TOURISM
SOUTH EAST
Helping Tourism Businesses Grow

TOURISM SOUTH EAST ANNUAL REVIEW 2022

INCORPORATING THE
ANNUAL REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2022

www.tourismsoutheast.com

TABLE OF CONTENTS

Contents

Company Information

Tourism South East
40 Chamberlayne Road
Eastleigh
Hampshire SO50 5JH
Tel 02380 625400
www.tourismsoutheast.com

TOURISM
SOUTH EAST

Chair's Statement

It seems that the rollercoaster years we have experienced since 2019 are still with us. A year ago we were all looking forward to what was back then termed the new normal. A time when things would not be quite the same as they were pre-pandemic but at least there would be a degree of stability and recovery. There was even some optimism, as pent-up demand, the resurgence of Staycations and the new-found appreciation of domestic holidays was being experienced. Indeed, 2022 started well for many in our sector. Resorts, in particular were benefiting from people's need to find a sense of escape. Some larger events that had been cancelled for two years, were returned to us. Accommodation occupancy figures were good and forward bookings were looking healthy. But now we have new challenges to face.

The war in Ukraine has impacted the whole world. Whilst the consequences for some, not least those directly involved in the conflict, has been catastrophic, the ripple effects has had a bearing on all of us working in tourism, we are probably not seeing the worst of what is yet to come in terms of supply and distribution problems and of course, the looming energy and cost of living crisis.

We have also been in a state of limbo regarding national government, with a new prime-minister only just appointed. The changes that might have on policies with regard to our sector are as yet unknown. The Destination Review is currently underway and organisations like Tourism South East need to play a critical role in helping shape future structures and whatever outcomes are agreed in the longer term. We are also faced with longstanding issues that won't just disappear, including the skills shortage, the need to recruit more people into the industry, the requirement to reduce our carbon impact and the immediate challenge of enabling businesses, and especially small businesses that make up the majority of our sector, to get through what is going to be a tough winter ahead.

Our members have demonstrated throughout the very difficult period we have lived through since 2019, that our sector is resilient and flexible and can adapt better than most to new challenges. However, it still needs support. At TSE we will do everything we can to ensure that the voice of the visitor economy in the south east is heard, and appreciated.

I want to thank you, our members, for all your support, and the entire team at TSE for their resolve and dedication throughout the past year.

Chair – Phil Evans

Chief Executive's Statement

We have collectively navigated our way to what has felt like a post Covid situation, the year to date has been accented with a sense of optimism. We have seen a spotlight shone on our industry, Covid has at least raised the national profile and importance of the visitor economy. It has been heartening to see our regional businesses and destinations rebuild markets and develop initiatives as visitor confidence returned for this summer season.

In building on the air of positivity in the sector, Tourism South East focused all its energies this year on its members, reviewing our benefits and services to ensuring they are aligned with businesses 'new normal'. We developed scalable packages designed to support our diverse membership requirements. The Welcome to Excellence training is playing an important role in supporting businesses to bridge the industry skills gaps and move to sustainable futures with Green Edge training. In addition to audits, impacts and sentiments, TSE Research has been working alongside industry professional to develop our value and volume visitor research model.

We were also pleased and relieved in equal measure to re-establish a live Excursions exhibition at the start of the year, an important kickstart to the group travel market. Our international activity is once again leading the way as we raise awareness oversea of our region and welcome back our international guests.

However, as we reach the years halfway point, the national economy continues to struggle and the staffing gaps across the sector continue to grow, our industry seems to seesaw to the next challenges. The coming months may once again be tough.

It is testimony to all the hard work and energy of all our members that have collectively weathered the storms to date. I also pay tribute to all the tireless work of the TSE team as we strive to ensure that the South East visitor sector is recognised and supported at all levels. TSE will continue to guide and navigate our members through the coming challenges, building resilience and moving towards growth and future prosperity.

Chief Executive – Fran Downton

Supporting Tourism Businesses

Commercial Membership & Destination Partnership

The membership team have been keen to harness and build on the momentum gained over the past years. Positioning the team, our support, and the benefits has been a priority as we all looked to establish a 'new normal' for the industry and region.

