

**MINUTES OF THE ANNUAL GENERAL MEETING OF
SHROPSHIRE TOURISM (UK) LTD HELD ON TUESDAY 2ND FEBRUARY 2010
AT THE LORD HILL HOTEL, SHREWSBURY**

1. Welcome and Introduction

The Chairman of the Board, Pat McLaughlin welcomed all members and guests to this Annual General Meeting.

2. Apologies and Announcements

The Chairman reported that quite a few apologies had been received. A list of all those signing the register of attendance or offering apologies will be attached to the Minutes of the meeting in the minute book.

The Chairman also reported that Election of Directors (Item 8 on the Agenda) would be moved before the Presentation by the Chief Executive (Item 6 on the Agenda) to allow time for the votes to be counted.

3. Minutes of the AGM held on 3rd February 2009

The meeting approved the Minutes of the AGM held on 3rd February 2009 as a true and accurate record.

Proposed by Michael Connor, seconded by Carol Cooper. All members in agreement.

4. Matters arising from the minutes of the last AGM

There were no matters arising.

5. Report from the Finance Director

The Finance Director reported that he had been in post since April 2009.

5.1 Adoption of the Company accounts year end March 2009

The Finance Director reported that the key feature of the final accounts was the deficit of £56,083, compared with a deficit forecast at last year's AGM of £20,552. Staff development and training costs had contributed to this deficit. At the end of the year, overall reserves stood at £207,278 of which some £137,000 was utilised to acquire the new Grove House offices at the beginning of April.

Finance Director asked the members to receive the accounts.

Proposed by Paul Gossage, seconded by Michael Connor. All members in agreement.

5.2 Update on the budget for the year 2009/10

The budget for 2009/10 relied heavily on achieving income that could not be guaranteed. This was still anticipated until the last third of the year. However, in the late autumn the Company was unable to secure a number of small and medium value contracts. As a result there is a forecast deficit for the year of £53,840 compared to a projected surplus of £1,354 provided at last year's AGM. In light of this, the Chief Executive and Board have reviewed base costs and restructured the business to reflect a much lower level of anticipated turnover. These changes will have limited impact in 2009/10 but will be more significant in 2010/11. The Chief Executive and his team are still actively working to secure additional income.

The purchase of Grove House took place in April 2009 and the Company moved into the new offices in December 2009. Refurbishment is still taking place. The acquisition and refurbishment costs of Grove House are anticipated to be in line with its current market value of around £250,000.

The new Assessment Scheme has proved profitable although uptake has been at a lower level than anticipated. It has also not been possible to extend it beyond the County's boundaries.

Dilys Gaskill asked a question regarding page 7 of the Financial Statements for the year ended 31st March 2009, specifically why 'other debtors' had increased from £4,307 in 2008 to £15,350 in 2009. The Finance Director explained that there was an element of Inland Revenue in this figure. Gilly Bachelor requested an age profile of debtors. The Chief Executive responded that the company had a zero percent debt record for the past 8 years.

The Finance Director asked that clarification on the difference between trade debtors and other debtors be added to www.stmem.com

Colin Rigby asked what contracts Shropshire Tourism had tendered for but not been awarded. The Chief Executive responded that they were a variety of contracts, primarily from Shropshire Council and the DMP, all relating to the skill sets within the Shropshire Tourism team i.e. IT, press & PR and marketing.

Anthony Webb asked how many of the accommodation assessments undertaken by Direct Tourism Services had generated new members for Shropshire Tourism. The Chief Executive confirmed that there had been a reasonable amount who were new members. Many businesses had lapsed from Visit Britain or they were new business looking for options. Anthony commented that the scheme adds value.

The Chairman requested that the 2009/10 budget be noted. All members in agreement.

5.3 Adoption of the proposed budget for the year 2010/11

The key features of the budget were presented to the AGM. A surplus of £37,276 is forecast. The assessment scheme is continuing at a reduced level of activity. There has been a reduction of £18,000 in income for the services required by Shropshire Council under the Service Level Agreement. A further £7,500 income reduction has resulted from the Council's reduced support to North Shropshire Tourism.

The forecast income for 2010/11 has been cautiously assessed and will be closely monitored. At the end of March 2011 reserves are currently forecast to be £34,000 after providing for mortgage repayments.

The Finance Director relayed that the Directors agreed to approve the budget for 2010/11, subject to their being authorised to make any adjustments that are necessary to reflect the actual levels of turnover achieved and other external factors.

Anthony Webb asked what the DMP contract is. The Chief Executive replied that it related to advertising, primarily a Spring campaign for Shropshire.

Anthony then questioned the balance between the relatively low advertising budget compared to the high establishment costs. The Chief Executive responded by recognising that reduced levels of advertising can reduce a campaigns effectiveness. However, there has been a decline in advertising revenue for the Shropshire brochure and Shropshire Tourism has to cut its cloth accordingly. This has involved some painful decisions i.e. salary reductions and redundancy.

Anthony Webb asked if this could be flagged up to the DMP. The Chief Executive said that at the last DMP meeting he had flagged this up twice and suggested they review how they awarded contracts, prioritised activity and the results achieved to date.

The meeting approved the proposed budget for 2010/11 and authorised the Board to amend it should external factors make this necessary.

Proposed by Anthony Webb, seconded by Paul Gossage.

