

**TOURISM SOUTH EAST**  
**ANNUAL**  
**REVIEW**  
**2024**

INCORPORATING  
THE ANNUAL REPORT AND  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 MARCH 2024

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# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Chair's Statement

One of the key challenges we have always faced as an industry, and in particular for agencies such as tourist boards, local authorities and other destination organisations, be they DMOs or LVEPs, is that we are always having to work with historical data before we can measure the impact and success of current activities. Otherwise it is just a case of reviewing anecdotal assessments or considering projections and forecasts. That is why it is important to be able to compare notes and to share information through forums with members.



For the domestic market, the pattern of holiday-taking is difficult to estimate with people making more last-minute decisions based on the weather and other factors such as personal finances, the continuing cost of living crisis, and the pricing of accommodation and eating out. It is one of the reasons why giving people a good reason to visit destinations is now as important as ever and why providing attractors such as festivals, cultural events, air shows and special celebrations must continue, even though public sector funding for such events is increasingly at risk of being cut.

Last year we were also observing the trend in Europe against over-tourism. Tourism has always been a sensitive industry, easily affected by external factors, changes in fashion, new trends and advances in technology. It is often having to draw a fine line between popularity and preserving the authenticity and integrity of the product - and the support of local residents. Tourism management is not generally something the private sector alone can or should have to deal with and underlines why agencies such as DMO's and the new local structures, currently Local Visitor Economy Partnerships (LVEPs), are so important to ensuring the success of our destinations. TSE has continued to work with VisitEngland and local partners to ensure the successful roll out of the LVEP programme.

Although we have had a change of Government since our last AGM, there are no plans as yet to change the new tourism structures and with other priorities to focus on it is unlikely that any major announcements about our sector are likely in the near future. It is also very unlikely that we will see much, if any, new funding for tourism organisations. What we need to do is to maintain our position of keeping the profile of our sector in the public eye, contributing to the national debate on the future of tourism structures, provide support to destination organisations and to commercial members, and to continue to be the regional voice for tourism in the south-east.

A handwritten signature in black ink, appearing to read 'Phil Evans', written in a cursive style.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Chief Executive's Statement

As we look back over the past year it can only be viewed through this lens of political change and the evolution of the national tourism landscape. Amongst this backdrop I am immensely proud of the contribution that Tourism South East has made towards the successes of the South East visitor economy.

The macro challenges of the sector remained throughout 2023: notably changeable weather, restricted economic trading conditions and increasing pressures on expenditure. However, predicted results for the sector are now aligned with 2019 figures, and the inbound markets remain steady. Overall the South East has remained a destination of choice for both domestic and inbound visitors.

Working alongside VisitEngland to provide further strength and reduce fragmentation within the national tourism structure TSE has played a particularly pivotal role in the support and formation of the South East's Local Development Enterprise Partnerships (LVEP) programme. The South East landscape saw LVEP status awarded to the geographical counties of Kent and Oxfordshire along with the Isle of Wight, while Sussex is also working towards the status.

We continued to build a focused and skilled TSE team throughout the year, allowing us, once again, to deliver a robust programme of activity. We strengthened and grew our research department augmenting the services it offers: working on the improvements to the volume and value reporting model, and securing contracts that support the strategic development projects of our regional destinations.

TSE's diversity ensures that our member businesses receive marketing support, exposure to international and trade markets and skills support and training. These endeavors throughout 2023 ensured that we set the scene as we ventured into the new financial year of 2024 and continued to focus on growth.

As ever, the commitment and dedication of the TSE staff underpins our success and growth, for which I know I and the TSE Board are continuously grateful.



A handwritten signature in black ink, appearing to read 'Fran Downton', positioned below the text of the statement.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Our Mission and Vision

TSE is the umbrella Destination Management Organisation for the South East of England. As a not-for-profit membership organisation TSE supports the largest geographical tourism area in the country, which contributed a total tourism spend of over £12 billion to the UK economy in 2019. TSE directly supports over 400 members and 25 Destination Partners covering the full spectrum of the tourism industry from small to medium enterprises (SMEs) to large multi-national and national organisations, including local producers and lifestyle businesses. TSE has a wealth of experience and expertise to draw upon with its Board of Directors, network of partners and others.

