secured to deliver a wide ranging programme of initiatives to further the accessibility agenda. Aspects include upgrading Tourism South East's consumer site and destinations' websites, to display comprehensive searchable access information, partnering with local authorities to produce online business advice toolkits, video and text case studies, tailored high profile marketing utilising paralympians such as Peter Norfolk and Ade Adepitan and a destination access audit of Winchester.

### Attracting Sports Events

A wide range of high profile events were attracted to the South East through the efforts of Tourism South East's Major Sports Events Coordinator, a post sponsored by SEEDA. These included the Tour of Britain cycle race between Milton Keynes and Newbury, the Corus Elite Triathlon in Reading, and the World Beach Volleyball Championships in Brighton.

# Rewarding Tourism ExSEllence

The 2008 Tourism ExSEllence Awards programme, the regional heat of the national Enjoy England Awards for Excellence, saw further growth in terms of the volume and quality of businesses entering the programme, the value of PR that it generated and the level of sponsorship the awards attracted.

A dedicated website [getdiscovered2008.co.uk](http://getdiscovered2008.co.uk) was developed to support the awards programme in a number of ways, including helping to make entry as easy as possible. It received over 7000 visitors representing nearly three quarters of tourism businesses in the South East.

The Gala Dinner and Awards Ceremony, hosted by Simon Calder, also saw a growth of 15% in ticket sales over the previous year, contributing to a total growth of 80% in the last three years. The event has become one of the most significant in the tourism event calendar.

Congratulations to both Blenheim Palace and Royal Windsor Tourist Information Centre who went on to secure silver awards at the national Enjoy England Awards for Excellence on the 23 April 2009.



SailnetUK Ltd



The Macdonald Compleat Angler



The Gardeners Rest



Royal Windsor Information Centre



Blenheim Palace



Chewton Glen Hotel, Hampshire

#### ACCESS FOR ALL AWARD

WINNER	The Nurse's Cottage Restaurant with Rooms
RUNNER-UP	Abbey Guest House
HIGHLY COMMENDED	Pallant House Gallery

#### BED & BREAKFAST OF THE YEAR

WINNER	The Gardeners Rest Guest Accommodation
RUNNER-UP	Cottage Lodge
RUNNER-UP	The Leconfield Country House
HIGHLY COMMENDED	Alkham Court Farmhouse
HIGHLY COMMENDED	Enchanted Manor

#### BEST TOURISM EXPERIENCE AWARD

WINNER	SailnetUK Ltd
RUNNER-UP	Canterbury Historic River Tours
RUNNER-UP	Blenheim Palace
HIGHLY COMMENDED	Waddesdon Manor
HIGHLY COMMENDED	St Peter's Village Tour

#### BUSINESS TOURISM AWARD

WINNER	Kent Conference Bureau
RUNNER-UP	Best Western Gatwick Moat House
RUNNER-UP	Norton Park Hotel
HIGHLY COMMENDED	Pallant House Gallery

#### FLAVOUR OF THE SOUTH EAST AWARD

WINNER	Hastings Seafood and Wine Festival
RUNNER-UP	Fallowfields Restaurant Country House Hotel

#### LARGE HOTEL OF THE YEAR

WINNER	The Macdonald Compleat Angler
RUNNER-UP	Abode Canterbury
HIGHLY COMMENDED	The Coppid Beech Hotel
HIGHLY COMMENDED	Best Western Reading Moat House
HIGHLY COMMENDED	The Brookfield Hotel

#### LARGE VISITOR ATTRACTION OF THE YEAR

WINNER	Blenheim Palace
RUNNER-UP	Denbies Wine Estate
RUNNER-UP	Hampton Court Palace
HIGHLY COMMENDED	The Historic Dockyard Chatham
HIGHLY COMMENDED	Rochester Castle Medway Council

#### OUTSTANDING CUSTOMER SERVICE AWARD

WINNER	Brendan Budgen - Best Western Moat House, Reading
RUNNER-UP	Nancy Joy - Butlins
HIGHLY COMMENDED	Emma Telka - Tour Hampshire
HIGHLY COMMENDED	Stuart Lawrence - The Manor Hotel & Golf Club

#### SELF CATERING HOLIDAY OF THE YEAR

WINNER	Caswell House
RUNNER-UP	Isle of Wight Luxury Apartments
HIGHLY COMMENDED	The Hop House & The Hovel
HIGHLY COMMENDED	South Winchester Lodges

#### SMALL HOTEL OF THE YEAR

WINNER	Hotel TerraVina
RUNNER-UP	The Five Arrows Hotel
HIGHLY COMMENDED	The Swan at Streatley
HIGHLY COMMENDED	New Park Manor Hotel & Spa
HIGHLY COMMENDED	Rye Lodge Hotel

#### SMALL VISITOR ATTRACTION OF THE YEAR

WINNER	Royal Marines Museum
RUNNER-UP	Loseley Park
RUNNER-UP	Oxford Castle Unlocked
HIGHLY COMMENDED	Cogges Manor Farm Museum