7. Appointment of Auditors.

The Chairman asked to approve the reappointment of Andrews Orme and Hinton as the Company Accountants for the year ending 31st March 2010.

Proposed by Michael Connor, seconded by Lesley Davies. All members in agreement.

8. Election of Directors

The Chief Executive confirmed that there are 6 elected seats on the board of Shropshire Tourism.

8.1 Current Directors willing to re-stand

The AGM were asked to accept the re-appointment of 5 existing directors:

Director and Chairman – Cllr Pat McLaughlin
Director, Human Resources – John Cushing
Director, Asset Management – Glen Lawes
Director, Advocacy – Lesley Davies
Director, Membership, Communication & Marketing – Judie McCoy

The Chief Executive proposed that this be done on block.

Proposed by Colin Rigby, seconded by Carol Cooper. All members in agreement.

8.2 Election for vacant Director seat

The Chairman relayed that 2 strong nominations had been received for the vacant marketing, communication and membership Director seat.

The two candidates, Gilly Bachelor from The Walkmill and Tom Hunt from Ludlow Food Centre, gave a brief introduction of themselves to the AGM.

Votes for the vacant Director seat were collected and counted during the Chairman's presentation.

6. Presentation by the Chief Executive

The Chief Executive, Simon McCloy began his presentation by reminding members of the importance of tourism to Shropshire. Tourism is worth £561m pa to the county. Included within this, £189m pa is spent on catering and £150m pa is spent on retail. The core activities of the company were highlighted, including awareness raising, brochure production, membership support, IT Services and commissioned work.

The IT team is UKITA accredited which puts it on a par with other commercial IT companies. Simon explained that when Shropshire Tourism began it relied on grants but this was always a short term situation. The Council is currently dealing with budget challenges and the DMP's budget priorities are not always agreed by all members of the Board. He stressed that relying on public money is not the future and that Shropshire Tourism need to secure more private contracts such as IT and marketing, drawing on the skill sets of the Shropshire Tourism team.

He reported that Shropshire Tourism received 98 press enquiries and hosted 9 press trips between April and December 2009. This created just under £6million worth of Advertising Equivalent Coverage so far this year.

The 2009 Shropshire and the Welsh Borders brochure generated 17,500 media responses. As at 1st February 2010, media responses for the 2010 brochure stand at 7,200. Simon reported that this activity generates over £2m worth of business for members.

A Spring email campaign has been undertaken. 3,235 emails were sent out to previous brochure requesters, encouraging them to request the new 2010 brochure. This generated a 27% read rate (normal rate 0.5 to 1.5%). 29% clicked through to the website and 27 % then requested a brochure. 57% of brochures convert to business, therefore the campaign value is at least £170,000.

Simon went on to report on the accommodation assessment scheme, launched in April 2009. So far 70 businesses have been assessed under the scheme. 53% of uptake so far has been from the south of the county and 56% of assessments have been on self-catering properties. He reiterated that this scheme involves more than just a check list visit - the assessors also provide support and advice by signposting to grants schemes, business support and marketing services. He hoped that Visit Britain will recognise local assessment schemes in the near future.

The Shropshire Tourism Web site generated over 420,000 Unique Visits in 2009. The team at Shropshire Tourism continues to provide marketing services such as website design and hosting and print production. Simon also highlighted some of the positive comments received from the marketing review service.

For the forthcoming year, he reported that there will be a review for the 2011 Shropshire Brochure to adopt a more thematic approach to increase visitor appeal. The Shropshire Tourism website will also be redesigned and User Generated Content elements developed to expand the promoted visitor offer on line. In addition, all Shropshire Tourism services to members will be reviewed to make them more relevant, helpful and supportive.

Simon concluded by reminding the AGM that we need to prepare to face the challenges of the next 12-18 months resulting from the budget deficits, cuts in public spending & the General election.

9. Any Other Urgent Business that the Chairman may allow

No urgent business. The Chairman reiterated that Shropshire Tourism is the largest tourism membership organisation in the West Midlands.

The Chairman announced the results of the election for the vacant Director seat. Gilly Bachelor was elected. Tom Hunt was thanked for standing.

10. Questions and Answers session

Question: Carol Cooper

What have the DMP agreed to spend money on?

Answer: Chief Executive

The DMP has a budget of £110,000 but of this, only 40% is allocated to marketing the Destination which included press and PR, food and destination tourism and a communication and marketing plan for Much Wenlock to capitalise on the 2012 connection. These projects are priorities and could be extended. Establishing new networks, group travel through SSA and investment in IT is also seen as important.

Question: Glyn Gaskill

Is there a Shropshire Tourism department in Shropshire Council?

Answer: Tim King

There is a tourism section within the business development department of Shropshire Council. This is separate from Shropshire Tourism and they do not go under the same name. There used to be a Shropshire Tourism Research Unit within Shropshire Council but this, as a department no longer exists.

Question: Clive Prior

How are Visitor Information Centre's funded and how do they work with Shropshire Tourism?

Answer: Chief Executive

They are primarily funded by the local authority, although some are run by Town Council's or are privately managed e.g. Ironbridge TIC. Shropshire Tourism promotes their contact details and the VIC's are given copies of the Shropshire brochure to distribute. Shropshire Tourism works closely with them.

There were no further questions.

The Chairman of Shropshire Tourism thanked everyone for attending and hoped for a wonderful year ahead for tourism in Shropshire.