

COMPANY REGISTRATION NUMBER 2896762

**YORKSHIRE TOURIST BOARD
FINANCIAL STATEMENTS
FOR
31 MARCH 2008**

YORKSHIRE TOURIST BOARD

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

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YORKSHIRE TOURIST BOARD

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J Donovan CBE Chairman (Resigned 31 03 08)
C Morrow Chairman (Appointed 01 04 08)

Executive Directors

D Andrews
P Render
J Royle

Non-Executive Directors

E Bedford OBE
C Brown
Sir T Ingilby Bt
Z Karim (Appointed 01 08 07)
C Les
N Pakey
C Pilling
R Salmon
Prof R Thomas
B Woroncow OBE

Company secretary

Z Wilde

Registered office

312 Tadcaster Road
York YO24 1GS

Auditor

Barron & Barron
Chartered Accountants
& Registered Auditors
Bathurst House
86 Micklegate
York
YO1 6LQ

Bankers

Barclays
193 High Street
Northallerton
DL7 8LF

YORKSHIRE TOURIST BOARD

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2008

The directors present their report and the financial statements of the company for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the promotion of tourism in the region.

Review of the Year

We have had a tremendously successful year. Our primary activity continued to be marketing the region as a premier visitor destination and we received more than £3.7 million (2007: £5.5 million) in grant funding from Yorkshire Forward to attract tourists to Yorkshire. This included continued investment in the "Make Yorkshire yours" awareness campaign, funding for International marketing, principally the Northern Way £0.5 million (2007:£1.0 million) and investment in Inbound Routes and investment in business tourism.

Our marketing campaigns have been a notable success with some impressive results. Based on external market research, our Make Yorkshire yours campaign generated £42.9 million of visitor expenditure in the region, a conversion rate of 54% and a Return on Investment of 15:1. The new Inbound Route from Düsseldorf has been very successful in attracting visitors from Germany and we are working in partnership with a number of operators to develop and support additional Inbound Routes into the region.

The funding from Yorkshire Forward also included the final payments in respect of the International Indian Film Awards (IIFA) £0.2 million (2007: £2.1 million) event which took place in June 2007. The IIFA Weekend was heralded as a tremendous success showcasing Yorkshire across the world. The region has received further excellent coverage at this year's event which was held in Bangkok where everyone was talking about Yorkshire-Love at First Sight.

Financial and Non Financial Key Performance Indicators and Measures

The Company is a Not for Profit Organisation. As a result of the structural changes in the industry, funding of the business is primarily by grants, based on contracts with Yorkshire Forward.

As a Not for Profit Organisation, the Finance Key Performance Indicators include achieving a rolling break even income and expenditure account, Net Current Assets and Net Assets in the balance sheet and positive cash flows.

The accounts for the current year show a surplus of £180,000. At 31 March 2008, Net Current Assets amounted to £878,000 (2007: £617,000) and Net Assets £440,000 (2007:£758,000). This has been achieved through a culture of continuous improvement in financial management of both costs and cash resources, taking advantage of the benefits of the latest technology and supporting our drive on sustainability.

The reduced Net Asset position as at 31 March 2008 (compared with March 2007) mainly reflects the significant increase in the value of the pension scheme liabilities as at 31 March 2008. This was due to lower than expected investment performance of the scheme and changes in mortality assumptions. A detailed Actuarial Valuation and review of the pension scheme was completed during the year. Following this review, in accordance with the recommendations of the Actuary, employer contributions to the scheme were increased to 18.3% with effect from 1 April 2008.

YORKSHIRE TOURIST BOARD

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

Cash balances at the 31 March 2008 continue to be adequate to support our needs. The fall in cash balances reflects the impact of the funding of the Northern Way contract in 2007. Due to the different nature of this contract, cash funding was provided in advance of the work being undertaken. The liabilities in relation to the delivery of the contract were included as creditors in last year's accounts and payments to suppliers are included in this year's cash flow.