**Our Mission:** Optimising opportunities to sustainably grow and develop tourism for the benefit of businesses, the economy, local communities, and visitors

**Our Vision:** To be the leading voice of tourism for the South East, ensuring a thriving tourism industry. This vision will be achieved through clear objectives that are underpinned by organisational focus, value, and positioning.



To assist, support and encourage tourism businesses to grow and improve



To optimise the benefits of tourism for hosts and visitors



To support and advocate for the tourism sector in the South East of England so that it thrives for the benefit of tourism businesses and the wider economy



To promote the South East as a tourism destination



To support the region's tourism and hospitality sector in whichever ways are commercially sustainable



To assist, support and encourage tourism businesses to grow and improve



# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Members Support and Development

Our Membership Team continue to deliver the highest standards and support to our members through the range of membership packages. The membership programme aims to create a tourism community and fly the flag for business across the South East, working together to bring economies of scale. Through our collaborative approach we were pleased to retain 92% of our membership base and, in addition, welcomed over 48 new members.

The focus on our membership activity, the delivery of supportive benefits and the promotion of our members is at the forefront of our organisation. Our commitment to our members ensured that we delivered a robust programme of **17 face-to-face networking events** and informative online webinars, uploaded over **800+ member website entries**, **47 member newsletter entries** across domestic, MICE and trade, and international markets.



**17 member EVENTS**



**48 NEW members**



**800+ web entries**

## Supporting our Destination Partners

The TSE Destination partnership aims to establish a strong destination community, ensuring a collective voice from the South East tourism sector. We provide a coordinated and strategic focus on behalf of the South East's destinations and tourism interests. TSE also ensures networking and peer learning opportunities.

TSE was proud to deliver six virtual destination meetings and conducted effective lobbying and advocacy on key issues such as clean waters, VAT, and the short-stay accommodation sector, while providing an informed communication channel to VisitBritain, DCMS, and other areas within Government. Destinations were kept updated throughout the year of business statistics through four business feedback reports and two consumer sentiment reports. We were proud to individually promote our destinations, achieving an average of 300,000 web views per destination and average digital content open rates of 23%. Additionally, we were able to offer digital content inclusion across international markets and into the conference and incentive sector.

We have also continued to worked alongside our destination partners and with VisitEngland to facilitate and support the formation and transition to the new national LVEP structure.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Recognition of Membership Excellence

The annual Beautiful South Awards is one of TSE's showcase events in our calendar. This event celebrates the successes, high standards and achievements of our members. In 2023 over 300 esteemed guests gathered at The Grand Brighton to recognise the very best in the tourism and hospitality sector. TV personality Toby Anstis hosted the evening announcing 24 Gold Awards along with 25 Silver and Bronze Awards to the deserving winners. Thirteen businesses were additionally honoured with "Commended" accolades for the exception contributions.



“ We could not be prouder of all our wonderful finalists at this year's Beautiful South Awards. They have all worked incredibly hard throughout 2023 and it is our pleasure to reward and recognise their high standards. They set our region amongst the best in the country.”

”

Fran Downton

## The Skill Agenda - Training and Support

The Training Team continued to offer a range of training solutions to suit the needs of the industry. This year saw a marked increase in businesses requesting tailored course content and shorter focused sessions, particularly from those employing volunteers. Although bookings have not yet returned to pre-COVID levels interest has continued to rise with numbers participating in courses surpassing 2022/23 levels. The most popular courses were Delivering Service Excellence, Exceeding Visitor Expectations and Welcome Host Gold.



The national contract to deliver a Scottish version of Exceeding Visitor Expectations continued to be successful and resulted in a contract from Visit Scotland to develop and launch a Scottish version of Welcoming All Customers.

Organisations participating in courses included the British Museum, Corps Security, the London Transport Museum, the National Motor Museum, Powell Cotton Museum, Edinburgh Zoo, NCP Gatwick and Marwell Zoo. We also delivered additional Ambassador Workshops on behalf of Visit Isle of Wight.

