

Company registration number: 03425954
Charitable company registration number: 1065924

The Travel Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Freshford House
Redcliffe Way
Bristol
BS1 6NL

The Travel Foundation

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Reference and Administrative Details

Chief Executive Officer	Mr J Sampson Ms S Felton (resigned 4 September 2019)
Trustees	Mr N Josephides Mr R B Anderson Mr A M Rowland Mrs D A Hindle Mr J de Vial Mrs J Ashton Ms H N Marano Ms E Dens (appointed 25 January 2021) Ms J Kuehnel (appointed 25 January 2021) Dr M S Kelig (appointed 25 January 2021) Ms R Turner (appointed 25 January 2021) Ms C A Ritter (appointed 25 January 2021)
Secretary	Mrs T J Quinn-Forgan
Principal Office	Create Centre Smeaton Road Bristol BS1 6XN The charitable company is incorporated in England & Wales.
Company Registration Number	03425954
Charitable company Registration Number	1065924
Auditor	Milsted Langdon LLP Chartered Accountants and Statutory Auditors Freshford House Redcliffe Way Bristol BS1 6NL

The Travel Foundation

Report of the Chair

For the Travel Foundation, as for most other tourism organisations, this year has been deeply marked by the COVID-19 pandemic. It has been a year of change, of fast adaptation and at times of great sadness. However, it has also been a year of resilience and of increased collaboration, which has led to an unparalleled opportunity to reshape the future of tourism.

Thanks to the dedication of the executive team and the support of the trustees, the organisation survived a significant loss of funding this year caused by the travel restrictions imposed due to the pandemic. This includes a 97% loss of expected private sector donations and a 55-60% overall reduction in income against the original 2020 budget. At the outset of the pandemic, we took great strides to reduce every management, support, and fundraising cost possible, but sadly had to make five redundancies, a third of our staff. In addition, a significant number of staff were furloughed for part of the year, under the UK's job retention scheme, and many charitable activities were suspended. Our special thanks go to TUI Care Foundation, which supported us through this difficult financial period by continuing to provide funding for projects, despite the suspension of activities, which will now take place in 2021 and 2022.

Despite the many challenges we have faced, the organisation has come through the year stronger and more determined, and the organisation's mission and vision is now more relevant than ever. The team members have enriched their synergies and expanded their individual capacities while adapting to new ways of working together in a more cross-functional manner.

Importantly, we realigned our strategy with the new challenges faced by destinations and businesses, and are well positioned to be an integral partner for recovery. This is evidenced by the many new partnerships that were catalysed over the past year and the 10 additional income sources that have been secured for initiatives starting either at the end of 2020 or early in 2021. The Travel Foundation also helped to spearhead the newly formed Future of Tourism Coalition, a first-of-its kind collaboration among NGOs with hundreds of signatories, which has been built around a framework of 13 Guiding Principles that puts communities and the environment at the heart of tourism sector recovery.

As we go forward, we are focused on helping the industry to both define what 'Build Back Better' really means and put in place the necessary structures to achieve this. We will be a catalyst for change, using our collaborative approach, visibility, and global leadership to help usher in a new era for the travel industry.

Finally, I cannot close without expressing thanks and gratitude from the entire team to our outgoing Chair, Noel Josephides, who has dedicated many years of his career to the support of the Foundation, having been involved in its inception in 2003 and guiding the organisation's development as Chair of the Trustees for 10 years. Noel has played an invaluable role in guiding the organisation through this challenging year and thankfully will continue to contribute as a trustee.



Helen Maraho
Chair of the Board of Trustees

The Travel Foundation

Trustees' Report

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2020 which are also prepared to meet the requirements for a Trustees' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The charity is governed by a Board of Trustees who carry overall responsibility for furthering the aims and objectives of the Charity. The Trustees who held office during the financial year and to date of this report are as set out in the reference and administrative details on page one.

The Board of Trustees meets at least four times a year to review operational performance and strategic issues, as presented by the Chief Executive and members of the senior management team. The respective roles and responsibilities of Trustees and management have been clearly defined.

All strategic and governance decisions are made at Board level, with input where appropriate from the Chief Executive and members of the senior management team. The day to day running of the charity has been delegated by the Trustees to the management team.

Recruitment and appointment of Trustees

The board's policy is to aim to have, and regularly review, the mix of skills, knowledge and experience it needs to govern, lead and deliver the charity's purposes effectively. It reflects this mix in its trustee appointments, balancing the need for continuity with the need to refresh and diversify the board.

The Travel Foundation has recruited by means of both external competitive advertisement, and by approaching individuals who have been identified as having appropriate specific skills and experience; in either case followed by an interview process and formal appointment by trustees.

Trustees receive an appropriately resourced induction when they join the board. This includes meetings with senior management and covers all areas of the charity's work, and includes the Charity Commission written guidance for trustees. Trustees are given the opportunity to have ongoing learning and development.