Our contracts with Yorkshire Forward include a number of Non Financial Performance Measures (outputs and outcomes) including obtaining financial contributions from the private sector, achieving specified levels of response and conversion rates and return on investment from our marketing activity.

I am pleased to report that we have again fully utilised the grant funding within our control and achieved all Key Performance Measures, both Financial and Non Financial, in the year.

Looking ahead

During the year Yorkshire Forward carried out a review of the effectiveness of the structures to consider the next stage of development of the industry. A new contract is in place for the current year providing funding of £4.3 million as we work towards a collective long term vision for the industry that maximises the benefits of investment by Yorkshire Forward and other stakeholders in our industry. This year will be one of development and transition whilst continuing our focus on the creation of economic value for tourism in the region

We are firmly committed to working closely with Yorkshire Forward and the Area Tourism Partnerships as we collectively go forward to exceed the 5% growth target for tourism in Yorkshire.

RESULTS

The profit for the year, after taxation, amounted to £180,064. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 17 to the accounts.

DIRECTORS

The fixed 3 year term for the Chairman finished at the end of the year. The Board is very grateful for the leadership and effort that Judith Donovan provided and the results of the company highlight the success of her tenure.

The directors who served the company during the year and up to the date of this report are listed on page 1.

The Board is a company limited by guarantee and the directors, as members, derive no benefit, income or capital interest in the Board's financial affairs.

YORKSHIRE TOURIST BOARD

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit 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 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint Barron & Barron as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors

D Andrews
Director

Approved by the directors on 31 July 2008

YORKSHIRE TOURIST BOARD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE TOURIST BOARD

YEAR ENDED 31 MARCH 2008

We have audited the financial statements of Yorkshire Tourist Board for the year ended 31 March 2008, which have been prepared on the basis of the accounting policies set out on pages 11 to 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

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

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

YORKSHIRE TOURIST BOARD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE TOURIST BOARD *(continued)*

YEAR ENDED 31 MARCH 2008

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Bathurst House
86 Micklegate
York
YO1 6LQ

31 July 2008

BARRON & BARRON
Chartered Accountants
& Registered Auditors

YORKSHIRE TOURIST BOARD
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2008

	Note	2008 £	2007 £
TURNOVER	2	1,704,964	1,612,878
Other operating income	3	4,392,478	6,081,282
		<u>6,097,442</u>	<u>7,694,160</u>
OPERATING COSTS:			
Staff costs	4	1,198,427	1,233,450
Depreciation written off fixed assets	5	7,349	12,571
Other operating charges	7	4,758,557	6,413,318
		<u>6,064,333</u>	<u>7,659,339</u>
OPERATING SURPLUS	5	133,109	34,821
Interest receivable		68,931	52,974
Interest payable and similar charges	8	(8,720)	(35,900)
		<u>193,320</u>	<u>51,895</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		193,320	51,895
Tax on surplus on ordinary activities	9	13,256	10,605
		<u>180,064</u>	<u>41,290</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION, BEING RETAINED SURPLUS FOR THE FINANCIAL YEAR		£180,064	£41,290
Balance brought forward		150,380	(235,910)
Actuarial gain/(loss) in respect of defined benefit pension scheme		(441,000)	345,000
		<u>£(110,556)</u>	<u>£150,380</u>
Balance carried forward		<u>£(110,556)</u>	<u>£150,380</u>

All of the activities of the company are classed as continuing.

The notes on pages 11 to 23 form part of these financial statements.

YORKSHIRE TOURIST BOARD

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MARCH 2008

	2008 £	2007 £
Surplus for the financial year attributable to the members	180,064	41,290
Unrealised (loss)/profit on revaluation of certain fixed assets	<u>(57,500)</u>	<u>350,000</u>
	122,564	391,290
Actuarial gain/(loss) in respect of defined benefit pension scheme	<u>(441,000)</u>	<u>345,000</u>
Total gains and losses recognised since the last annual report	<u>£(318,436)</u>	<u>£736,290</u>

The notes on pages 11 to 23 form part of these financial statements.