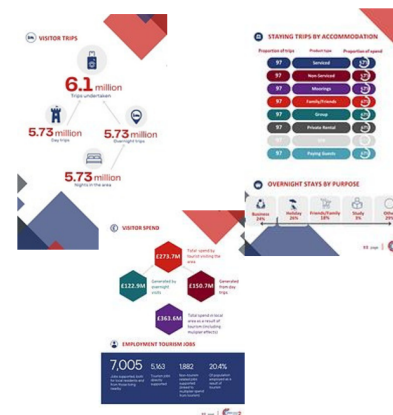
The recent focus by many businesses during this year on accessibility and inclusivity gave a boost to enquiries about Welcoming All Customers and we are hopeful this will turn into firm bookings during 2024/25. In their drive to be fully inclusive, Warners Studio Tours scheduled a programme of monthly Welcoming All Customers courses.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## TSE Research – Volume, Value, Insights and Strategic Development

TSE Research continues to sustain its enviable position as a national provider of tourism research services, continuing to work with destinations, local authorities and visitor attractions across the UK, delivering in all aspects of research design, management and reporting.

In 2023/24 the team has successfully supported and delivered five large-scale projects in addition to the bread-and-butter work. A major part of the services delivered remains the ferry surveys for the Isle of Wight and the Isle of Man passenger report contracts where we interviewed over 31,200 passengers.



One large-scale development project was undertaken by TSE Research on behalf of South Oxfordshire and Vale of White Horse where we were delighted to deliver a comprehensive overview of the region's visitor economy, develop their tourism strategy and produce the subsequent activity plan.

Over the year we focused on growth within the department, building on the team to enhance the skills and further increasing capacity. We are extremely proud to have launched new programmes to provide data and support destinations in the understanding of the short-term rental market at the local level. Investment continued throughout 2023/24 on the development and upgrading of the updated Cambridge Model to provide a dynamic picture of tourism trends and their economic contributions utilising enhanced datasets and contemporary economic indicators to the model.

## Making a Mark – Marketing Support



**2.83  
million  
page views**

Our marketing team's primary goal is to position South East as a top-of-mind, must-visit destination for travelers by providing engaging, informative content that highlights our members and their destinations. By driving sustainable growth in these areas, we contribute to the overall success of TSE. The VisitSouthEastEngland.com website remains a cornerstone, with 2.83 million page views in 2023/24. Our social media platforms have also grown steadily, with a 2% average increase over the same period. Additionally, our e-newsletter, reaching a strong database of 38,000 subscribers, boasts an impressive 25% open rate, consistently exceeding industry benchmarks.



# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## International Marketing Support

The team continues to engage across the International sectors as we strive to, and edge closer, to regaining our pre-Covid position within the European markets.

The US market has seen the strongest growth as we made 120 product pitches to our friends and colleagues across the pond, obtaining a 45,000 reach to travel agents and a 20.1% open rate for digital content.



**45,000**  
**Travel**  
Agents Reach

## Group Travel Market

The Excursions group travel show continues to thrive with positive feedback doe 2023, the largest show in recent years. Almost 1000 people from the Group Travel community gathered at Wembley Stadium on Saturday 27th January 2024 to celebrate Excursions'™ 50th anniversary show.

With a return to the iconic venue of Wembley Stadium, record post-pandemic attendance, a 60-piece orchestra to welcome guests and the charismatic Cheryl Baker to open the show, there was a real sense of joy and celebration at Excursions™ 2024.

“ A really good day, we’ve spoken with hundreds of coach operators. We found it really beneficial to explain what our summer and winter offering is...it’s been great to tell people what we do, how we do it and encourage them to come and visit us ”



# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Report of the Directors for the year ended 31 March 2024

The directors present their report together with the financial statements for the year ended 31 March 2024.

