

Company No 3260052
Registered Charity No 1064020

TOURISM CONCERN

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2012

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TOURISM CONCERN

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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TOURISM CONCERN

COMPANY INFORMATION

Incorporated as a Company Limited by Guarantee on 13 February 1995

Company Registration No 3260052
Registered Charity No 1064020

Directors and Board of Trustees

Chair Sarah Harrington

Vice Chair : Sarah Upfield

Treasurer Nicola Green (resigned 5th November 2011)

Directors : Michelle Ramsey
Stroma Cole (resigned 8th October 2011)
Ioannis Pantelidis
Claudette Fleming
Neville Linton
Jacqui Smith (resigned 8th October 2011)

Registered Office . Stapleton House
277-281 Holloway Road
London N7 9HN

Bankers The Co-operative Bank Plc
National Westminster Bank Plc

Independent Examiner . Anthony Epton
Goldwins
Chartered Accountants
75 Maygrove Road
London NW6 2EG

TOURISM CONCERN

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The trustees, who are also directors of the charitable company for the purposes of company law, submit their annual report and the financial statements of Tourism Concern for the year ended 31 March 2012. The trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities"

STRUCTURE, GOVERNANCE AND MANAGEMENT

Tourism Concern is a non-profit making membership organisation, registered as a charity in England and Wales and incorporated as a company limited by guarantee. It has a written constitution contained in its memorandum and articles of association. The management of the company is the responsibility of the trustees who are elected and co-opted under the terms of the Trust Deed. The trustees, known as Tourism Concern's Council, are elected by members at the Annual General Meeting (AGM), or may be co-opted during the year and elected at the subsequent AGM. The minimum number of trustees allowed is three, the maximum is nine. Tourism Concern's Council is its governing body and it meets approximately four times per year. Financial decisions are delegated to a Finance and Governance Committee, which refers decisions for ratification by the Council. New Council members are invited to apply according to the needs of the organisation, taking into account existing skills on the Board. Tourism Concern aims to have a diverse Council with a broad range of skills and experience including tourism, academia, finance, fundraising, human resources, communications, management and governance. The day to day management of the charity is delegated to the Executive Director.

PUBLIC BENEFIT

Tourism Concern's trustees have reviewed the Charity Commission guidance on public benefit and have prepared this report with that guidance in mind. The benefits provided by Tourism Concern clearly relate to its aims. No private benefits arise from its work. Those living in destinations all too often adversely affected by tourism benefit from the organisation's work to make sure that tourism is more equitably traded and also from working in partnership with Tourism Concern to help ensure that their views on tourism development are taken into account. This work is regularly undertaken together with often marginalised groups, such as those living in poverty or women. The holidaying public, the tourism industry, students in tourism related education and statutory bodies dealing with tourism benefit from its educational, advocacy and outreach activities.

OBJECTIVES AND ACTIVITIES

Our overarching objective is to ensure that tourism always benefits local people.

1 Influencing

We aim to change the way that tourism is traded and developed through collaborative work with industry, government, development and other human rights NGOs. We lobby government and challenge industry to be accountable, and expose serious abuses through our campaigns. Tourism

TOURISM CONCERN

Concern's voice has contributed to both the UN Marrakesh Process (a global process to support the elaboration of a 10-Year plan on sustainable consumption and production) and to the deliberations of the United Nations Conference on Trade and Development.

We also encourage holidaymakers to challenge their own perceptions about the cultures they visit and the real impact of their holiday. We provide tourists with information so that they can ask the right questions and make informed choices when booking their holidays. Our educational resources and publications are designed to influence critical thinking and stimulate ideas.

2 Supporting marginalised voices

We help people and communities in destination countries to get their voices heard in the UK media. We also help them to develop their own campaigning skills, through capacity building and working in partnership. Our campaigns are frequently developed around issues raised by people in destination countries.

3 Creating alternatives

We create approaches and tools to maximise tourism benefits to local communities. We develop tools to improve industry practice and work with community based tourism initiatives to strengthen and promote their operations.

ACHIEVEMENTS AND PERFORMANCE

We continued to work on a range of educational and awareness raising activities, developing our strategies and aims through rigorous research and consultation.

Tourism Concern has succeeded in getting tourism on to the agenda of the UK's CORE coalition that is working to ensure that the UK Government adopts the framework. This year we launched a new industry briefing aiming to foster engagement with the UN Guiding Principles on Business and Human Rights. This new policy framework has been approved by the UN General Assembly. It provides compelling clarification and guidance on the responsibility of businesses to respect human rights, and of States to protect them.

Throughout the year we have also substantively developed our WET campaign on water and equity in tourism. This year, we've partnered with Mwambo Coastal Community Network in Zanzibar, the Centre for Responsible Tourism in Goa, and Senghore Associates in The Gambia, to develop detailed case studies of how tourism influences community access to water and how the barriers to equitable water access can be overcome. Our findings have revealed 5-star hotels contaminating village wells with sewage, salination of groundwater due to over-extraction by industry, diversion of water from agriculture, and cases of desperate villagers tapping hotel pipelines because their own water supply is insufficient or too costly. Our WET Steering Group, which includes NGOs, think-tanks, academics and industry stakeholders, is helping us analyse research findings and develop recommendations for industry and governments. We are also working constructively with the UK tourism industry to ensure that holidaymakers will also take responsibility for their use of water whilst abroad.