Governance costs

Governance costs comprise all expenditure associated with the accountability of the charity and its compliance with regulation and good practice. This includes costs related to audit fees and the board of Trustees. In 2020, Governance costs were 1.65% (2019 - 1.10%) of income.

The Travel Foundation

Trustees' Report

Trustees' remuneration

The Trustees (who are directors for purpose of company law) received no remuneration in the current or prior period. Expenses in the year totalled £76 (2019 - £1,253). Included within this balance is £76 of expenses incurred to facilitate Trustee meetings.

Governing document

The Travel Foundation is a Charity registered with the Charities Commission, governed by the Charities Act 2011 and the Companies Act 2006, and is incorporated as a company limited by guarantee.

The constitutional documents are the Articles of Association. The Memorandum and Articles of Association were last reviewed and updated in 2016.

Risk Management

The Foundation maintains a risk register covering all significant sources of risk to the achievement of its objectives, and recording any agreed mitigating action. The Foundation's risk register and policy was reviewed and approved by the board of trustees in September 2019.

Intellectual property

The Travel Foundation name, logo (as updated in 2016) and strapline are registered as a trade mark in the UK and EU.

FINANCIAL REVIEW

Overview and year-end position

Total income of £466,496 in 2020 (2019 - £732,745) was down 36.3% year on year. This decrease was the result of lower restricted income funding, due to the conclusion of two initiatives that had been in place in 2019 and a significant loss in donations due to the global pandemic and its devastating impact on travel. However to offset the loss of donations, 10 additional income sources were secured in the year for initiatives starting at the end of 2020 or in early 2021. Also included in the total income is £98,403 received from the job retention scheme.

Representing a year on year decrease of 28.7%, total expenditure was £671,895 (2019 - £941,954). This reduction was to counter the lower income level, largely achieved through the suspension of in-country activities because of the global pandemic, the furloughing of a number of staff for much of the year, some unavoidable cuts to staffing and a freeze on unrestricted spending wherever possible. Included in the total expenditure therefore is £98,403 for wages that were paid using the job retention scheme.

As reported in our 2019 accounts, we budgeted to draw down from our unrestricted reserves in the year, and a greater than forecasted draw on these was then necessary within the year because of the pandemics significant impact on anticipated unrestricted income. We closed the year with a draw down on these of £205,399 loss (2019 - 209,209 loss), leaving the organisation with closing unrestricted capital and reserves of £236,637 (2019 - £570,547) and restricted capital and reserves of £180,888 (2019 - £52,377).

The Travel Foundation

Trustees' Report

Reserves policy and going concern

Our Reserves policy was updated in the year to reflect the pressures that both the travel and charity sectors were under as a result of the pandemic. Our reserves policy therefore requires that reserves be maintained at a level which ensures that The Travel Foundation could meet all its obligations in the event that the charity ceased operations.

At 31 December 2020 the charity had total reserves of £417,525 (2019 - £622,924) of which £236,637 (2019 - £570,547) were unrestricted funds and £180,888 (2019 - £52,377) were restricted funds. The free reserves of the charity were £226,396 (2019 - £558,069).

In April 2021, when the policy was fully updated, a readily realisable reserves figure of £125k was calculated for the 2021 period, as the amount required to meet obligations should the charity cease operations. Projected closing reserves in December 2021 at that time were budgeted at £138k and at the time of the signing these accounts, this had grown to a projected £180k.

Looking to the future, the Board of Trustees will conduct a review of financial progress at each meeting in 2021 as a result of the crisis and will execute appropriate actions to reduce expenditure or change the reserve requirement as necessary to ensure the long-term viability of the charity.

PLANS FOR FUTURE PERIODS

Looking forward

In adopting a highly conservative approach in light of the global pandemic, all forecast income that would ordinarily be raised through holiday bookings has been reduced or removed from projected 2021 income budget whilst a number of committed/ secured grants have been deferred from 2020 into the 2021 budget. Significant steps have been taken by The Travel Foundation to reduce costs in order to meet this anticipated lower income, resulting in budgeted closing 2021 reserves of £278k. The draw down of reserves for 2021 will be used once again to maintain and continue core activities, including significant fundraising activities to offset projected funding shortfalls.

The Travel Foundation believe this view of the budget is the worst-case scenario but wished to adopt a cautious approach to both income and expenditure planning, to sustain the organisation through the ongoing crisis.

The Travel Foundation

Trustees' Report

KEY ACHIEVEMENTS AND PERFORMANCE

During 2020, the Travel Foundation's year was characterised by rapid adaptation to the global pandemic and the travel restrictions put in place by governments around the world in response.

Early in 2020, we developed and began to implement a new strategy to ensure that tourism protects destination assets (heritage, culture, environment) and brings greater benefits for communities, working under three objectives as follows:

- Destination management: Helping tourism actors to plan, develop and govern with destination needs at the heart.
- Sustainable products: Supporting the development of innovative tourism products that create value for local communities.
- Thought leadership: Advocating for change and developing a global network of partners in order to promote new understanding and innovation.