**Results:** The statement of comprehensive income is set out on page 13 and shows the loss for the year.

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

	2024	2023
	£	£
Membership subscription income included in turnover	181,831	191,784
Other activities	687,085	677,674
<b>Turnover</b>	<b>868,916</b>	869,458
Rent and service charge income	91,319	81,077
COVID related grants receivable	-	9,000
Interest from cash held on deposit	4,955	694
Cost before defined benefit pension scheme	(998,181)	(902,478)
<b>Profit before defined benefit pension costs and property gains</b>	<b>32,992</b>	57,751
Defined benefit pension – lump sum & salary-related contributions	(16,000)	(22,000)
Defined benefit pension – other costs recognised by pension scheme	13,000	(79,000)
<b>(Loss) for the financial year</b>	<b>(35,991)</b>	(43,249)
Pension scheme net actuarial (losses)/gains	(13,000)	2,235,000
<b>Total comprehensive income for the year</b>	<b>(48,991)</b>	2,191,751

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## **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.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Directors

Phil Evans (Chair)

Frances Downton (Bucksey) (Chief Executive)

Carolyn Abel (appointed 14 November 2023)

John Atherton FCA

Andrew Bateman

Kim Hallett

Graham Hukins

Daniel Humphreys (resigned 10 July 2023)

Peter Mols (resigned 9 July 2024)

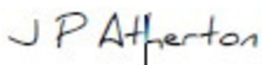
Caryl Oliver

Ken Robinson CBE

Julia White (appointed 25 September 2023)

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 18 July 2024**



J P Atherton

**Secretary**

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 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 2024, 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 1 March 2023. 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.

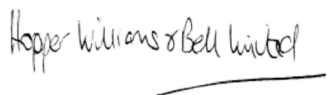
# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

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 2024,
- and of its loss 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 06/08/2024**

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Statement of income and statement of comprehensive income

For the year ended 31 March 2024

		2024 £	2023 £
<b>Turnover</b>		<b>868,916</b>	869,458
Cost of sales		<b>(824,757)</b>	(778,973)
		—————	—————
<b>Gross profit</b>		<b>44,159</b>	90,485
Administrative expenses		<b>(191,424)</b>	(165,505)
Other operating income	3	<b>91,319</b>	90,077
		—————	—————
<b>Operating (loss)/profit</b>		<b>(55,946)</b>	15,057
Interest receivable and similar income		<b>4,955</b>	694
Interest payable and similar charges		<b>15,000</b>	(59,000)
		—————	—————
<b>(Loss) on ordinary activities before and after taxation for the financial year</b>		<b>(35,991)</b>	(43,249)
		—————	—————
<b>(Loss) for the financial year</b>		<b>(35,991)</b>	(43,249)
<b>Other comprehensive income</b>			
Pension scheme net actuarial (loss)/gain	10	<b>(13,000)</b>	2,235,000
		—————	—————
<b>Total comprehensive income/(expenditure) for the year</b>		<b>(48,991)</b>	2,191,751
The notes on pages 18 to 34 form part of these financial statements.		—————	—————

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Balance sheet as at 31 March 2024

<i>Company number 01345038</i>	Note	2024	2024	2023	2023
<b>Fixed assets</b>					
Tangible assets	6		<b>153,904</b>		150,421
Investment Property	6		<b>800,000</b>		800,000
<b>Current assets</b>					
Stocks		<b>23,658</b>		27,085	
Debtors	7	<b>114,770</b>		147,803	
Cash at bank and in hand		<b>225,627</b>		219,622	
		<b>364,055</b>		394,510	
<b>Creditors: amounts falling due within one year</b>	8	<b>(314,600)</b>		(282,581)	
<b>Net current assets</b>			<b>49,455</b>		111,929
<b>Net assets excluding non-current liabilities</b>			<b>1,003,359</b>		1,062,350
<b>Non-current liabilities</b>					
Borrowings	9		<b>(12,500)</b>		(22,500)
Pension scheme	10		-		-
<b>Total net assets</b>			<b>990,859</b>		1,039,850
<b>Capital and reserves</b>					
Special projects reserve	11		<b>50,120</b>		50,120
Revaluation reserve	11		<b>508,890</b>		508,890
Profit and loss account	11		<b>431,849</b>		480,840
<b>Total surplus</b>			<b>990,859</b>		1,039,850



# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

For the year ended 31 March 2024 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 18 July 2024.