Tourism Concern's Empowering Coastal Communities project is helping to build and strengthen networks of community based organisations in Southern India to effectively challenge unsustainable

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tourism development that is threatening their human rights. In January we launched a petition on the protection of the Jarawa and will be developing a code of conduct for tour operators working with indigenous people. Tricia Barnett stepped down after two decades as Director with Tourism Concern at the end of 2011 and Mark Watson joined as the new Director in January 2012.

Dr Stroma Cole stood down from the Council after serving as Chair for 7 years. The Council would like to place on record their thanks to Stroma for her enthusiasm, hard work and dedication to Tourism Concern. Jacqui Smith stood down from her role as Vice Chair. We also thank her for her substantial contribution during her time on the Council.

RESERVES POLICY AND RISK MANAGEMENT

The Trustees recognise that control and management of risks is of crucial importance in ensuring the organisation's future. The Trustees have deemed it prudent to have unrestricted funds (free reserves) held by the charity of at least three months of resources expended (including fixed salary costs), which equates to approximately £30,000.

TRUSTEES' RESPONSIBILITIES

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the company for that period.

In preparing those financial statements, the trustees have

- selected suitable accounting policies and apply them consistently;
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees have overall responsibility for ensuring that the company has an appropriate system of controls, financial or otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

This report was approved by the trustees on 13th September 2012 and signed on its behalf, by

Sarah Harrington

CHAIR

SARAH HARRINGTON

TOURISM CONCERN

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF TOURISM CONCERN

I report on the accounts of the company for the year ended 31 March 2012, which are set out on pages 6 to 12

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT


In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Anthony Epton BA FCA CTA FCIE
Goldwins
Chartered Accountants
75 Maygrove Road
London NW6 2EG

19 September 2012

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2012

	Note	Unrestricted Funds	Restricted Funds	2012 £	2011 £
Incoming resources					
Incoming resources from generated funds					
Donations		10,462	-	10,462	11,551
Donated services and facilities		24,000	-	24,000	23,000
Sale of Resources & Events		5,923	-	5,923	5,398
Investment Income		122	-	122	210
Incoming resources from charitable activities					
Grant receivable	2	21,425	155,520	176,945	181,912
Memberships		23,809	-	23,809	27,223
Research and activities		22,040	-	22,040	12,956
Ethical Tour Operators Group					
Subscriptions		5,975	-	5,975	5,475
Total incoming resources		113,756	155,520	269,276	267,725
Resources expended					
Fundraising	3	14,094	-	14,094	4,129
Charitable activities	3	114,990	176,873	291,863	225,273
Governance Costs	3	2,063	-	2,063	3,028
Total resources expended		131,147	176,873	308,020	232,430
Net movement in resources		(17,391)	(21,353)	(38,744)	35,295
Total funds brought forward		67,458	21,353	88,811	53,516
Total funds carried forward		50,067	-	50,067	88,811

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BALANCE SHEET AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
Fixed Assets	6		2,224		4,449
Current Assets					
Debtors	7	34,706		30,419	
Bank and Cash		<u>49,222</u>		<u>117,290</u>	
		<u>83,928</u>		<u>147,709</u>	
Current liabilities	8				
Creditors and accruals		36,085		43,347	
Deferred Income		<u>-</u>		<u>20,000</u>	
		<u>36,085</u>		<u>63,347</u>	
Net current assets			<u>47,843</u>		<u>84,362</u>
Total assets less current liabilities			<u>50,067</u>		<u>88,811</u>
Funds					
Restricted	9		-		21,353
Unrestricted			<u>50,067</u>		<u>67,458</u>
			<u>50,067</u>		<u>88,811</u>

The directors have

- (a) Taken advantage of the Companies Act 2006 in not having these accounts audited under Section 477,
- (b) confirmed that no notice has been deposited under Section 476 of the Companies Act 2006,
- (c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006,
- (d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its loss for the year then ended in accordance with the requirements of Sections 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Directors on 13th September 2012
and signed on its behalf by

Sarah Harrington

SARAH HARRINGTON

The notes on the following pages form part of these accounts

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. Accounting Policies

(a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities (the Charities SORP) and the Companies Act 2006

(b) Fund accounting

Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity

Restricted funds

Restricted funds are subject to restrictions on their expenditure imposed by the donor

(c) Recognition of income

Income is recognised on a receivable basis and is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy

Grants are recognised in the SOFA on an accruals basis following the satisfaction of any pre-conditions

Investment income is included when receivable

Donations are recognised in the accounts on a receivable basis. Gifts in kind are valued at their value to the charitable company

(d) Recognition of expenditure

Expenditure is recognised on an accruals basis with overheads being allocated to restricted and unrestricted funds on the basis of grants received

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements

(e) Fixed assets

Expenditure on repairs, renewals, fixtures and fittings, software and equipment which exceeds £200 is capitalised. Provision for depreciation of fixed assets and amortisation of capitalised production expenditure is made at annual rates calculated to spread the cost of each asset over its expected useful life. The depreciation rates currently in use are:

Office equipment 33% straight line

(g) Taxation

No provision for taxation is included in the accounts as the charitable company is entitled to exemption from tax afforded by Section 505 of the Income and Corporation Taxes Act 1988

(h) Cash flow

The charitable company qualifies as a small company and therefore in accordance with FRS1, no cashflow statement is required

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012 **(Cont)**

			2012	2011
	Unrestricted	Restricted	Total	Total
	£	£	£	£
2 Grants receivable				
DFID Civil Society Challenge Fund	-	105,170	105,170	69,976
Joffe Charitable Trust	-	20,350	20,350	40,600
CAFOD	6,500	-	6,500	8,375
Educational and General Charitable Trust	2,000	-	2,000	2,000
Margaret Hayman Charitable Trust	10,000	-	10,000	10,000
Souter Charitable Trust	-	-	-	3,000
Cotton Trust	-	-	-	500
Evan Cornish Foundation	-	-	-	10,000
The Bower Trust	-	-	-	500
Roddick Foundation	-	-	-	20,000
The Travel Foundation	-	10,000	10,000	6,897
Network for Social Change	-	-	-	5,564
George Cadbury Fund	-	-	-	2,500
The Morel Trust	-	-	-	2,000
EWV	2,425	-	2,425	-
The Eva Reckitt Trust	500	-	500	-
Waterloo Trust	-	20,000	20,000	-
	<u>21,425</u>	<u>155,520</u>	<u>176,945</u>	<u>181,912</u>

3 Expenditure	Direct Costs	Staff & Related Costs	Depreciation	Support Costs	Total 2012	Total 2011
Fundraising	9,122	4,972	-	-	14,094	4,129
Charitable activities						
Activities undertaken directly	114,485	122,293	2,225	-	239,003	188,266
Support Costs (Note 4)	-	-	-	52,860	52,860	37,007
Total	<u>114,485</u>	<u>122,293</u>	<u>2,225</u>	<u>52,860</u>	<u>291,863</u>	<u>225,273</u>
Governance Costs						
Trustee Meetings (AGM)	-	-	-	123	123	916
Independent examination fees	-	-	-	1,200	1,200	1,400
Prior year over provision	-	-	-	-550	-550	-
Bank charges	-	-	-	1,290	1,290	712
	<u>123,607</u>	<u>127,265</u>	<u>2,225</u>	<u>54,923</u>	<u>308,020</u>	<u>228,301</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

4 Support Costs	2012	2011
	£	£
Premises Costs	24,000	23,000
Office Costs	20,185	11,532
IT Costs & Support	8,675	2,475
	<u>52,860</u>	<u>37,007</u>
	2012	2011
	£	£
5 Employees		
Salaries and fees	81,877	58,687
Social security costs	7,703	8,632
	<u>89,580</u>	<u>67,319</u>

During the year the charitable company employed an average of 3 (2011 3) employees
No employees earned more than £60,000 per annum

6 Fixed assets	Office equipment
Cost	
At 1 April 2011	24,510
Additions	-
At 31 March 2012	<u>24,510</u>
Depreciation	
At 1 April 2011	20,061
Charges for the year	2,225
At 31 March 2012	<u>22,286</u>
Net book value at 31 March 2012	<u>2,224</u>
Net book value at 31 March 2011	<u>4,449</u>

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NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2012**

	2012	2011
	£	£
7 Debtors		
Sundry debtors	1,089	3,734
Prepayments	357	390
Grants	33,260	26,295
	34,706	30,419

	2012	2011
	£	£
8 Creditors and accruals		
Trade creditors	11,529	2,486
Accruals	1,200	21,167
Partners	21,000	19,694
Deferred Income	-	20,000
Taxation and social security	2,356	-
	36,085	63,347

9 Restricted funds

The incoming resources of the charitable company include restricted funding received for the following specific purposes

	Funds	Incoming	Outgoing	Funds	Funds
	01 04 2011	Resources	Resources	Transfers	31 03 2012
DFID Civil Society Challenge Fund	-	105,170	(105,170)	-	-
Evan Cornish Foundation	5,875	-	(5,875)	-	-
Roddick Foundation	10,477	-	(10,477)	-	-
Travel Foundation	-	10,000	(10,000)	-	-
Joffe Charitable Trust	1,500	20,350	(21,850)	-	-
Network for Social Change	3,501	-	(3,501)	-	-
Waterloo Trust	-	20,000	(20,000)	-	-
	21,353	155,520	(176,873)	-	-

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NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2012**

10 Directors' remuneration

None of the directors were remunerated directly or indirectly. None of the directors were reimbursed for any expenditure incurred in carrying out their duties as Trustees.

11 Contingencies and Contractual Commitments

In the opinion of the Directors there were no contingent liabilities at 31 March 2012. The company had operating lease commitments for a photocopier as follows:

Falling due within 1 year	£3,200
Falling due in 2-5 years	£9,477
Falling due in over 5 years	£nil

Payments totaling £3,323 were made during the year ended 31 March 2012 (2011: £3,190).