

TourismAlliance



Annual Report **2007**

Priorities

Removing Barriers

There is a range of fiscal and regulatory barriers that increase the cost of doing business and reduce the competitiveness of the UK as a destination. These barriers include imposed regulation that adds little to consumer protection and a taxation regime whereby tourists in the UK pay 50% more tax on products and services than they do on the same products and services purchased in continental Europe.

Improving Quality

For tourism to prosper, businesses must provide the high quality visitor experience that consumers want, at a price they are prepared to pay. The tourism industry requires Government to take a proactive approach to planning and regulation that fosters enterprise and investment in new and innovative products, while ensuring appropriate environmental protection.

Developing Skills

One of the greatest challenges facing the tourism industry is gaining and retaining skilled staff. Staff turnover within the industry is high, especially at junior levels and, with a shortage of skilled and qualified staff, recruitment can be difficult. Further Government initiatives that promote learning and utilising the skills and creativity of everyone in society are crucial to a globally competitive tourism industry.

Increasing Investment

There is a need for increased Government investment in areas such as marketing and the provision of high quality statistical information essential for investment decisions within the industry. Policies are also required that encourage tourism businesses to invest in the UK's historic and cultural assets so that they are preserved and continually improved as a driver for both inbound and domestic tourism.



Chairman's Report

While there have been significant achievements there are also considerable challenges ahead.

The last year has seen intense activity by the Tourism Alliance to try to defend the interests of the tourism sector against a largely indifferent and occasionally (unintentionally) hostile government.

On the positive side, the highly successful first British Tourism Week 2007 raised the profile of the sector with a series of events to engage MPs. These ranged from an official launch by HRH the Prince of Wales at the Tower of London, through the Tourism Alliance's parliamentary reception, to tourism businesses throughout the country challenging MPs to visit them and discover the value of tourism to their constituency. By the end of the week over 100 MPs (about 15% of the House) had attended BTW events, a considerable achievement on which we aim to build next year.

In terms of parliamentary lobbying, the Tourism Alliance was particularly active. A programme of monthly breakfast meetings with Ministers and senior MPs was introduced, with guests including Financial Secretary to the Treasury John Healey, Local Government Minister Phil Woolas, CMS Select Committee Chairman John Whittingdale, Tourism Minister Shaun Woodward, Immigration Minister Liam Byrne, Health Minister Caroline Flint, and both Conservative and Liberal Democrat shadow tourism ministers. These breakfast discussions are particularly appreciated by members, giving an opportunity to raise points and questions for follow-up direct.

In addition, numerous submissions were made to government, including evidence to the Lyons Inquiry on local government funding, the Elton Inquiry on licensing fees, the Home Office consultation on visa charges, the DCLG consultation on planning gain supplement, and the CMS Select Committee inquiries on the Olympics and tourism. The latter is a substantial piece of sustained analysis and argument which sets out the economic case for tourism and forms the basis of the Manifesto which we shall be discussing at the AGM this year.

Media and communications activity also increased with fortnightly columns being

written for two industry publications. The Alliance has not been afraid to be critical of the Government when we have felt that is merited, and robust press releases were issued on subjects such as the (non)development of the tourism strategy for the Olympics, redundancies at VisitBritain and the decline in effective Government support for tourism promotion, and the proposed 'bed tax'. These releases were picked up by national media including the Financial Times and have contributed to raising the sector's public profile.

This policy and communications work resulted in some significant successes. The greatest achievement was probably in regard to the Lyons Inquiry. Although the final report contained a recommendation that the Government should explore the possibility of introducing a bed tax as an additional source of local authority funding, no sooner had the report been released than Department of Communities and Local Government Minister, Phil Woolas, issued a release that stated:

"we are not inclined to focus on this area. The Government does not intend to introduce a tourism tax."

Another significant breakthrough came in our dealings with UKvisas and the Home Office, who are now engaging with the industry on how to maximise tourism benefits while maintaining national security. One benefit of this engagement was in April, when the cost of a visitor visa increased by only 4% to £63 while work visas increased by 135% to £200 and the cost of a settlement visa increased by 92% to £500. The price of a UK visa is still in our view too high, and a disincentive to travel here rather than to competitor destinations, but at least a worse outcome has been avoided.

There are undeniably considerable challenges ahead. The Comprehensive Spending Review, due in December 2007, is unlikely to result in an increase in funding for tourism marketing over the next three years. There is also the imminent publication of the Government's tourism strategy for the 2012 Olympics. It is imperative that this strategy sets in

place the right structures and delivers adequate resourcing to ensure that the UK maximises the benefits associated with hosting the Games. We will be doing our best to ensure that this happens, even if that means that we rather than government have to take the lead.

Overall, the UK tourism sector remains buoyant, with increases in foreign visitor numbers and domestic spend. But viewed historically, the UK is steadily losing market share of a rapidly expanding global sector. We have to find ways to counter the perception that the UK is a mature and overpriced destination. This is why the Olympics and the concomitant focus on youth matters to our collective future.