YORKSHIRE TOURIST BOARD

BALANCE SHEET

31 MARCH 2008

		2008		2007	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	10		1,096,212		1,161,061
Investments	11		110		110
			<u>1,096,322</u>		<u>1,161,171</u>
CURRENT ASSETS					
Stocks	12	20,690		21,001	
Debtors	13	777,292		719,170	
Cash at bank		962,706		1,634,238	
		<u>1,760,688</u>		<u>2,374,409</u>	
CREDITORS: Amounts falling due within one year	14	(881,997)		(1,756,452)	
NET CURRENT ASSETS			878,691		617,957
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,975,013</u>		<u>1,779,128</u>
CREDITORS: Amounts falling due after more than one year	15		–		(3,679)
NET ASSETS EXCLUDING PENSION LIABILITY			£1,975,013		£1,775,449
Defined benefit pension scheme liability	18	(1,535,000)		(1,017,000)	
NET ASSETS INCLUDING PENSION LIABILITY			<u>£440,013</u>		<u>£758,449</u>
RESERVES					
Revaluation reserve	22		550,569		608,069
Income and expenditure account			(110,556)		150,380
MEMBERS' FUNDS			<u>£440,013</u>		<u>£758,449</u>

These financial statements were approved by the directors and authorised for issue on 31 July 2008, and are signed on their behalf by:

C Morrow
Chairman

Sir T Ingilby Bt
Director

The notes on pages 11 to 23 form part of these financial statements.

YORKSHIRE TOURIST BOARD

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2008

	Note	2008		2007	
		£	£	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	23		(723,907)		1,055,739
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23		68,211		48,318
TAXATION	23		(10,068)		(15,044)
			_____		_____
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(665,764)		1,089,013
FINANCING	23		(5,768)		(237,900)
			_____		_____
(DECREASE)/INCREASE IN CASH	23		<u>£(671,532)</u>		<u>£851,113</u>

The notes on pages 11 to 23 form part of these financial statements.

YORKSHIRE TOURIST BOARD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and financial instruments.

Turnover

Turnover represents the amounts derived from the ordinary activities of the company and is stated after the deduction of value added tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment - 5 & 3 years straight line

No depreciation is charged on Freehold Buildings on the grounds that it would be immaterial as the estimated residual value is not materially different from the carrying amount and an impairment review is carried out each year.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

YORKSHIRE TOURIST BOARD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

Pension costs and other post-retirement benefits

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using a discount rate of 5.4%.

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet.

Financial instruments

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at the amounts payable at the year end.

YORKSHIRE TOURIST BOARD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

2. TURNOVER

The turnover derives from the company's commercial activities associated with the promotion of tourism throughout the county of Yorkshire and the North of England as follows:-

	2008	2007
	£	£
Marketing	1,696,883	1,609,623
Miscellaneous	8,081	3,255
	<u>£1,704,964</u>	<u>£1,612,878</u>

3. OTHER OPERATING INCOME

	2008	2007
	£	£
Membership	272,909	234,558
Local Authorities	274,063	292,225
Other grants	55,586	-
Yorkshire Forward	3,789,920	5,554,499
	<u>4,392,478</u>	<u>6,081,282</u>

Other operating income derives from membership subscriptions and grants.

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2008	2007
	No	No
312 Tadcaster Road	33	33
England's North Country	5	5
	<u>38</u>	<u>38</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	959,572	1,009,478
Social security costs	77,160	84,469
Other pension costs	161,695	139,503
	<u>1,198,427</u>	<u>1,233,450</u>

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (see note 8) and amounts recognised in the statement of recognised gains and losses.