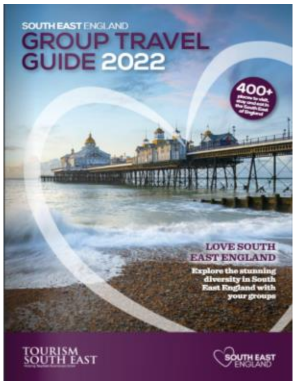
The newly developed range of membership packages were launched in April of this year. These Bronze, Silver, Gold, Platinum and Group Packages aim to deliver great value to businesses, supporting members across marketing, networking, research and training.

A live AGM and Conference and the re-establishment of our networking events was an important step in. bringing our members and businesses back together. It was also fantastic to once again showcase the 'cream of the crop' at the Grand Hotel Brighton, awarding over 60 businesses at the Beautiful South Awards.

Providing support and facilitating a collaborative approach for our Destination Partners has also been a top priority for TSE. The formation of the Tourism South East Destination Alliance has been a key platform ensuring we have a collective regional voice, formalising strategies of activity, raising awareness of key national and regional issues and cross working on joint projects and bid proposals.

Reviving the Groups Market

The groups market remains an important part of Tourism South East's core business. We are proud to have an extensive database that underpins all of groups activity and ensures we are well positioned to deliver to the sector. The pandemic saw a hold on group visits to the region, dramatically impacting our normal groups activity programme. In Autumn 2021, we saw confidence in the market began to return and In order to simulate that confidence we took the decision to produce the Group Travel Guide for 2022.



The national Excursions™ exhibition returned to a physical format in March 2022. It was unknown territory, with a new venue, businesses operating with reduced budgets and a general lack of confidence with exhibitors to commit. The shows success was in question right up until the day. Theshow was a great success, held at Twickenham Stadium, we were proud to lead the groups market into its first face-to-face industry exhibition since lockdown.

Welcoming over 600 group travel orgnaisers, coach and tour operators and over 132 exhibiting businesses across 2 halls, this enew venue created a real buzz . Over 150 special guests enjoyed exclusive access to the VIP area.. All visitors were invited to enjoy a mini stadium tour of Twickenham Stadium with pitch side views and access to the World Rugby Museum.To compliment the main show, we worked in partnership with Visit Richmond to arrange a familiarisation weekend.

Supporting Skills and Training

As COVID restrictions and lock downs were lifted there was a noticeable shift towards employers requesting face-to-face- training again. Many employers felt this would help with staff motivation as they had been isolated for such a long time.

The impact of the pandemic meant we had to diversify and be more creative and flexible with our portfolio of delivery options and this trend continued. Throughout the year we were able to offer a wide range of training solutions to suit business, employer and participant needs including delivery of in-house and open courses via Zoom, on-line programmes and a series of short modules focusing on individual customer service topics. Along with our core tourism and hospitality sectors we were also able to gain bookings from other diverse sectors including a roofing company, Freemasons, several security firms and Welsh Water.

The skills and green agenda has been a dominating priority for many businesses this year. We worked together with destinations to deliver funded courses and we successfully tendered for a Green CRF funded project to Destination Plymouth, covering Green Edge and Welcome Host Gold courses with the City and Guilds option. The big challenge and ironic situation for many organisations is releasing staff for participation on the training days due to staff and skills shortages. This trend looks set to continue.

As the year has progressed VisitScotland began to deliver EVE courses again and we were commissioned to develop a Scottish version of Welcoming All Customers. We also signed a new contract with COVE UK for Welcome to Excellence endorsement of their own customer service programme, which will cover their sites in Selsey, Essex, Cornwall and Scotland.

Consumer Marketing

With new membership packages delivering an array of marketing activity, supporting destination partner content and the Love South East campaign is achieving it potential reach, the marketing team have never been so busy.

Overall, the website traffic was extremely strong throughout 2021, with 3.8 m page views, as visitors searched for place to visit across the region. The traffic has fallen slightly as we work through 2022 and there has been a significant shit in search terms as visitors now look for events and what's on it our destinations.