Over the last year the Board of the Tourism Alliance has met regularly to discuss major issues and how to maximise the sector's leverage. I should like to thank all members of the Board for their commitment and contribution, and for constructive and occasionally robust debate on strategy and tactics.

In particular, I should like to thank Policy Director Kurt Janson for all his excellent work on the policy, lobbying and communications areas, the Treasurer, Stephen Dowd, for ensuring that the Tourism Alliance is now in a sound financial position, and Ros Pritchard and Bridgette Compton at BHHPA for acting as Company Secretary. And on behalf of all Tourism Alliance members, I should also like to thank Richard Lambert, Director-General of the CBI, for taking on the Presidency of the Tourism Alliance. We appreciate the close relationship we have with the CBI, and look forward to maintaining it.

Finally, I should like to wish my successor Ros Pritchard all the best for her year in office as Chairman.

Tony Mills
Chairman 2006-7

Tourism Alliance Financial Report

The Tourism Alliance Limited (Company Limited by Guarantee)
Income and Expenditure Account for the year ended 31 December 2006

	Notes	Year ended 31 December 2006 £	1 May 2005 to 31 December 2005 £
Income		78,235	
Administrative expenses		(60,679)	
Surplus on ordinary activities before taxation		17,556	
Tax on surplus on ordinary activities	2	–	
Retained surplus for the financial year	6	17,556	

The Tourism Alliance Limited (Company Limited by Guarantee)
Balance Sheet as at 31 December 2006

	Notes	31 December 2006 £	31 December 2005 £
Current assets			
Debtors	3	5,499	–
Cash at bank and in hand		21,741	–
		27,240	–
Creditors: amounts falling due within one year	4	(9,684)	–
Net current assets		17,556	
Net assets		17,556	
Capital and reserves	5		
Income and expenditure account	6	17,556	
		17,556	

No notice has been deposited under Section 249B(2) of the Act.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

S F Dowd Director
 Approved by the board on 29 June 2007

The Tourism Alliance Limited (Company Limited by Guarantee)**Notes to the Accounts** for the year ended 31 December 2006**1 Accounting policies**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents the net invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

	Year ended 31 December 2006 £	1 May 2005 to 31 December 2005 £
2 Taxation		
UK corporation tax	–	

	31 December 2006 £	31 December 2005 £
3 Debtors		
Trade debtors	1,663	
Other debtors	2,586	–
Prepayments	1,250	–
	5,499	–

	31 December 2006 £	31 December 2005 £
4 Creditors: amounts falling due within one year		
Trade creditors	8,484	–
Accruals	1,200	–
	9,684	–

5 Share capital

The Association is a company limited by guarantee having no issued share capital, the liability of each member is limited to £1 each in the event of winding up.

	31 December 2006 £	31 December 2005 £
6 Income and expenditure account		
At 1 January	–	–
Surplus for the year	17,556	–
At 31 December	17,556	–

7 Related party transactions

There were no related party transactions during the year, which are required to be reported under FRS8.

8 Controlling party

The company was wholly controlled by the directors during the year.

Tourism Alliance Financial Report *continued*

In accordance with the letter of engagement dated 23 March 2007, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise of an income and expenditure account, a balance sheet and the related notes, from the accounting records and information and explanations given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with the technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking and compilation of financial statements.

You have acknowledged on the Balance Sheet as at 31 December 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information or explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Sawin & Edwards

Chartered Accountants

15 Southampton Place
London WC1A 2AJ

29 June 2007

Tourism Alliance Members

Full Members

Association for Tourism in Higher Education
Association of British Travel Agents
Association of Leading Visitor Attractions
Association of Licensed Multiple Retailers
BACTA
British Association of Leisure Parks, Piers & Attractions
British Beer & Pub Association
British Educational Travel Association
British Hospitality Association
British Holiday & Home Parks Association
British Institute of Innkeeping
British Resorts and Destinations Association
Business In Sport and Leisure
Business Tourism Partnership
Camping and Caravanning Club
Confederation of British Industry
Confederation of Passenger Transport UK
Country Land and Business Association
Cumbria Tourist Board
Destination Performance UK
East of England Tourist Board
English Association of Self Catering Operators
English UK
European Tour Operators Association
Heart of England Tourist Board
Heritage Railway Association
Historic Houses Association
Historic Royal Palaces
Holiday Centres Association
National Caravan Council
National Trust
Outdoor Industries Association
South West Tourism
The Bed and Breakfast Association
The Caravan Club
The Tourism Society
Tourism for All
Tourism Management Institute
Tourism Network North East
Tourism South East
UKinbound
Visit London
Visitor Attractions Forum
Yorkshire Tourist Board

Associate Members

Local Government Association
SouthWest RDA
VisitBritain

TourismAlliance

the voice of tourism

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