#### SPORTS TOURISM AWARD

WINNER	SailnetUK Ltd
RUNNER-UP	Bedgebury National Pinetum & Forest
RUNNER-UP	Ascot Racecourse
HIGHLY COMMENDED	Joss Bay Surf School
HIGHLY COMMENDED	M's Cycle Hire

#### SUSTAINABLE TOURISM AWARD

WINNER	Festival Place Shopping Centre
RUNNER-UP	Careys Manor Hotel & SenSpa
RUNNER-UP	Asperion Hillside
HIGHLY COMMENDED	Rose & Crown Public House
HIGHLY COMMENDED	The Manor House Conference Centre

#### TOURIST INFORMATION CENTRE OF THE YEAR

WINNER	Royal Windsor Information Centre
RUNNER-UP	Portsmouth Visitor Information Service
HIGHLY COMMENDED	Royal Tunbridge Wells Tourist Information Centre
HIGHLY COMMENDED	Banbury Tourist Information Centre

#### TOURISM WEBSITE OF THE YEAR

WINNER	Visit Kent
RUNNER-UP	Crowhurst Park
HIGHLY COMMENDED	Visit Hampshire
HIGHLY COMMENDED	Visit Eastbourne

# Performance through Partnership

Tourism South East continues to play an important role in bringing partners together in the region and leading in key strategic areas. It chaired the South East Partnership's Visitor Economy Sub Group supporting the region's preparations for the 2012 Olympic and Paralympic Games. Active lobbying also continued at national level on issues that affect members at a practical level. Corporate press activity succeeded in achieving over £750,000 in advertising value equivalent reaching an audience in excess of 27 million.

Representations were made to local, regional and national agencies on a wide range of policy documents including the South East Plan, SEEDA's Business Support Strategy and more than eight Local Authority plans. Encouraging Local Authorities to take more account of tourism led to the preparation of guidance on tourism policies for Local Development Frameworks and Local Area Agreements. Planning policy as applied to bed and breakfast establishments was also investigated and led to new guidance.

Tourism South East continued to work closely with the Tourism Alliance in lobbying Government on national issues. Opportunities were taken throughout the year to raise these issues direct with senior Department of Culture Media & Sport officials and politicians in all three main parties.

Work began on the refreshment of the Regional Tourism strategy which will set out a vision for tourism over the next five years.

## Commercial Membership

In response to the economic climate, members were offered an early bird rate for 2009 renewals. Despite this, membership saw a 6% increase in average member subscription value.

Two regional member events took place – 'The Main Event', AGM, Tourism Council and Members Conference in September 2008 and 'Winning in Recession', Tourism Council and Members Conference in March 2009, both of which generated over 90% of respondents rating the events as very good or excellent. Podcasts were created and featured on the members' website and high levels of media coverage were achieved.

Sub-region member events took place in most areas and informal networking events were also introduced during 2008/09, which were well received.

## Corporate Communications

Activity included the production of two editions of Tourism News and a number of e-newsletters throughout the year. 2008 also saw the introduction of a number of sub-regional newsletters which again have been well received by members.

Press releases covering a variety of topical subjects were despatched during the year. This activity has helped to showcase the diversity of services offered by Tourism South East and continued to develop and strengthen our reputation publicly. Tourism South East has appeared in national and regional media including radio and TV broadcasts.

## Making the most of 2012

After the launch of the On Your Marks...Get Set...Go! Strategy for 2012, the staging of the Beijing Olympic and Paralympic Games provided a great opportunity to begin the implementation of the strategic actions.

The profile that Beijing gave to London 2012, presented a number of openings through which Tourism South East could develop its links in China. Notably, the presence of a team of South East representatives at the Chinese Travel Trade and Media event at The Ambassador's residence in Beijing during the Games enabled a firm foothold to be established in one of the key emerging markets and also to promote Training Camps in the South East to the respective National Olympic Committees.

Several of the 'Corridor' areas identified in the Strategy made substantial progress in their preparation for 2012.

**Eton Dorney**, itself a venue for rowing and flat-water canoeing, established eight sector groups to cover a range of relevant topics. In particular, it became a focus for the Hosting the World Customer Care programme, staging the official launch on 27 November 2008 and also undertook some significant research on the expected economic impact of hosting the Olympic rowing events at Dorney Lakes. Windsor and Maidenhead also became one of the first 2012 areas to undertake a Destination Access Audit.

The **Kent 2012 consortium** started work on a Kent and Medway tourism development strategy and action plan to identify the accommodation, attraction and experience needs of the county for 2012 and beyond, with a focus on quality, accessibility and sustainability. It also majored on customer care with the successful pilot of the Kent Greeters and the development of the Celebrating Kent programme. There was also some early reconnaissance for 2012 from overseas press representatives.

In the **Gatwick** area the launch of the West Sussex 'Ahead of the Game' Strategy provided broad guidance for the tourism sector. The Sussex Tourism Partnership held a stakeholders workshop and subsequently produced a series of recommendations on key activities. The Partnership then approved £50,000 seed funding for its 2012 Plan, covering marketing and web development, training, MICE initiatives and supporting the Cultural Olympiad.