We have also return to an active programme of e-newsletters and themed communications to the 44,000 strong consumer database. We retain a steady pen rate across the e-newsletters of between 28%, above industry average.

Research – Volume and Value

Despite the pandemic still affecting many aspects of the tourism industry, TSE Research has remained buoyant. Destinations and businesses have taken the opportunity to understand review the volume and value of their tourism economies, conducting visitor surveys and online business surveys.

Working alongside research consultants, TSE Research has supported large scale research projects. These included visitor economy strategies, local plan strategies and project evaluation reports. A total of 14 Cambridge Model reports were conducted across the country, providing analysis of the economic impact of tourism at district level. These numbers are lower than we would normally expect, the data was reporting on volumes over the lockdown, many local authorities therefore did require baseline data for that year.

Work is progressing on Cambridge Model V2, with the pilot of the new product being conducted towards the end of the year. We have also invested time to develop our mapping offer, producing QGIS heat maps on business locations and drive times.

Audits have also featured heavily for this year; we have conducted food and drink supply audit and accommodation audits were also undertaken for local authorities and Southern Water to assist in its assessment of water supply needs during peak periods.

Report of the Directors for the year ended 31 March 2022

The directors present their report together with the financial statements for the year ended 31 March 2022.

Events since the year end: Information relating to events since the year end are given in the notes to the accounts.

Results: The statement of comprehensive income is set out on page 12 and shows the loss for the year.

Review of the company's activities: Key financial data for the year was as follows:

	2022	2021
	£	£
Membership subscription income included in turnover	171,600	123,418
Other activities	594,730	270,876
Turnover	**766,330**	**394,294**
Rent and service charge income	56,725	64,853
COVID related grants receivable	42,180	206,164
Interest from cash held on deposit	219	927
Cost before defined benefit pension scheme	(826,929)	(673,425)
Profit/(Loss) before defined benefit pension costs and property gains	**38,525**	**(7,187)**
Defined benefit pension – lump sum & salary-related contributions	(21,000)	(19,000)
Defined benefit pension – other costs recognised by pension scheme	(86,000)	(95,000)
Fixed asset transfer adjustment	20,331	-
Investment property fair value adjustment	61,180	-
Profit/(Loss) for the financial year	**13,036**	**(121,187)**
Pension scheme net actuarial gains	1,115,000	494,000
Total comprehensive income for the year	**1,128,036**	**372,813**

Principal activities: 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 by responding to changing needs and demands in both the commercial and local authority sectors. The range of services is constantly reviewed and offered outside the traditional South East boundary with a view to generating income streams that will help deliver core activities.

Statement of Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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.

Directors

Phil Evans (Chair) (appointed 16th February 2022)

Louise Stewart (Chair) (resigned 16th February 2022)

Frances Downton (Bucksey) (Chief Executive)

John Atherton FCA

Sandra Barnes-Keywood

Andrew Bateman

Graham Hukins

Daniel Humphreys

William Myles

Robert O'Connor (resigned 14th September 2021)

Caryl Oliver

Ken Robinson CBE

In preparing this report the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the board 19 July 2022

P Oliver

Secretary

Independent review report

On the unaudited financial statements of The Southern and South East England Tourist Board

TO THE DIRECTORS OF THE SOUTHERN AND SOUTH EAST ENGLAND TOURIST BOARD

We have reviewed the financial statements of The Southern and South East England Tourist Board for the year ended 31 March 2022, which comprise the Statement of Income and Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes to the financial statements, including summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter dated 22 November 2019. Our review has been undertaken so that we may state to the company's directors those matters we have agreed with them in our engagement letter 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 directors as a body for our review work, for this report or the conclusions we have formed.

Directors' Responsibility for the Financial Statements

As explained more fully in the Directors' Responsibilities Statement, set out on pages 8 to 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountants' Responsibility

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to review historical financial statements* and ICAEW Technical Release TECH 09/13AAF *Assurance review engagements on historical financial statements*. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

Scope of the Assurance Review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 March 2022, and of its profit for the year then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice; and
- in accordance with the requirements of the Companies Act 2006.

