

CUMBRIA TOURISM

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019**

REGISTERED NUMBER 3027358



Directors' Report for the year ended 31st March 2019

The Board of Directors present their Annual Report and the audited Financial Statements for the year ended 31st March 2019.

Principal Activities

The principal activities of the Company continue to be the promotion of the Region in order to attract visitors from the United Kingdom and Overseas; the undertaking of product development, research and evaluation; the improvement of productivity and the representation of visitors and the industry with the ultimate aim of improving the economic climate of the Region through the visitor economy.

Results

The Company made a trading surplus for the year before taxation of £13,682; the total reserves at 31st March 2019 were £1,017,988.

Directors

The affairs of the Company are conducted by its Board of Directors. The names of the members of the Board of Directors who served during the year are shown below. All served throughout the period with the exception of those whose date of appointment and resignation is specifically disclosed:

Eric Robson	Chairman
Jennifer Cormack	
Gill Haigh	
William Jefferson	
Kerry Powell	
Richard Rankin	
David Southward	
Haydn Spedding	
Michael Turner	
Graham Vincent	
Daniel Visser	
James Walker	

Directors' Responsibilities

The directors are responsible for preparing the Annual Report and 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 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 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.

Directors' Report for the year ended 31st March 2019 (continued)

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 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.

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.

Accountants and Auditors

A resolution to re-appoint Lamont Pridmore as accountants and auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the Board

Gill Haigh

Managing Director

23rd May 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBRIA TOURISM**YEAR ENDED 31ST MARCH 2019****Opinion of the financial statements**

We have audited the financial statements of Cumbria Tourism for the year ended 31st March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2019 and of the company's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBRIA TOURISM**YEAR ENDED 31ST MARCH 2019 (Continued)****Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBRIA TOURISM**YEAR ENDED 31ST MARCH 2019 (Continued)**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

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Graham Lamont FCA FCCA AIMC ACIS FRSA MCMI (Senior Statutory Auditor)

Dated:

For and on behalf of:

**Lamont Pridmore
Chartered Accountants and Statutory Auditor
8 Stanger Street
Keswick
Cumbria CA12 5JU**

Statement of Comprehensive Income
For the year ended 31st March 2019

	2019		2018
	£		£
		Notes	
Turnover			
Commercial Income	722,804		454,252
Membership subscriptions	<u>280,821</u>		<u>269,803</u>
		1,003,625	724,055
Partnership Funding			
District Council & LDNPA contributions	<u>26,842</u>		<u>23,771</u>
		26,842	23,771
Project Funding			
Discover England – World Heritage Collection	<u>270,000</u>		<u>34,797</u>
		<u>270,000</u>	<u>34,797</u>
		1,300,467	782,623
Expenditure			
Other operating charges	1,114,112		629,804
Administrative expenses	153,339		195,988
Depreciation of tangible fixed assets	<u>23,976</u>		<u>21,905</u>
		<u>1,291,427</u>	<u>847,697</u>
Operating surplus/(deficit)		9,040	(65,074)
Fair value gain on investment property		-	-
Interest receivable	5	<u>4,642</u>	<u>2,947</u>
Surplus/(Deficit) on ordinary activities before taxation		13,682	(62,127)
Taxation		<u>(3,317)</u>	<u>(1,856)</u>
Retained surplus/(deficit) for the financial year		10,365	(63,983)
Revaluation of freehold property		-	-
Total comprehensive income/(deficit) for the year		<u>10,365</u>	<u>(63,983)</u>

The notes on pages 9 to 13 form an integral part of these statements.

Statement of Financial Position
As at 31st March 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	6	967,591	952,238
		-----	-----
CURRENT ASSETS			
Debtors	7	314,483	162,366
Cash at bank and in hand		546,747	391,984
		-----	-----
		861,230	554,350
CREDITORS: Amounts falling due within one year	8	810,833	498,965
		-----	-----
NET CURRENT ASSETS		50,397	55,385
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		1,017,988	1,007,623
		-----	-----
NET ASSETS		1,017,988	1,007,623
		-----	-----
RESERVES			
Revaluation reserve		26,191	26,191
Realised accumulated income reserve		936,797	926,432
Unrealised accumulated income reserve		55,000	55,000
		-----	-----
NET ASSETS		1,017,988	1,007,623
		-----	-----

These financial accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the Board of Directors on 23rd May 2019 and signed on their behalf by:

Gill Haigh
 Director

The notes on pages 9 to 13 form an integral part of these statements.