The appointment of a full time Olympics Manager by Buckingham County Council enabled the development of consortia plans for the **Heathrow** area and a high profile launch, involving Lord Coe,



Penshurst Place and Gardens, Kent



Car free campaign, Hampshire



Members' conference



Members' conference



Tourism News magazine



Eton Dorney



Isle of Wight



Bucks 2012 launch

of the Buckinghamshire 2012 opportunities was held in Aylesbury in February 2009. At the same time, a presentation was made to Lord Coe, about the work done in the Eton Dorney Corridor jointly between Tourism South East and The Royal Borough of Windsor and Maidenhead. The **Solent** consortium was encompassed within the PUSH initiative and led by the Chief Executive of Winchester City Council. Tourism South East also joined the organising Committee of the Island Games 2011 to be held on the Isle of Wight.

## Local Partnerships

### Hampshire

During the year a review of the way tourism support is organised in Hampshire led to the creation and launch of the Hampshire Tourism Partnership under the Chairmanship of Steve Munn from the National Motor Museum, Beaulieu. One of its first tasks was to determine

short term priorities and from this emerged a number of collaborative projects. Principal amongst these was an offer-based 'car free campaign' with South West Trains which consisted of an extensive advertising campaign including posters on train stations linked to a new website, [2for1hampshire.co.uk](http://2for1hampshire.co.uk)

Other priorities included a review by TEAM consultants of Destination Management Systems and data stewarding arrangements and the Hampshire Hospitality Awards which involved over 60 eateries. As part of her role, Sarah Davis, the Area Manager, also worked closely with Business Southampton to raise the profile of Hampshire in the cruise excursions market.

### Isle of Wight

After a long period of change and uncertainty, a new support structure and clarity about roles began to emerge on the Isle of Wight. A Memorandum of Understanding was agreed between the Isle of Wight

# Performance through Partnership



The Surrey destination guide



Visitsussex.com



BBO members networking event



Canterbury, Kent

Council and the Chamber of Commerce and tourism industry which led to the establishment of a new strategic body – the Isle of Wight Tourism Development Board. Tourism South East engages through this body and the associated marketing group with a view to achieving synergy between local and regional priorities/activities.

An 'associate membership' arrangement remained in place with the Chamber of Commerce and Tourism as part of the ambition to simplify and join up support services for the industry. Tourism South East also retained the services of Marilyn Hughes as the Island's Skills Coordinator and delivered a wide range of free or subsidised courses and workshops for businesses throughout the year.

## Surrey

It was a year of considerable change and achievement for the Visit Surrey Partnership. Michael More-Molyneux of Loseley Park took over as Chair and Catherine Knight joined as the Visit Surrey Partnership Manager. Despite limited resources, Catherine's arrival, with considerable support from public and commercial sector partners, helped to step up the momentum.

Of particular note was the launch of the first Visit Surrey destination guide, a coordinated presence at Excursions 2009 and continued improvements to visitsurrey.com. Achieving broader local authority engagement will be a priority in the year ahead.

## Kent

The Visit Kent Partnership, including principal partner Visit Kent and chaired by Bill Ferris from The Historic Dockyard, Chatham, continued to play a strategic role in overseeing tourism delivery. A core partnership project was the Kent and Medway Development Strategy prepared by Locum Consultants.

Tourism South East also worked closely with Visit Kent to deliver and resource a number of other projects and posts. Amongst these was Hilary Moger, Visit Kent's Quality Manager who delivered face to face advice to over 100 existing and prospective tourism businesses over the year and the Kent Skills Coordinator, Kirstin Beeching. Considerable Visit Kent resource was dedicated to three Interreg bids for which the results will be known in mid 2009.

To further cement the working relationship between Tourism South East and Visit Kent, an externally facilitated review began and will culminate in 2009/10.

## Buckinghamshire, Berkshire & Oxfordshire

The Partnership committee agreed to release funds to support the introduction of member networking events. These were extremely successful in enabling members to effectively network and have aided recruitment and retention of members. Over 160 businesses have attended networking events throughout the year. Tourism South East coordinated four familiarisation trips in Oxfordshire for TIC staff and Bed & Breakfast operators. The sub-region attractions group was reinstated and Tourism South East supported West Oxfordshire in delivering the Explore Oxfordshire event. Finally, Tourism South East arranged a tour of the BBO area for new Chairman, John Williams, that included a Local Authority Chief Executives' Breakfast meeting debating how tourism supports local economies in tough times.

## Sussex

The Partnership commissioned consultants to provide an external, objective view on the organisation's future development. A number of recommendations were made, one of which was the creation of a new Partnership Committee and the development of a series of focussed working groups.

A permanent Partnership Coordinator was appointed, as well as Development Officer for the Visit Sussex website.

Tourism South East funding of the Partnership has helped deliver a number of initiatives including The Sussex Breakfast Project, marketing and PR activity, a Sussex 2012 Plan and a new Cultural Sussex initiative.

Further development of the VisitSussex website was undertaken, including offering free of charge promotion to all tourism businesses in Sussex. The website also saw the introduction of polling which enabled on line booking and banner advertising functionality.