P Evans  
**Director**



J P Atherton  
**Director**

The notes on pages 18 to 34 form part of these financial statements.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Statement of changes in equity

For the year ended 31 March 2024

	Special projects reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2023</b>	<b>50,120</b>	<b>508,890</b>	<b>480,840</b>	<b>1,039,850</b>
<b>Comprehensive income for the year</b>				
<b>(Loss) for the year</b>	-	-	<b>(35,991)</b>	<b>(35,991)</b>
	_____	_____	_____	_____
Pension scheme net actuarial loss	-	-	(13,000)	(13,000)
<b>Other comprehensive income for the year</b>	-	-	<b>(13,000)</b>	<b>(13,000)</b>
	_____	_____	_____	_____
<b>Total comprehensive income for the year</b>	-	-	<b>(48,991)</b>	<b>(48,991)</b>
Transfer between reserves	-	-	-	-
	_____	_____	_____	_____
<b>At 31 March 2024</b>	<b>50,120</b>	<b>508,890</b>	<b>431,849</b>	<b>990,859</b>

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Statement of changes in equity

For the year ended 31 March 2023

	Special projects reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 April 2022</b>	<b>50,120</b>	<b>508,890</b>	<b>(1,710,911)</b>	<b>(1,151,901)</b>
<b>Comprehensive income for the year</b>				
<b>(Loss) for the year</b>	-	-	<b>(43,249)</b>	<b>(43,249)</b>
	_____	_____	_____	_____
Pension scheme net actuarial gain	-	-	2,235,000	2,235,000
<b>Other comprehensive income for the year</b>	-	-	<b>2,235,000</b>	<b>2,235,000</b>
	_____	_____	_____	_____
<b>Total comprehensive income for the year</b>	-	-	<b>2,191,751</b>	<b>2,191,751</b>
Transfer between reserves	-	-	-	-
	_____	_____	_____	_____
<b>At 31 March 2023</b>	<b>50,120</b>	<b>508,890</b>	<b>480,840</b>	<b>1,039,850</b>

The notes on pages 18 to 34 form part of these financial statements.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## Notes forming part of the financial statements

For the year ended 31 March 2024

### 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***

The balance sheet as at 31 March 2024 reflects net assets of £990,859 (2023 - £1,039,850). With no pension liability the net asset position before pension adjustments remains at £990,859 (2023 - £1,039,850) of which £225,627 (2023 - £219,622) is held in cash and cash deposits. At 31 March 2024 net current assets stood at £49,455 (2023 - £111,929). Having considered the forecasts for 2024 and 2025 the directors are confident that the company has adequate reserves to cover its liabilities as they fall due over the 12 months from the date of this report and accordingly the accounts are prepared on the going concern basis.

#### ***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.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 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 - 12 years

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 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.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 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.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 1 Accounting policies (continued)

### **Government grants**

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.

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.



# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

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

- *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 £nil (2023 - £9,000).

## 4 Employees

The average number of persons (including executive directors) employed during the year was:	<b>2024</b>	2023
	<b>23</b>	26

## 5 Other finance income/(charges)

	<b>2024</b>	2023
	<b>£</b>	£
Expected return on pension scheme assets	<b>528,000</b>	323,000
Interest on pensions scheme liabilities	<b>(513,000)</b>	(382,000)
	<b>15,000</b>	(59,000)

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 6 Tangible fixed assets

	Investment Property	Land and buildings	Plant and machinery	Total
<i>Cost or valuation</i>				
At 1 April 2023	800,000	220,294	87,484	1,107,778
Additions	-	-	7,058	7,058
Disposals	-	-	(66,349)	(66,349)
At 31 March 2024	<b>800,000</b>	<b>220,294</b>	<b>28,193</b>	<b>1,048,487</b>
<i>Depreciation</i>				
At 1 April 2023	-	69,873	87,484	157,357
Provided for the year	-	2,987	588	3,575
Disposals	-	-	(66,349)	(66,349)
At 31 March 2024	-	<b>72,860</b>	<b>21,723</b>	<b>94,583</b>
<i>Net book value</i>				
At 31 March 2024	<b>800,000</b>	<b>147,434</b>	<b>6,470</b>	<b>953,904</b>
At 31 March 2023	800,000	150,421	-	950,421

Included within land and buildings is £102,222 (2023 - £102,222) for land upon which no depreciation has been provided.