Hopper Williams & Bell Limited Chartered Accountants
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

Date 08/08/2022

Statement of income and statement of comprehensive income

For the year ended 31 March 2022

	Note	2022 £	2021 £
Turnover		**766,330**	394,294
Cost of sales		**(688,050)**	(496,963)
Gross profit/(loss)		**78,280**	(102,669)
Administrative expenses		**(179,879)**	(207,462)
Other operating income	3	**98,905**	271,017
Operating (loss)		**(2,694)**	(39,114)
Interest receivable and similar income		**219**	927
Interest payable and similar charges		**(66,000)**	(83,000)
(Loss) on ordinary activities before and after taxation for the financial year		**(68,475)**	(121,187)
(Loss) for the financial year		**(68,475)**	(121,187)
Other comprehensive income			
Pension scheme net actuarial gain/(loss)	10	**1,115,000**	494,000
Investment property fair value adjustment		**61,180**	-
Fixed asset transfer adjustment		**20,331**	-
Total comprehensive income/(expenditure) for the year		**1,128,036**	372,813

The notes on pages 17 to 32 form part of these financial statements.

Balance sheet as at 31 March 2022

Company number 01345038	Note	2022	2022	2021	2021
Fixed assets					
Tangible assets	6		**155,408**		210,831
Investment Property	6		**800,000**		667,000
Current assets					
Stocks		**27,834**		29,983	
Debtors	7	**128,022**		95,106	
Cash at bank and in hand		**190,394**		129,200	
		346,250		254,289	
Creditors: amounts falling due within one year	8	**(265,057)**		(184,555)	
Net current assets			**81,193**		69,734
Net assets excluding non-current liabilities			**1,036,601**		947,565
Non-current liabilities					
Borrowings	9		**(32,500)**		(42,500)
Pension scheme	10		**(2,156,000)**		(3,185,000)
Total net liabilities			**(1,151,899)**		(2,279,935)
Capital and reserves					
Special projects reserve	11		**50,120**		50,120
Revaluation reserve	11		**508,890**		427,379
Profit and loss account	11		**(1,710,909)**		(2,757,434)
Total deficit			**(1,151,899)**		(2,279,935)

For the year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the board of directors and authorised for issue on 19 July 2022.

P Evans	J P Atherton
Director	**Director**

The notes on pages 17 to 32 form part of these financial statements.

Statement of changes in equity

For the year ended 31 March 2022

	Special projects reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	**50,120**	**427,379**	**(2,757,434)**	**(2,279,935)**
Comprehensive income for the year				
(Loss) for the year	**-**	**-**	**(68,475)**	**(68,475)**
Pension scheme net actuarial gain	-	-	1,115,000	1,115,000
Investment Property Fair Value Adjustment	-	61,180	-	61,180
Fixed asset transfer adjustment	-	20,331	-	20,331
Other comprehensive income for the year	**-**	**81,511**	**1,115,000**	**1,196,511**
Total comprehensive income for the year	**-**	**81,511-**	**1,046,525**	**1,128,036**
Transfer between reserves		-	-	-
At 31 March 2022	**50,120**	**508,890**	**(1,710,909)**	**(1,151,899)**

Statement of changes in equity

For the year ended 31 March 2021

	Special projects reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	**50,120**	**427,379**	**(3,130,247)**	**(2,652,748)**
Comprehensive income for the year				
(Loss) for the year	**-**	**-**	**(121,187)**	**(121,187)**
Pension scheme net actuarial gain	-	-	494,000	494,000
Other comprehensive income for the year	**-**	**-**	**494,000**	**494,000**
Total comprehensive income for the year	**-**	**-**	**372,813)**	**372,813**
Transfer between reserves				
At 31 March 2020	**50,120**	**427,379**	**(2,757,434)**	**(2,279,935)**

The notes on pages 17 to 32 form part of these financial statements.