Statement of Changes in Equity
As at 31st March 2019

	Revaluation reserve	Realised accumulated income reserve	Unrealised accumulated income reserve	Total
Notes	£	£	£	£
At 1st April 2017	26,191	990,415	55,000	1,071,606
Deficit for the year	–	(63,983)	–	(63,983)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive deficit for the year	–	(63,983)	–	(63,983)
At 31st March 2018	26,191	926,432	55,000	1,007,623
Surplus for the year	–	10,365	–	10,365
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	–	10,365	–	10,365
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2019	<u>26,191</u>	<u>936,797</u>	<u>55,000</u>	<u>1,017,988</u>

The notes on pages 9 to 13 form an integral part of these statements.

**Notes to the Accounts
as at 31st March 2019****1 GENERAL INFORMATION**

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Windermere Road, Staveley, Kendal, Cumbria LA8 9PL.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3 ACCOUNTING POLICIES**Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are presented in sterling, which is the functional currency of the entity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the use of estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Any estimate that has a degree of uncertainty or where judgement has been exercised in a particular area is expressly disclosed within the relevant accounting policy.

Turnover

Turnover represents the invoiced amount of goods sold or services provided net of trade discounts and value added tax. The membership year runs from October and subscriptions are accounted for on an earned basis, and receipts of £148,540 (2018: £133,076) have been carried forward to the next financial year. During previous years the company delivered a number of programmes and also acted as the accountable body for a number of programmes, of a non-commercial nature having no effect upon the profitability of the company. There was no effect of these programmes on turnover and other operating charges in this financial year (2018: £Nil).

Pensions

Contributions in respect of the Company's defined benefits pension scheme with Cumbria County Council, are charged to the profit and loss account for the year in which they are payable to the scheme. The company also operates a defined contribution pension scheme for employees; the assets of the scheme are held separately from the company and are administered by Royal London. The annual contributions payable are charged to the profit and loss account.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Notes to the Accounts
as at 31st March 2019****ACCOUNTING POLICIES (continued)****Irrecoverable Value Added Tax**

The company is subject to a partial restriction on the deductibility of value added tax on inputs calculated in accordance with a formula agreed with HM Revenue and Customs. Any amount of irrecoverable VAT is charged to administrative expenses.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over their expected useful lives as follows:

Freehold premises	-	40 years straight line
Fixtures, fittings and equipment	-	4 years straight line
Computer equipment	-	3 to 7 years straight line

No depreciation is provided on freehold land. Depreciation on freehold property is provided on the proportion of the building currently used as office premises by the company; no depreciation is provided on the proportion of the building which is either rented to a third party or available for letting purposes. The valuation of the division between the proportion occupied by the company and the proportion used by a third party has been undertaken by an independent valuer based on the square footage of the building.

Assets costing less than £500 are written off in the year of purchase unless the expenditure is of the extent and permanence that it is deemed to be an addition to the company's assets.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

The methods and significant assumptions used to ascertain the fair value at the balance sheet date and fair value movement included in the profit for the year are as follows:

Properties are valued using RICS open market valuation on freehold basis, conducted by Hyde Harrington Chartered Surveyors.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Leases

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes to the Accounts
as at 31st March 2019

ACCOUNTING POLICIES (continued)

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

4	EMPLOYEES	2019	2018		
	The average monthly number of employees, including directors, during the year was as follows:	£	£		
	Number of employees	19	17		
		-----	-----		
5	INTEREST RECEIVABLE				
	Bank deposit account interest	4,642	2,947		
		-----	-----		
6	FIXED ASSETS	Freehold Premises	Computer Equipment	Other Equipment	Total
		£	£	£	£
	Cost or Valuation				
	As at 1 st April 2018	905,000	123,645	89,379	1,118,024
	Additions	32,475	3,160	3,694	39,329
		-----	-----	-----	-----
	As at 31 st March 2019	937,475	126,805	93,073	1,157,353
		-----	-----	-----	-----
	Depreciation				
	As at 1 st April 2018	9,375	78,371	78,040	165,786
	Provided for during the year	7,688	12,599	3,689	23,976
		-----	-----	-----	-----
	As at 31 st March 2019	17,063	90,970	81,729	189,762
		-----	-----	-----	-----
	Net Book Value				
	As at 31 st March 2019	920,412	35,835	11,344	967,591
		-----	-----	-----	-----
	Net Book Value				
	As at 31 st March 2018	895,625	45,274	11,339	952,238
		-----	-----	-----	-----

Notes to the Accounts
as at 31st March 2019

6 FIXED ASSETS (continued)

The freehold land and property was revalued according to a valuation of £905,000 provided in April 2017 by Hyde Harrington Chartered Surveyors, 91-93 Stricklandgate, Kendal, Cumbria LA9 4RA; this value has been adopted as deemed cost of the assets concerned under FRS 102.