A Sussex Tourism Partnership Industry Day took place in March which was well attended by a broad cross section of businesses.

# The Southern and South East England Tourist Board Report and financial statements for the year ended 31st March 2009

Company Number: 01345038

## Directors' Report

The directors submit their statutory report and the Board's financial statements for the year ended 31st March 2009.

### REVIEW OF THE BOARD'S ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Board is the promotion and development of tourism in the region of South East England.

### RESULTS

The underlying trading position of the Southern and South East England Tourist Board is stable.

The surplus for the year after taxation amounted to £119,334 (2008: £44,878 deficit). The surplus for the year includes £95,683 which has been transferred to the sub-regional reserve. During the financial year the income attributable to the sub-regional committees was greater than the expenditure. The surplus funds are available to the committees to spend on local projects in the future.

Turnover for the year amounted to £5,450,576 (2008: £5,542,739), comprising income arising directly from the Board's activities of £2,947,887 (2008: £3,141,152), core funding from SEEDA of £2,100,000 (2008: £2,000,000) and membership subscription income of £402,689 (2008: £401,587). Income arising from the Board's activities has decreased by £193,265.

Cost of Sales has reduced to £4,389,617 (2008: £4,755,783) as a result of a reduction in overall salary costs: £2,012,434 (2008: £2,185,535) and various projects being delivered from a lower cost base.

### PRINCIPAL RISKS AND UNCERTAINTIES

Reduced government funding for both Regional Development Agencies and Local Authorities is a continuing risk which might result in reductions in the activities and services provided by the Board. The Board manages this risk by continually reviewing operational efficiencies and by ensuring that its commercial activities are as effective as possible.

### FUTURE DEVELOPMENTS AND OTHER ACTIVITIES

The Board is performing well with constrained funding. The stability and effectiveness of the Board's operations are underpinned by SEEDA funding, which is set at a minimum of £2,100,000 per annum for the year 2008/2009, £2,100,000 for 2009/2010 and £2,200,000 for 2010/2011. This funding enables the Board to meet the new opportunities and challenges posed by the changing economic landscape. The Board is confident that its business plan for the current three-year cycle (2008/11) provides a clear strategy for the management of these changes. However, the Board recognises the need to remain flexible as situations evolve. Reserves will be released for planned investment in new products and services, designed to improve support for members.

### FRS 17 "RETIREMENT BENEFITS"

Under the provisions of Financial Reporting Standard 17 the Board's share of the assets, liabilities and performance of its defined benefit pension schemes is included in its results. These schemes are now closed to new entrants. The standard requires that service costs met by the pension fund are recognised in the profit and loss account, while actuarial gains and losses are recognised in the statement of total recognised gains and losses. Neither the schemes nor their actuarial valuations are under the Board's direct control. Scheme liabilities are highly unlikely to crystallise in the short or medium term, but nevertheless the Board is paying contributions at increased rates to help to meet the deficit and has earmarked a pension funding reserve as an additional precaution. Since the introduction of the FRS 17 deficit into the balance sheet (2005) the deficit has increased by £586,000. The report includes the full tri-annual actuarial assessments of both the Hampshire and Kent local authority funds which were carried out by qualified independent actuaries at 31st March 2007. The expected increase in the deficit is principally the updated changes in assumptions underlying the present value of pension liabilities (note 14).

### RESERVES

The Board has the following reserves as at 31st March 2009:

- The Pension funding reserve of £217,000 (2008: £217,000), which has been created by decision of the Board in response to the defined benefit pension scheme deficits identified in note 14. No formal restrictions have been placed on the use of this reserve.
- The Special projects reserve of £50,000 (2008: £50,000), which has been created by decision of the Board for use at the Board's discretion.
- The Sub-regional reserve of £228,068 (2008: £132,385), which has been created by decision of the Board and represents unallocated sub-regional funds held for future expenditure. Transfers of £95,683 were made to the reserve in respect of an under spend of funding made available to the sub-regions in the year.
- The Accumulated deficit of £1,383,886 (2008: £429,463 surplus), comprising:
  - the Accumulated surplus (excluding Pension Liability FRS17) of £1,560,114 (2008: £1,518,463 surplus).
  - the Pension Liability FRS 17 of £2,944,000 (2008: £1,089,000 liability)

Further information about the Board's reserves is provided at note 10.

### FIXED ASSETS

The changes in fixed assets during the year are summarised in note 6 to the financial statements.

### DIRECTORS

Full details of the directors of the Board are set out on page 16. At the end of the financial year the Chairman completed his term of service and the Managing Director resigned in order to take up a post with a new employer.

The Board maintains liability insurance for its directors and officers.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Board and of the surplus or deficit of the Board for that period. In preparing the financial statements, the directors are required to:

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

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

The directors have taken all necessary steps to make themselves aware of any information required by the Board'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 such information of which the auditors are not aware.

### AUDITORS

A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the Annual General Meeting.