YORKSHIRE TOURIST BOARD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

5. OPERATING SURPLUS

Operating surplus is stated after charging:

	2008	2007
	£	£
Depreciation of owned fixed assets	1,816	7,038
Depreciation of assets held under finance lease agreements	5,533	5,533
Auditor's remuneration		
- as auditor	5,700	5,450
- for other services	5,225	3,535
Operating lease costs:		
Plant and equipment	<u>23,990</u>	<u>28,299</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	247,013	183,827
Value of company pension contributions to money purchase schemes	22,834	18,906
	<u>269,847</u>	<u>202,733</u>

Emoluments of highest paid director:

	2008	2007
	£	£
Total emoluments (excluding pension contributions)	<u>90,120</u>	<u>84,664</u>

Benefits are accruing under a defined benefits pension scheme and, at the year end the accrued pension amounted to £9,402 (2007 - £7,969).

The number of directors who accrued benefits under company pension schemes was as follows:

	2008	2007
	No	No
Defined benefit schemes	<u>3</u>	<u>3</u>

YORKSHIRE TOURIST BOARD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

7. OTHER OPERATING CHARGES

	2008	2007
	£	£
Marketing	5,240,306	6,989,445
Miscellaneous	716,678	657,323
	<u>5,956,984</u>	<u>7,646,768</u>
Less: Staff costs (note 4)	(1,198,427)	(1,233,450)
	<u>£4,758,557</u>	<u>£6,413,318</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	–	11,944
Finance charges	720	1,411
Other similar charges payable	8,000	22,545
	<u>8,720</u>	<u>35,900</u>

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2007 - 19%)	13,786	10,595
(Over)/under provision in prior year	(530)	10
Total current tax	<u>13,256</u>	<u>10,605</u>

The corporation tax charge is based on the taxable interest received.

(b) Factors affecting current tax charge

The tax assessed on the surplus on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2007 - 19%).

	2008	2007
	£	£
Surplus on ordinary activities before taxation	<u>193,320</u>	<u>51,895</u>
Surplus on ordinary activities by rate of tax	38,664	9,860
Non taxable trading	(24,878)	735
(Over)/under provision in prior year	(530)	10
Total current tax (note 9(a))	<u>13,256</u>	<u>10,605</u>

YORKSHIRE TOURIST BOARD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

10. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Office Equipment £	Total £
COST OR VALUATION			
At 1 April 2007	1,150,000	50,488	1,200,488
Revaluation	(57,500)	–	(57,500)
At 31 March 2008	<u>1,092,500</u>	<u>50,488</u>	<u>1,142,988</u>
DEPRECIATION			
At 1 April 2007	–	39,427	39,427
Charge for the year	–	7,349	7,349
At 31 March 2008	<u>–</u>	<u>46,776</u>	<u>46,776</u>
NET BOOK VALUE			
At 31 March 2008	<u>1,092,500</u>	<u>3,712</u>	<u>1,096,212</u>
At 31 March 2007	<u>1,150,000</u>	<u>11,061</u>	<u>1,161,061</u>

The property was revalued on 7 July 2008 by Chris Clubley & Co., Chartered Surveyors. The revaluation is based on the property's existing use value.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2008 £	2007 £
Net book value at end of year	<u>1,092,500</u>	<u>1,150,000</u>
Historical cost	<u>559,850</u>	<u>559,850</u>
Depreciation:		
At 1 April 2007	58,708	–
Aggregate depreciation on assets revalued in year	–	50,511
Charge for year	8,197	8,197
At 31 March 2008	<u>66,905</u>	<u>58,708</u>
Net historical cost value:		
At 31 March 2008	<u>492,945</u>	<u>501,142</u>
At 1 April 2007	<u>501,142</u>	<u>559,850</u>

Finance lease agreements

Included within the net book value of £1,096,212 is £3,229 (2007 - £8,762) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £5,533 (2007 - £5,533).