Notes forming part of the financial statements

For the year ended 31 March 2022

1 Accounting policies

The company is a private company limited by guarantee without share capital, registered in England & Wales. The registered office address is 40 Chamberlayne Road, Eastleigh, Hampshire, SO50 5JH.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A Small Entities.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The following principal accounting policies have been applied:

Going concern

Although the balance sheet reflects net liabilities of £1,151,899 (2021 - £2,279,935), this includes a provision for a pension deficit of £2,156,000 (2021 - £3,185,000) which is not a current liability. The net asset position before pension deficit at 31 March 2022 is £1,004,101 (2021 - £905,065) of which £190,394 (2021 - £129,200) is held in cash and cash deposits. At 31 March 2022 net current assets stood at £81,193 (2021 - £69,734).

The directors have considered the impact and risk of COVID-19 on the company and on the company's prospects, recognising the high degree of uncertainty. The directors have concluded that with the right management actions the company is a going concern for at least 12 months following the signature of the financial statements. Accordingly the directors have prepared the financial statements on this basis.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured. Revenue from training, marketing and research 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 a subscription relates.

1 Accounting policies *(continued)*

Any project or membership income relating to the period after the year end is reflected in deferred income. Income from visitor centres is accounted for in the period when the supply of goods or services takes place.

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.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit and loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. It is calculated at the following rates.

Freehold property	-	50 years, with subsequent additions depreciated over the remaining life of the property
Plant and machinery	-	3 - 5 years

1 Accounting policies *(continued)*

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate or if there is an indication of a significant change since the last reporting date.

Where the company can identify the value of major components of freehold buildings, it reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the company allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

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

Investment properties

Investment property is carried at fair value determined annually by external valuers or the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit or loss for the year.

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.

Deposits

Short term deposits are balances held with financial institutions that mature in more than three months from the date of acquisition.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1 Accounting policies *(continued)*

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If object evidence of impairment is found, an impairment loss is recognised in the income statement.

Pension costs

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

For the defined benefit schemes, the 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 comprehensive income.

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 in the statement of comprehensive income in respect of pension costs 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 statement of comprehensive income.

1 Accounting policies *(continued)*

Government grants

The following government grants have been received during the year:

- Business Interruption Payment (BIP) under the Bounce Back Loan scheme: The BIP is payable in respect of the loan interest for the first 12 months, together with any related fees. The accrual model has been used to recognise the income on a systematic basis over the periods in which the related finance costs are incurred. The company has also benefited from the UK government's provision of security for 100% of the loan.
- Coronavirus Job Retention Scheme: the accrual model has been used to recognise the grant on a systematic basis over the periods in which the related staff costs are incurred.
- Business Support Grant Funds: the accrual model has been used to recognise the grant when it is received or becomes receivable, as there are no future related costs or performance conditions.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The directors have made the following critical estimates and judgements deemed to be applicable to the financial statements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets (note 6)*

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

2 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

Residual value assessments consider issues such as future market conditions, the remaining life of the asset, and projected disposal values.
Investment properties are revalued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and ultimately value can only be tested reliably in the market itself.

- *The central underlying assumptions in relation to the estimates of the defined benefit pension schemes such as rates of inflation, mortality, discount rates and anticipated future salary increases (note 10)*

The directors review the assumptions in the multi-employer pension scheme and adjust as appropriate to the company's circumstances. Variances in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

3 Other operating income

Other operating income includes grant funding support received as a consequence of the COVID-19 pandemic of £42,180 (2021 - £206,163).