### BY ORDER OF THE BOARD

M J Lane  
Company Secretary

40 Chamberlayne Road, Eastleigh, Hampshire

Registered number: 01345038

Date: 7th July 2009



# Independent Auditors' Report to the Members of The Southern and South East England Tourist Board

We have audited the financial statements of The Southern and South East England Tourist Board for the year ended 31st March 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, the Board has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Chairman's Summary and the Managing Director's Review. We consider the implications for our report if we become aware of any apparent misstatements with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for

this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

## BASIS OF OPINION

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

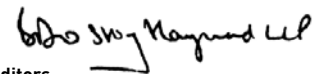
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

## OPINION

In our opinion:

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

**BDO Stoy Hayward LLP**  
**Chartered Accountants and Registered Auditors**



**Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL**

Date: 22nd July 2009

## Directors of The Southern and South East England Tourist Board

Chairman	John Williams	(appointed 01.04.09)
Chairman	Nigel Walmsley	(resigned 31.03.09)
Chief Executive	Michael Bedingfield	(appointed 01.06.09)
Managing Director	Robert Collier	(resigned 31.03.09)
Corporate Services Director & Company Secretary	Malcolm Lane ACIS	
Director (Development Services)	Peter Colling	
Commercial Services Director	Nigel Smith	(appointed 01.12.08)
SEEDA	SEEDA	
SEERA	Peter Dean	(resigned 16.09.08)
SEERA	Cllr. Robert Gerald Vernon-Jackson	(appointed 16.09.08; resigned 21.04.09)
Co-opted	David Philip FCA	
Tourism Officers' Forum	Neil McCollum	(resigned 22.09.08)
Tourism Officers' Forum	Eloise Appleby	(appointed 30.04.09)
Tourism Council, Vice Chairman	Bill Ferris	
Tourism Council	Ken Robinson CBE	
Tourism Council	Vivian Williams	
Tourism Council	Cllr. Therese Evans	
Berks Bucks Oxon Sub-Region	Lyn Bibbings	
Sussex Sub-Region	Nicholas Head	
Hampshire Sub-Region	Stephen Munn	
Isle of Wight Sub-Region	Vacant	
Kent Sub-Region	Fran Warrington	
Surrey Sub-Region	Simon Matthews	
Co-opted	Robert Cotton OBE	(resigned 18.07.08)

# Profit and loss account for the year ended 31st March 2009

	Note	2009 £	2008 £
<b>Turnover</b>	2	5,450,576	5,542,739
Cost of sales		( 4,389,617 )	( 4,755,783 )
<b>Gross profit</b>		1,060,959	786,956
Administrative expenses		( 950,792 )	( 935,013 )
<b>Operating surplus / (deficit)</b>	3	110,167	( 148,057 )
Interest receivable		113,870	133,960
Other finance charges		( 79,000 )	( 6,000 )
<b>Surplus / (deficit) on ordinary activities before taxation</b>		145,037	( 20,097 )
Tax charge on ordinary activities	5	( 25,703 )	( 24,781 )
<b>Surplus / (deficit) for the year</b>		<u>119,334</u>	<u>( 44,878 )</u>

All operations are continuing

## Statement of total recognised gains and losses for the year ended 31st March 2009

	2009 £	2008 £
<b>Surplus / (deficit) for the year</b>	119,334	( 44,878 )
Pension scheme net actuarial (loss) / gain	( 1,837,000 )	1,079,000
Total recognised (losses) / gains relating to the year	<u>( 1,717,666 )</u>	<u>1,034,122</u>

## Balance sheet as at 31st March 2009

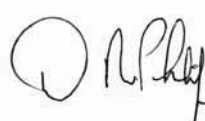
	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	6	561,382	604,953
<b>Current assets</b>			
Stock		84,564	109,194
Debtors	7	392,474	579,244
Short term deposits		2,050,000	2,500,000
Cash at bank and in hand		951,963	184,022
		<u>3,479,001</u>	<u>3,372,460</u>
<b>Creditors: amounts falling due within one year</b>	8	( 1,985,201 )	( 2,059,565 )
<b>Net current assets</b>		<u>1,493,800</u>	<u>1,312,895</u>
<b>Net assets before pension liability</b>		2,055,182	1,917,848
Pension liability	14	( 2,944,000 )	( 1,089,000 )
<b>Net (liabilities) / assets including pension liability</b>		<u>( 888,818 )</u>	<u>828,848</u>
<b>Capital and reserves</b>	10		
Pension funding reserve		217,000	217,000
Special projects reserve		50,000	50,000
Sub-regional reserve		228,068	132,385
Accumulated (deficit) / surplus		( 1,383,886 )	429,463
<b>Total (deficit) / funds</b>		<u>( 888,818 )</u>	<u>828,848</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7th July 2009