### Investment properties

The investment property is valued at fair value. The last independent valuation was undertaken in 2022 in accordance with the Institution of Chartered Surveyors' Appraisal and Valuation Manual.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

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.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

<b>7 Debtors</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>76,801</b>	117,647
Other debtors	<b>37,969</b>	30,156
	<hr/>	<hr/>
	<b>114,770</b>	147,803
	<hr/> <hr/>	<hr/> <hr/>

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

<b>8 Creditors: amounts falling due within one year</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>73,948</b>	90,647
Taxation and social security	<b>20,380</b>	18,313
Borrowings	<b>10,833</b>	10,000
Other creditors	<b>209,439</b>	163,621
	<hr/>	<hr/>
	<b>314,600</b>	282,581
	<hr/> <hr/>	<hr/> <hr/>

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

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 9 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Borrowings	12,500	22,500
	<hr/>	<hr/>
	12,500	22,500

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 2024 company contributions of £1,746 were outstanding in respect of defined benefit schemes and included within creditors (2023 - £2,169). At the same date company contributions of £1,525 were outstanding in respect of the defined contribution scheme (2023 - £nil).

The last full actuarial assessments of both local authority funds were carried out by qualified independent actuaries at 31 March 2022.

At 31 March 2022 the market value of the company's share of assets within the Hampshire County Council scheme was equivalent to a funding level of 107.1%. Under the circumstances the company, on actuarial advice, is paying a contribution rate of 21.8% for the years ending 31 March 2024, 31 March 2025 and 31 March 2026. From 1 April 2014 the employees are paying between 5.5% and 12.5%.

At 31 March 2022 the market value of the company's share of assets with the Kent County Council scheme was equivalent to a funding level of 110.1%. Under the circumstances the company, on actuarial advice, and following negotiation, is paying a contribution rate of 18.0%

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 10 Pensions (continued)

(2020-2023 30.3%) for the years ending 31 March 2024, 31 March 2025 and 31 March 2026. 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 2025. The results will be available by 31 March 2026.

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 2024. 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.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

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

	2024	2023
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year	<b>(11,012,000)</b>	(14,221,000)
Current service cost	<b>(14,000)</b>	(40,000)
Interest cost	<b>(513,000)</b>	(382,000)
Benefits paid	<b>684,000</b>	537,000
Actuarial (losses)/gains	<b>(264,000)</b>	3,099,000
Contributions by participants	<b>(5,000)</b>	(5,000)
	<hr/>	<hr/>
At the end of the year	<b>(11,124,000)</b>	(11,012,000)
	<hr/>	<hr/>
	2024	2023
<i>Composition of plan liabilities</i>		
Schemes wholly or partly funded	<b>(11,124,000)</b>	(10,012,000)
	<hr/>	<hr/>

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

	2024	2023
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year	<b>11,325,000</b>	12,065,000
Interest income on plan assets	<b>528,000</b>	323,000
Actuarial gains/(losses)	<b>226,000</b>	(551,000)
Cash contribution	<b>16,000</b>	22,000
Benefits paid	<b>(684,000)</b>	(537,000)
Administration expenses	<b>(4,000)</b>	(2,000)
Contributions by participants	<b>5,000</b>	5,000
	_____	_____
At the end of the year	<b>11,452,000</b>	11,325,000
	=====	=====
Fair value of plan assets	<b>11,452,000</b>	11,325,000
Present value of plan liabilities	<b>(11,124,000)</b>	(11,012,000)
	_____	_____
Net pension scheme	<b>328,000</b>	313,000
Net pension scheme (liability)	-	-
	_____	=====
<i>Amounts recognised in the profit and loss amount are as follows;</i>		
<i>Included in administrative expenses</i>		
Current service cost	<b>14,000</b>	40,000
<i>Amounts included in other finance costs</i>		
Net interest (credit)/cost	<b>(15,000)</b>	59,000



# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

	2024	2023
<i>Analysis of actuarial (loss)/gain recognised in Other Comprehensive Income</i>	£	£
Actual return less interest income included in net interest income	<b>266,000</b>	16,000
Experience gains and losses arising on the scheme liabilities	<b>(294,000)</b>	(588,000)
Changes in assumptions underlying the present value of the scheme liabilities	<b>15,000</b>	2,807,000
	<hr/>	<hr/>
	<b>(13,000)</b>	2,235,000
	<hr/> <hr/>	<hr/> <hr/>
	<b>2024</b>	2023
<i>Composition of plan assets</i>	£	£
Equities	<b>6,415,000</b>	6,775,000
Bonds	<b>3,618,000</b>	1,770,000
Property	<b>879,000</b>	896,000
Other	<b>540,000</b>	1,883,000
	<hr/>	<hr/>
	<b>11,452,000</b>	11,325,000
	<hr/> <hr/>	<hr/> <hr/>
	<b>2024</b>	2023
	£	£
<i>Actual return on plan assets</i>	<b>794,000</b>	(228,000)
	<hr/> <hr/>	<hr/> <hr/>

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

	<b>Hampshire</b>		<b>Kent</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<i>Principal actuarial assumptions used at the balance sheet date</i>				
Discount rates	4.80	4.80	4.85	4.80
Future salary increases	2.80	2.70	3.00	2.95
Future pension increases	2.80	2.70	3.00	2.95
<i>Inflation assumption</i>				
CPI	2.80	2.70	3.00	2.95

	<b>Hampshire</b>		<b>Kent</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
<i>Mortality rates:</i>				
- for a male aged 65 now	22.1	23.3	20.8	21.1
- at 65 for a male member aged 45 now	22.6	23.8	22.0	22.3
- for a female aged 65 now	24.7	25.7	23.3	23.5
- at 65 for a female member aged 45 now	25.7	26.7	24.7	25.0

The company is responsible for the liabilities of the pension scheme but has no right to any assets held in the scheme in excess of plan liabilities. Therefore, where there are net pension scheme assets the value carried to the balance sheet is £nil.

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 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 Other Financial Commitments

### Operating Lease Commitments – Office equipment

At 31 March 2024 the company had annual commitments under non-cancellable operating leases for office equipment as follows:

	<b>2024</b>	2023
	<b>£</b>	£
In less than one year	-	-
In two to five years	<b>1,540</b>	1,540
In more than five years	<b>447</b>	447
	<hr/> <b>1,987</b>	<hr/> 1,987

At the balance sheet date, the company had future commitments under operating leases totalling £8,385 (2023:£10,261)

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

## 13 Related party disclosures

In the normal course of its activities the company enters into commercial transactions with several of its nonexecutive 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 the Tourism Management Institute (TMI) and 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.

TMI is a related party by virtue of F Downton and A Bateman's directorships of that company and The Southern and South East England Tourist Board. TSE provides management and accounting services to TMI, whose principal activity is that of operating a membership organisation for those involved in managing tourism in specific geographical locations for the benefit of their businesses and residential communities.

The company received income from TMI totalling £32,961 during the year (2023 - £22,138) and made purchases of £85 (2023 - £6,719). At the balance sheet date the amount owed to the company by TMI was £1,533 (2023 - £nil) and the amount owed to TMI was £nil (2023 - £nil).

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

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 £450 during the year (2023 - £450) and made purchases of £2,635 (2023 - £3,105). At the balance sheet date the amount owed to the company by WEL was £450 (2023 - £450) and the amount owed to WEL was £22,179 (2023 - £20,757).

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

## 14 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

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