The company currently obtains a full valuation every 5 years with an interim valuation every 3 years; under FRS 102 the company will perform revaluations with sufficient regularity such that the carrying amount does not differ materially from the fair value at the balance sheet date.

The land included within this valuation was valued at £175,000. Included within the property valuation is a proportion of the building classified as investment property at a valuation of £355,000 which is not depreciated as rental income is currently being received.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold Premises £
At 31 March 2019:	
Aggregate cost	1,617,967
Aggregate depreciation	(778,746)

Net book value	839,221

7 DEBTORS

	2019 £	2018 £
Trade debtors	72,798	77,187
Prepayments and accrued income	241,685	85,179
	-----	-----
	314,483	162,366
	-----	-----

8 CREDITORS: Amounts falling due within one year

Trade creditors	140,285	34,753
Corporation tax	3,317	1,856
Other taxation and social security	16,078	24,191
Accruals and deferred income	651,153	438,165
	-----	-----
	810,833	498,965
	-----	-----

9 FINANCIAL COMMITMENTS

The company has future operating lease commitments of £6,317 (2018: £2,838) in respect of office equipment. There were no capital commitments at the financial year end (2018: £Nil).

**Notes to the Accounts
as at 31st March 2019****10 PENSION COSTS**

During the year the Company participated in the Local Government Pension Scheme (LGPS), which is a multi-employer scheme and provides benefits based on final pensionable pay. The assets of the scheme are held in a separate fund. Contributions to the scheme are charged to the profit and loss account as incurred by the Company, and are assessed in accordance with the advice of a qualified actuary. The latest valuation was carried out as at March 2016. As a member of the small admitted bodies pool within the Cumbria Local Government Scheme it is not possible to separately identify on an annual basis, the fair value of the scheme assets, the present value of the scheme liabilities and the resulting deficit which pertain to the individual company. However at the valuation date of March 2016, the assets of the Fund pertaining to Cumbria Tourism exceeded the liabilities by £327,000, giving a funding level of 105%. The Company chose to exit this scheme on 31st March 2019 and received agreement from Cumbria County Council that the Council would subsume the pension assets and liabilities of Cumbria Tourism following its exit from the Scheme.

Entry into the LGPS for new employees ceased with effect from October 2007 and a stakeholder pension scheme is now provided for employees. The pension charge for the year in respect of current employees was £44,273 (2018: £35,860) and included a figure of £28,429 (2018: £23,735) payable to Royal London; an amount of £8,988 (2018: £8,773) was also paid in relation to pensions for former employees.

11 TRANSACTIONS WITH RELATED PARTIES AND DIRECTORS

In the normal course of its activities the Company enters into commercial transactions with various members of its Board's directors and entities in which these directors have an interest. These transactions are carried out at arm's length and at normal commercial rates and are considered by the Company to be immaterial for the purpose of the disclosure requirements of the Companies Act and the relevant Financial Reporting Standard.

12 COMPANY STATUS

The Company is incorporated under the Companies Act 2006 as a company limited by guarantee and therefore has no share capital. The liability of its members is limited to £1 each.

13 CONTINGENT LIABILITIES

The Company held negotiations with Cumbria County Council prior to the year end at which both parties agreed that the Company would exit the Local Government Pension Scheme (LGPS) on 31st March 2019 and that the Council would subsume the pension assets and liabilities of Cumbria Tourism following its exit from the Pension Scheme and in consideration for this would take over the current pension surplus of Cumbria Tourism; this process has now been formally confirmed by the issue of a Cessation Certificate prepared by the Actuary on behalf of the LGPS. Membership of the LGPS was terminated as at the 31st March 2011 for all remaining employees with the exception of the Managing Director whose membership was required to ensure that the scheme remained open and the "least risk" valuation deficit of £2.6m did not materialise. However if this liability had crystallised at a point where the company did not have the necessary financial resources to settle it, the outcome could have affected the company's status as a going concern.

During the year the company also acted as the accountable body for a number of programmes of a non commercial nature having no effect upon the profitability of the company. If delivery of these programmes is not made in full by the company or any of its subcontractors there is a possibility of a financial claw back by the grant funder. The directors however, deem this a very remote possibility.

14 ETHICAL STANDARDS

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.