J C W Williams  
Director



D R Philip  
Director



# Cash flow statement for the year ended 31st March 2009

	Note	2009 £	2008 £
<b>Net cash inflow from operating activities</b>	<b>11(a)</b>	<b>249,513</b>	15,601
<b>Returns on investments and servicing of finance:</b>			
Interest received / net cash inflow from returns on investments and servicing of finance		113,870	133,960
<b>Taxation:</b>			
Corporation tax paid		( 25,703 )	( 17,781 )
<b>Capital expenditure and financial investment:</b>			
Payments to acquire tangible fixed assets		( 38,194 )	( 78,176 )
Receipts from sales of tangible fixed assets		<u>18,455</u>	<u>22,785</u>
<b>Net cash (outflow) from capital expenditure and financial investment</b>		<b>( 19,739 )</b>	<b>( 55,391 )</b>
<b>Management of liquid resources</b>			
Decrease / (increase) in short term deposits		<u>450,000</u>	( <u>100,000</u> )
<b>Increase in cash</b>	<b>11(b)</b>	<b><u>767,941</u></b>	<b>( <u>23,611</u> )</b>

## Notes to the financial statements for the year ended 31st March 2009

### 1 ACCOUNTING POLICIES

#### Accounting convention

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

#### Tangible fixed assets

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 life as follows:

Freehold buildings	50 years
Plant and office 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 FRS15, Tangible Fixed Assets, have been adopted. Under these provisions assets brought into account at valuation were retained at their book values and 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 Board's freehold property are given in note 6.

#### Stock

Stocks of saleable publications and other items 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.

#### 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.

#### Leasing commitments

Rentals payable under operating leases are charged to income as incurred.

#### Pension costs

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

For the defined benefit schemes, the Board has adopted in these financial statements the full provisions of FRS 17 '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 account 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 projected 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 the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each 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.

#### Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Provisions for deferred tax are not discounted. Deferred tax assets are recognised to

# Notes to the financial statements for the year ended 31st March 2009

the extent that they are regarded as recoverable. Any deferred tax asset attributable to the Board's pension scheme liability is considered immaterial given the quantum of likely future operating surpluses. No deferred tax asset is recognised therefore in respect of this item.

## Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as short term deposits

## 3 OPERATING SURPLUS / (DEFICIT)

Operating surplus / (deficit) is stated after charging:

	2009	2008
	£	£
Directors' remuneration	296,992	316,725
Auditors' remuneration	15,500	15,000
Depreciation	68,947	105,099
Surplus on disposal of plant, equipment and motor vehicles	( 5,637 )	( 6,871 )
Operating lease rentals – land and buildings	<u>7,500</u>	<u>7,500</u>

## 4 STAFF COSTS

	2009	2008
	£	£
(a) Wages and salaries	2,012,434	2,185,535
Social security costs	174,377	184,522
Other pension costs	<u>203,000</u>	<u>213,000</u>
	<u>2,389,811</u>	<u>2,583,057</u>

In addition to other pension costs is £1,837,000 (2008: £1,079,000 gain) relating to actuarial losses which have been debited to the statement of total recognised gains and losses.

The average number of persons employed under contracts of service during the year including executive directors was as follows :

	2009	2008
	No	No
Direct	90	106
Administration	<u>12</u>	<u>13</u>
	<u>102</u>	<u>119</u>

	2009	2008
	£	£
(b) Directors' remuneration		
Salaries	283,331	299,692
Company pension contributions to money purchase scheme	<u>13,661</u>	<u>17,033</u>
Aggregate emoluments	<u>296,992</u>	<u>316,725</u>

Retirement benefits are accruing to two directors under a defined benefit scheme and to two directors under money purchase schemes.

	2009	2008
	£	£
Highest paid director:		
Aggregate emoluments	112,802	115,894
Company pension contributions to money purchase scheme	<u>13,661</u>	<u>13,120</u>
	<u>126,463</u>	<u>129,014</u>

## 5 TAX ON SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES

Corporation tax is chargeable in full on the interest receivable and also on any operating surplus / (deficit) to the extent that it arises from the commercial membership.

	2009	2008
	£	£
Corporation tax at 21% (2008: 20%) on the result for the year	27,000	27,000
Taxation over provided in prior years	( 1,297 )	( 2,219 )
	<u>25,703</u>	<u>24,781</u>

## 2 TURNOVER

Turnover represents the total amount recognised by the Board in respect of services supplied, goods sold, members' subscriptions and contributions from the South East England Development Agency (SEEDA) and other public bodies.

Income from government grants totalled £2,568,499 for the year (2008: £2,414,013) from SEEDA, DCMS, VisitBritain and other government sources. Although under the terms of the funding agreement with SEEDA, repayment in part of the grant may be required in certain circumstances, the directors consider that, to the best of their knowledge and belief, the likelihood of any such requirement is remote.

# Notes to the financial statements for the year ended 31st March 2009

## 5 TAX ON SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES (CONTINUED)

	2009 £	2008 £
Factors affecting the tax charge for the year:		
Surplus / (deficit) on ordinary activities before tax	<u>145,037</u>	( <u>20,097</u> )
	£	£
Surplus / (deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2008: 20%)	<u>30,458</u>	( 4,019 )
Effects of:		
Expenses not deductible for tax purposes	2,646	4,876
Difference between depreciation and capital allowances	( 1,956 )	84
Other timing differences	6,049	13,000
Non-taxable element of operating (surplus) / deficit	( 10,197 )	13,059
Adjustments to tax charge in respect of previous periods	( <u>1,297</u> )	( <u>2,219</u> )
Current tax charge for the year	<u>25,703</u>	<u>24,781</u>