4 Employees

	2022	2021
The average number of persons (including executive directors) employed during the year was:	**29**	32

5 Other finance charges

	2022	2021
	£	£
Expected return on pension scheme assets	**239,000**	221,000
Interest on pensions scheme liabilities	**(305,000)**	(304,000)
	(66,000)	(83,000)

6 Tangible fixed assets

	Investment Property	Land and buildings	Plant and machinery	Total
Cost or valuation				
At 1 April 2021	667,000	292,115	105,549	1,064,664
Transfers	71,820	(71,820)	-	-
Disposals	-	-	(18,064)	(18,064)
Fair Value Adjustment	61,180	-	-	61,180
At 31 March 2022	**800,000**	**220,295**	**87,485**	**1,107,780**
Depreciation				
At 1 April 2021	-	78,412	103,434	181,846
Provided for the year	-	3,229	705	3,934
Transfers	20,331	(20,331)	-	-
Disposals	-	-	(18,064)	(18,064)
Fair value adjustment	(20,331)	-	-	(20,331)
At 31 March 2022	**-**	**65,592**	**86,780**	**152,372**
Net book value				
At 31 March 2022	**800,000**	**154,703**	**705**	**955,408**
At 31 March 2021	667,000	209,421	1,410	877,831

Included within land and buildings is £135,548 (2021 - £135,548) for land upon which no depreciation has been provided.

Investment properties

The investment property is valued annually on 31 March at fair value. The last independent valuation was undertaken in 2022 in accordance with the Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2. The directors consider this valuation to still be appropriate and believe that the property value has not been impaired.

No surplus or deficit on revaluation of investment property has been credited or debited to the profit and loss for the year.

7 Debtors

	2022	2021
	£	£
Trade debtors	**104,713**	44,319
Other debtors	**23,309**	50,787
	128,022	95,106

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

8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	**92,886**	54,617
Taxation and social security	**21,240**	7,895
Borrowings	**10,000**	7,500
Other creditors	**140,931**	114,543
	265,057	184,555

There are no amounts included under ‘creditors’ in respect of which any security has been given by the entity.

9 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Borrowings	**32,500**	42,500
	32,500	42,500

During 2020/21 following the COVID-19 outbreak the company took out a Bounce Back Loan of £50,000 to assist with cash flow. Interest is charged at a rate of 2.5%.

10 Pensions

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

At 31 March 2022 company contributions of £2,202 were outstanding in respect of defined benefit schemes and included within creditors (2021 - £1,949).

The last full actuarial assessments of both local authority funds were carried out by qualified independent actuaries at 31 March 2019.

At 31 March 2019 the market value of the company's share of assets within the Hampshire County Council scheme was equivalent to a funding level of 101.8%. Under the circumstances the company, on actuarial advice, is paying a contribution rate of 21.8% for the years ending 31 March 2021, 31 March 2022 and 31 March 2023. From 1 April 2014 the employees are paying between 5.5% and 12.5%.

At 31 March 2019 the market value of the company's share of assets with the Kent County Council scheme was equivalent to a funding level of 110%. Under the circumstances the company, on actuarial advice, is paying a contribution rate of 30.3% for the years ending 31

10 Pensions *(continued)*

March 2021, 31 March 2022 and 31 March 2023. From 1 April 2014 the employees are paying between 5.5% and 12.5%.

The next full actuarial assessments of both local authority funds are being carried out by qualified independent actuaries at 31 March 2022. The results will be available by 31 March 2023.

The valuations have been updated by the actuaries to take account of the requirements of FRS 102 in order to assess the liabilities of the funds as at 31 March 2022. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

The Hampshire County Council scheme is closed to new members from The Southern and South East England Tourist Board and therefore use of the projected unit method to value liabilities means that the current service cost increases as the members approach retirement. However, Hampshire County Council has made a commitment to subsume the assets and liabilities of the Company and the other employers in the Admitted Body Group when they exit the Fund. This will enable the continuation of a long term funding strategy for those employers' liabilities without having to increase funding to the level required for orphan liabilities within the Fund. Should the company cease to participate in the admission agreement, the likely net effect of the subsumption commitment and the application of the projected unit method is that a lower liability than that concluded for FRS 102 purposes might result.

No subsumption commitment has been received from Kent County Council. However, the Kent County Council scheme ceased to be closed to new members from The Southern and South East England Tourist Board with effect from 26 March 2019.

The actuarial valuations of both schemes have taken account of the impact of the McCloud judgement.