YORKSHIRE TOURIST BOARD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

11. INVESTMENTS

	Private Companies £
COST	
At 1 April 2007 and 31 March 2008	<u>50,160</u>
AMOUNTS WRITTEN OFF	
At 1 April 2007 and 31 March 2008	<u>50,050</u>
NET BOOK VALUE	
At 31 March 2008	<u>110</u>
At 31 March 2007	<u>110</u>

12. STOCKS

	2008 £	2007 £
Goods for resale	<u>20,690</u>	<u>21,001</u>

13. DEBTORS

	2008 £	2007 £
Trade debtors	164,575	179,426
Other debtors	76,235	237
Prepayments and accrued income	536,482	539,507
	<u>777,292</u>	<u>719,170</u>

14. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	711,645	1,421,084
Corporation tax	13,783	10,595
PAYE and social security	29,089	23,647
VAT	24,570	-
Finance lease agreements	3,679	5,768
Accruals and deferred income	99,231	295,358
	<u>881,997</u>	<u>1,756,452</u>

15. CREDITORS: Amounts falling due after more than one year

	2008 £	2007 £
Finance lease agreements	<u>-</u>	<u>3,679</u>

YORKSHIRE TOURIST BOARD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

16. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2008	2007
	£	£
Amounts payable within 1 year	3,679	5,768
Amounts payable between 1 and 2 years	-	3,679
	<u>3,679</u>	<u>9,447</u>

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

The company monitors credit risk closely and considers that its current policy meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

18. PENSION COMMITMENTS

The Company participates in the Local Government Pension Scheme, administered by North Yorkshire County Council. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary.

Following the requirements of FRS17 the detailed information provided by the Actuary and repeated below is mandatory. In summary the actuarial information indicates that there was a deficit in the Pension Fund at 31 March 2008 of £1,535,000 which is being addressed by increased company contributions in the future.

YORKSHIRE TOURIST BOARD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

18. PENSION COMMITMENTS *(continued)*

	2008 %	2007 %	2006 %
Rate of increase in salaries	5.0	5.0	4.7
Rate of increase in pensions in payment	4.0	3.0	2.9
Discount rate	6.1	5.4	4.9
Inflation assumption	3.6	3.1	2.9

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting surplus/(deficit) are:

	2008	2007	2006			
	Long-term rate of return expected %	Value £	Long-term rate of return expected %	Value £	Long-term rate of return expected %	Value £
Equities	7.5	2,758,000	7.5	3,077,000	7.0	2,848,000
Bonds	6.1	826,000	5.4	879,000	4.9	819,000
Property	–	–	6.5	–	6.0	–
Others	7.5	201,000	5.0	40,000	4.5	129,000
Total market value of assets		3,785,000		3,996,000		3,796,000
Present value of scheme liabilities		(5,320,000)		(5,013,000)		(5,079,000)
Net pension liability		<u>(1,535,000)</u>		<u>(1,017,000)</u>		<u>(1,283,000)</u>

An analysis of the movements in surplus/(deficit) during the year are shown below:

	2008 £	2007 £
At 1 April	(1,017,000)	(1,283,000)
Total operating charge	(161,000)	(153,000)
Total other finance costs	(8,000)	(22,000)
Actuarial (loss)/gain	(441,000)	345,000
Contributions	92,000	96,000
At 31 March	<u>(1,535,000)</u>	<u>(1,017,000)</u>

The Company's contribution rate over the accounting period was 188% of members' contributions. The contribution rates are to be increased to 305% by 2009 in order to make up the deficit in accordance with the recommendations of the actuary.

YORKSHIRE TOURIST BOARD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

18. PENSION COMMITMENTS *(continued)*

An analysis of the defined benefit cost follows:

Analysis of the amount charged to operating profit:

	2008	2007
	£	£
Current service cost	(134,000)	(144,000)
Past service costs	(27,000)	(9,000)
Total operating charge	<u>(161,000)</u>	<u>(153,000)</u>

Analysis of the amount charged to finance costs:

	31 March	31 March
	2008	2007
	£	£
Expected return on pension scheme assets	265,000	227,000
Interest on pension scheme liabilities	(273,000)	(249,000)
Total finance costs	<u>(8,000)</u>	<u>(22,000)</u>

Analysis of the amount recognised in statement of total recognised gains and losses:

	31 March	31 March
	2008	2007
	£	£
Actual return less expected return on pension scheme assets	(507,000)	18,000
Experience gains/(losses) arising on scheme liabilities	302,000	—
Gain/(loss) arising from changes in assumptions underlying the present value of scheme liabilities	(236,000)	327,000
Actuarial (losses)/gains	<u>(441,000)</u>	<u>345,000</u>