## 6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
<b>Cost or Valuation</b>				
At 1st April 2008	545,000	193,889	345,048	1,083,937
Additions	-	7,429	30,765	38,194
Disposals	-	-	( 54,348 )	( 54,348 )
<b>At 31st March 2009</b>	<u>545,000</u>	<u>201,318</u>	<u>321,465</u>	<u>1,067,783</u>
<b>Depreciation</b>				
At 1st April 2008	66,241	146,635	266,108	478,984
Provided for the year	6,624	21,075	41,248	68,947
Disposals	-	-	( 41,530 )	( 41,530 )
<b>At 31st March 2009</b>	<u>72,865</u>	<u>167,710</u>	<u>265,826</u>	<u>506,401</u>
<b>Net book value</b>				
<b>At 31st March 2009</b>	<u>472,135</u>	<u>33,608</u>	<u>55,639</u>	<u>561,382</u>
At 31st March 2008	<u>478,759</u>	<u>47,254</u>	<u>78,940</u>	<u>604,953</u>

The Board's freehold land and buildings were valued in 1998 at £545,000. If they had not been revalued they would have been included under the historical cost convention at the following amounts:

	2009 £	2008 £
Cost	<u>633,119</u>	<u>633,119</u>
Aggregate depreciation	<u>160,984</u>	<u>154,360</u>

Included within freehold land and buildings is £280,000 (2008: £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 not revalued in the financial statements. If the Board's property were sold at its 1998 valuation no corporation tax liability would arise (2008: £nil).

## 7 DEBTORS

	2009 £	2008 £
Trade debtors	282,719	438,628
Other debtors	32,367	27,266
Taxation	35,864	74,592
Prepayments and accrued income	<u>41,524</u>	<u>38,758</u>
	<u>392,474</u>	<u>579,244</u>

## 8 CREDITORS: amounts falling due within one year

	2009 £	2008 £
Trade creditors	742,843	612,173
Taxation and social security	55,031	55,824
Corporation tax	27,000	27,000
Other creditors	160,630	163,243
Accruals and deferred income	<u>999,697</u>	<u>1,201,325</u>
	<u>1,985,201</u>	<u>2,059,565</u>

## 9 DEFERRED TAXATION

(a) There is no deferred tax liability arising from timing differences between the recognition of gains and losses in the Board's financial statements and their recognition for tax purposes. The deferred tax asset arising from such differences on adoption of FRS 19, Deferred Tax is immaterial and no provision is made therefore.

(b) There is no liability to taxation on the capital gain which would arise if the Board's freehold land and buildings were to be sold at the valuation included in the balance sheet referred to in note 6.

# Notes to the financial statements for the year ended 31st March 2009

## 10 CAPITAL AND RESERVES

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

### RESERVES

	Pension funding reserve	Special projects reserve	Sub regional reserve	Accumulated deficit	Total
	£	£	£	£	£
As at 1st April 2007	217,000	158,500	151,160	( 731,934 )	( 205,274 )
Deficit for the year	-	-	-	( 44,878 )	( 44,878 )
Transfers between reserves	-	( 108,500 )	( 18,775 )	127,275	-
Actuarial gain recognised in the pension scheme	-	-	-	1,079,000	1,079,000
As at 1st April 2008	217,000	50,000	132,385	429,463	828,848
Surplus for the year	-	-	-	119,334	119,334
Transfers between reserves	-	-	95,683	( 95,683 )	-
Actuarial loss recognised in the pension scheme	-	-	-	( 1,837,000 )	( 1,837,000 )
<b>As at 31st March 2009</b>	<b>217,000</b>	<b>50,000</b>	<b>228,068</b>	<b>( 1,383,886 )</b>	<b>( 888,818 )</b>

The effect on the Accumulated deficit of the pension scheme liability is as follows:-

	2009	2008
	£	£
Accumulated surplus excluding pension liability	1,560,114	1,518,463
Pension liability	( 2,944,000 )	( 1,089,000 )
Accumulated deficit	( 1,383,886 )	429,463

## 11 CASH FLOW

(a) Reconciliation of operating surplus / (deficit) to net cash inflow from operating activities:

	2009	2008
	£	£
Operating surplus / (deficit)	110,167	( 148,057 )
Depreciation charges	68,947	105,099
Surplus on disposal of plant, equipment and motor vehicles	( 5,637 )	( 6,871 )
Decrease / (increase) in stocks	24,630	( 22,181 )
Decrease / (increase) in debtors	186,770	( 65,901 )
(Decrease) / increase in creditors	( 74,364 )	94,512
Defined benefit pension contributions less cost	( 61,000 )	59,000
Net cash inflow from operating activities	<u>249,513</u>	<u>15,601</u>

(b) Reconciliation of net cash inflow to movement in net funds:

	2009	2008
	£	£
Increase / (decrease) in cash	767,941	( 23,611 )
(Decrease) / increase in short term deposits	( 450,000 )	100,000
	317,941	76,389
Net funds at 1st April 2008	2,684,022	2,607,633
Net funds at 31st March 2009	<u>3,001,963</u>	<u>2,684,022</u>

(c) Analysis of net funds:

	At 1st April 2008	Cash flow	At 31st March 2009
	£	£	£
Cash at bank and in hand	184,022	767,941	951,963
Short term deposits	2,500,000	( 450,000 )	2,050,000
Net funds	<u>2,684,022</u>	<u>317,941</u>	<u>3,001,963</u>

## 12 CAPITAL AND LEASE COMMITMENTS

(a) There were no commitments for capital expenditure at 31st March 2009 (2008: £Nil).