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

	2022	2021
Reconciliation of present value of plan liabilities		
At the beginning of the year	**(15,092,000)**	(13,374,000)
Current service cost	**(39,000)**	(28,000)
Interest cost	**(305,000)**	(304,000)
Benefits paid	**500,000**	460,000
Actuarial (losses)/gains	**720,000**	(1,841,000)
Contributions by participants	**(5,000)**	(5,000)
At the end of the year	**(14,221,000)**	(15,092,000)

	2022	2021
Composition of plan liabilities		
Schemes wholly or partly funded	**(14,221,000)**	(15,092,000)

	2022	2021
Reconciliation of fair value of plan assets		
At the beginning of the year	**11,907,000**	9,790,000
Interest income on plan assets	**239,000**	221,000
Actuarial gains	**395,000**	2,335,000
Cash contribution	**21,000**	19,000
Benefits paid	**(500,000)**	(460,000)
Administration expenses	**(2,000)**	(3,000)
Contributions by participants	**5,000**	5,000
At the end of the year	**12,065,000**	11,907,000
Fair value of plan assets	**12,065,000**	11,907,000
Present value of plan liabilities	**(14,221,000)**	(15,092,000)
Net pension scheme liability	**(2,156,000)**	(3,185,000)
Amounts recognised in the profit and loss amount are as follows;		
Included in administrative expenses		
Current service cost	**39,000**	28,000
Amounts included in other finance costs		
Net interest cost	**66,000**	83,000

	2022	2021
Analysis of actuarial loss recognised in Other Comprehensive Income	**£**	£
Actual return less interest income included in net interest income	**6,000**	889,000
Experience gains and losses arising on the scheme liabilities	**(11,000)**	75,000
Changes in assumptions underlying the present value of the scheme liabilities	**1,120,000**	(470,000)
	1,115,000	494,000

	2022	2021
Composition of plan assets	**£**	£
Equities	**7,051,000**	7,090,000
Bonds	**2,052,000**	1,887,000
Property	**1,036,000**	901,000
Other	**1,926,000**	2,029,000
	12,065,000	11,907,000

	2022	2021
	£	£
Actual return on plan assets	**634,000**	2,556,000

	Hampshire		Kent	
	2022	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**
Principal actuarial assumptions used at the balance sheet date				
Discount rates	2.80	2.10	2.60	1.95
Future salary increases	3.10	2.70	3.30	2.85
Future pension increases	3.10	2.70	3.30	2.85
Inflation assumption				
CPI	3.10	2.70	3.30	2.85
Mortality rates:				
- for a male aged 65 now	22.9	23.1	21.6	21.6
- at 65 for a male member aged 45 now	24.7	24.8	23.0	22.9
- for a female aged 65 now	25.4	25.5	23.7	23.6
- at 65 for a female member aged 45 now	27.1	27.3	25.1	25.1

11 Reserves

Special projects reserve

The special projects reserve is to be used at the discretion of the Chief Executive for local projects that support members and destination partners.

Revaluation reserve

The revaluation reserve has been established to recognise cumulative gains and losses that arise from revaluation of the investment property.

Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods.

12 Related party disclosures

In the normal course of its activities the company enters into commercial transactions with several of its non-executive directors and entities in which non-executive directors are interested. These transactions are carried out at arm's length and at normal commercial rates and with the exception of those with Welcome to Excellence Limited (WEL) are considered by the company to be immaterial for the purposes of disclosure requirements of the Companies Act and the relevant Financial Reporting Standard. WEL is a related party by virtue of F Downton's directorship of that company and The Southern and South East England Tourist Board. TSE acts as 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 company received income from WEL totalling £1,490 during the year (2021 - £450) and made purchases of £2,011 (2021 - £58). At the balance sheet date the amount owed to the company by WEL was £1,490 (2021 - £450) and the amount owed to WEL was £19,619 (2021 - £17,734).

The directors consider that no one party has control over the company.

13 Member's liability

Each member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

Company Information

Tourism South East, 40 Chamberlayne Road, Eastleigh, Hampshire SO50 5JH
Tel 02380 625400
www.tourismsoutheast.com

TOURISM SOUTH EAST