YORKSHIRE TOURIST BOARD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

18. PENSION COMMITMENTS *(continued)*

A history of experience gains and losses is shown below:

	2008	2007	2006	2005	2004
Difference between the expected and actual return on scheme assets:					
- amount (£)	(507,000)	18,000	578,000	91,000	–
- % of scheme assets	(13)	–	15	3	–
Experience gains/(losses) on scheme liabilities:					
- amount (£)	302,000	–	(100,000)	(125,000)	–
- % of the present value of scheme liabilities	6	–	(2)	(3)	–
Total amount recognised in statement of total recognised gains and losses:					
- amount (£)	(441,000)	345,000	(30,000)	(211,000)	–
- % of the present value of scheme liabilities	(8)	7	(1)	(5)	–

19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2008	2007
	£	£
Operating leases which expire:		
Within 1 year	7,378	6,851
Within 2 to 5 years	4,282	19,199
	<u>11,660</u>	<u>26,050</u>

20. RELATED PARTY TRANSACTIONS

During the year, £3,230 was paid and at 31 March 2008 £6,057 was payable by Yorkshire Tourist Board to 2Morrow Media for consultancy services provided by Ms C Morrow who is a Director.

YORKSHIRE TOURIST BOARD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

21. COMPANY LIMITED BY GUARANTEE

The company, being limited by guarantee, has no share capital. Every member is liable to contribute a sum not exceeding £1 in the event of the company being wound up whilst still a member or within one year thereafter. The members are not entitled to any distribution of the income or property of the company and, in the unlikely event of the winding up or dissolution of the company, any surplus remaining shall be transferred to some other institution having objectives similar to those of the company.

22. REVALUATION RESERVE

	2008	2007
	£	£
Balance brought forward	608,069	258,069
Revaluation of fixed assets	(57,500)	350,000
Balance carried forward	<u>550,569</u>	<u>608,069</u>

23. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2008	2007
	£	£
Operating surplus	133,109	34,821
Depreciation	7,349	12,571
Decrease in stocks	311	529
Increase in debtors	(58,122)	(1,130)
(Decrease)/increase in creditors	(875,554)	951,948
Provision for service cost of defined benefit pension scheme	161,000	153,000
Defined benefit pension scheme contributions paid	(92,000)	(96,000)
Net cash (outflow)/inflow from operating activities	<u>£(723,907)</u>	<u>£1,055,739</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2008	2007
	£	£
Interest received	68,931	62,218
Interest paid	–	(12,489)
Interest element of finance leases	(720)	(1,411)
Net cash inflow from returns on investments and servicing of finance	<u>68,211</u>	<u>48,318</u>

TAXATION

	2008	2007
	£	£
Taxation	<u>(10,068)</u>	<u>(15,044)</u>

YORKSHIRE TOURIST BOARD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

23. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

FINANCING

	2008	2007
	£	£
Repayment of bank loans	–	(232,823)
Capital element of finance leases	(5,768)	(5,077)
Net cash outflow from financing	<u>(5,768)</u>	<u>(237,900)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008	2007
	£	£
(Decrease)/increase in cash in the period	(671,532)	851,113
Net cash outflow from bank loans	–	232,823
Cash outflow in respect of finance leases	5,768	5,077
Change in net funds	<u>(665,764)</u>	<u>1,089,013</u>
Net funds at 1 April 2007	<u>1,624,791</u>	<u>535,778</u>
Net funds at 31 March 2008	<u>£959,027</u>	<u>£1,624,791</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At	Cash flows	At
	1 Apr 2007		31 Mar 2008
	£	£	£
Net cash:			
Cash in hand and at bank	1,634,238	(671,532)	962,706
Debt:			
Finance lease agreements	(9,447)	5,768	(3,679)
Net funds	<u>£1,624,791</u>	<u>£(665,764)</u>	<u>£959,027</u>