(b) The company has annual commitments under non-cancellable operating leases as set out below:

	2009	2008
	£	£
Operating leases which expire:		
In two to five years	<u>7,667</u>	<u>7,500</u>

## 13 TRANSACTIONS WITH RELATED PARTIES AND DIRECTORS

In the normal course of its activities the Board enters into commercial transactions with various 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 the South East England Development Agency are considered by the Board to be immaterial for the purposes of disclosure requirements of the Companies Act and the relevant Financial Reporting Standard. The directors consider that no one party has control over the company.

Transactions during the year with the South East England Development Agency were as follows:

	2009	2008
	£	£
Income receivable by the Board	<u>2,606,065</u>	<u>2,566,778</u>
Balances at 31st March 2009 were:		
Due to the Board	<u>20,449</u>	<u>70,000</u>



# Notes to the financial statements for the year ended 31st March 2009

## 14 PENSION COMMITMENTS (CONTINUED)

The movement in net deficit for the year to 31st March 2009 is as follows:

	Hampshire County Council Fund		Kent County Council Fund	
	2009 £000	2008 £000	2009 £000	2008 £000
Net deficit at beginning of year	( 621 )	( 1,500 )	( 468 )	( 603 )
Contributions	89	98	66	33
Current service cost	( 71 )	( 120 )	( 16 )	( 20 )
Past service costs	-	( 38 )	( 7 )	-
Other finance (charges) / income	( 50 )	( 16 )	( 29 )	10
Loss on any settlements or curtailments	-	( 12 )	-	-
Actuarial (loss) / gain	( 1,488 )	967	( 349 )	112
Net deficit at end of year	( 2,141 )	( 621 )	( 803 )	( 468 )

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 Board cease to participate in the admission agreements a greater liability than that calculated for FRS17 purposes might result.

### Amounts charged to the operating deficit:

	Hampshire County Council Fund		Kent County Council Fund	
	2009 £000	2008 £000	2009 £000	2008 £000
Current service cost	( 71 )	( 120 )	( 16 )	( 20 )
Past service costs	-	( 38 )	( 7 )	-
Total operating charge	( 71 )	( 158 )	( 23 )	( 20 )

### Amounts (charged) / credited to other finance income:

Expected return on pension fund assets	303	292	151	182
Interest on pension scheme liabilities	( 353 )	( 308 )	( 180 )	( 172 )
Net (charge) / credit	( 50 )	( 16 )	( 29 )	10

### Amounts recognised in the Statement of total recognised gains and losses (STRGL):

	Hampshire County Council Fund		Kent County Council Fund	
	2009 £000	2008 £000	2009 £000	2008 £000
Actual return less expected return on assets	( 1,241 )	44	( 570 )	( 321 )
Experience (losses) and gains on pension liabilities	( 27 )	( 35 )	1	( 27 )
Changes in assumptions underlying the present value of pension liabilities	( 220 )	958	220	460
Actuarial (losses) and gains	( 1,488 )	967	( 349 )	112

### History of Experience Gains and Losses:

	Hampshire County Council Fund					Kent County Council Fund				
	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
Difference between the Expected and Actual Return on Assets:										
Amount (£000)	( 1,241 )	44	( 6 )	541	110	( 570 )	( 321 )	( 17 )	403	81
Value of assets (£000)	3,634	4,595	4,313	4,113	3,237	1,724	2,168	2,619	2,529	2,048
Percentage of assets	( 34.2% )	0.9%	( 0.1% )	13.4%	3.4%	( 33.1% )	( 14.8% )	( 0.6% )	15.9%	4.0%
Experience (losses) / gains on Liabilities:										
Amount (£000)	( 27 )	( 35 )	( 10 )	1	505	1	( 27 )	2	( 1 )	( 26 )
Total present value of liabilities (£000)	5,775	5,216	5,813	5,531	4,779	2,527	2,636	3,222	3,332	2,864
Percentage of the total present value of liabilities	( 0.5% )	( 0.7% )	0.2%	0.0%	10.6%	0.0%	( 1.0% )	0.1%	0.0%	( 0.9% )
Total amount recognised in statement of total recognised gains and losses:										
Amount (£000)	( 1,488 )	967	20	155	427	( 349 )	112	183	5	2
Total present value of liabilities (£000)	5,775	5,216	5,813	5,531	4,779	2,527	2,636	3,222	3,332	2,864
Percentage of the total present value of liabilities	( 25.8% )	18.5%	0.3%	2.8%	8.9%	( 13.8% )	4.2%	5.7%	0.2%	0.1%

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