When the pandemic hit, we continued to work towards these goals but focussed our efforts on activities that support destination recovery and encourage collaboration across the tourism sector. We also prioritised securing our funding sources so that we are able to continue our important work into the future. Whilst many of our projects had to be paused for a time as a result of the pandemic, on restarting we have adapted many of our activities to reflect the new challenges faced by our project stakeholders.

Below is a summary of progress and achievements under these areas of focus. More information about our funding can be found in the financial summary.

The Travel Foundation

Trustees' Report

Supporting destination recovery

The impact of COVID-19 on destinations - particularly those dependent on international travel - has highlighted the need to strengthen the tourism sector against ongoing and future shocks. It is an opportunity to reset and create a more balanced model, one that continues to deliver economic benefits but also addresses negative environmental and socio-cultural impacts. In response, we developed a range of capacity building initiatives to support a smarter, more community-focused recovery.

In 2020:

We delivered a tourism recovery programme called *Roots to Recovery*, in partnership with City Nation Place, for the Colorado Tourism Office, the Edinburgh Tourism Action Group, Grenada Tourism Authority and Indigenous Tourism Ontario. The programme supported these destinations as they developed their recovery plans, with a focus on increasing opportunities for community livelihoods, strong and resilient local supply chains, protection of natural resources and overall destination management capacities. From this work, we have developed a *recovery plan assessment framework*, which will be rolled out in Mexico, the Caribbean and other destinations in 2021.

We began a recovery and adaptation programme for micro-destinations through SMILO (small islands organisation), supporting destinations to take a more holistic approach to product development by considering the impacts of tourism. We used an innovative methodology piloted in Tenerife in 2019 to create an impact measurement framework, which enables destinations to identify and compare the benefits and costs of different market segments to establish the optimum market mix and align marketing and investment strategies accordingly.

We delivered a new handbook and toolkit, 'Sustainable Tourism Implementation', in partnership with the European Tourism Commission (ETC) which represents 32 national tourism organisations across Europe and working alongside Good Place Slovenia and Green Case Consulting. The handbook presents a framework of seven steps to advancing sustainable tourism development and includes tips, best practice examples, checklists and more, supporting destinations to build back better.

We entered into a partnership with SPTO (the Pacific Tourism Organisation) to produce an 'Are you Ready for Recovery?' toolkit to be disseminated to small businesses across 20 destinations in 2021.

We began work on a new project, through the European Bank for Reconstruction and Development (EBRD), to enable hotel chains in Croatia and Montenegro to support local communities through local procurement, offering work-based learning for young people and by building a more diverse, equitable and inclusive workforce. The pandemic more than halved guest nights in Croatia in 2020. In response, this project will enable hotels to build back more sustainably to emerge from the crisis more competitive and more resilient.

"We're thrilled to be working with an internationally-recognised organisation like The Travel Foundation to support our recovery planning and anticipate that their work with us will significantly strengthen the overall impact of our recovery plan."

Andrew Grossmann

Director of Destination Development, Colorado Tourism Office

The Travel Foundation

Trustees' Report

Encouraging collaboration

Future of Tourism Coalition

Decades of unfettered growth in travel have put the world's treasured places at risk - environmentally, culturally, socially, and financially. Now, in the wake of the COVID-19 pandemic, the industry faces a precarious and uncertain future and many travel industry leaders are talking about 'building back better'. We aim to ensure that such phrases are backed by substance and action, avoiding past mistakes and creating real change. In June 2020, we joined forces with five other leading international tourism NGOs to agree on a vision for the future and work together to achieve it, launching the ground-breaking Future of Tourism Coalition.

How it works

The six founding organisations, including the Travel Foundation, created and aligned behind a set of 13 guiding principles which provide a vision for how tourism could and should be managed. By the end of 2020, over 400 tourism organisations have signed up to these principles.

The coalition seeks to amplify the message of sustainable recovery at a critical time. Together, we launched a new website and promoted the Future of Tourism Coalition around the world. During the last half of 2020, 140 articles about the Coalition and our goals appeared in the travel trade and consumer press, with a potential reach of over 290 million viewers.

We are now creating a series of resources to support tourism organisations to align their recovery plans with the coalition's guiding principles, including a webinar series which will run throughout 2021, covering topics such as destination stewardship, measuring impacts and local supply chains.

The Future of Tourism coalition is just getting started and in 2021, we aim to grow the community and work with our partners to rebalance the tourism model so that people, places, the planet and our industry benefit.

"We now find that sharing our experiences and gaining best practice examples from other countries will be the key to successfully navigate the post-corona tourism universe. This is where the role of the Future of Tourism Coalition will be vital. The STB is looking forward to cooperating with the Coalition and to progress further with the reset of tourism, especially in this new reality, where sustainability and destination needs, as well as trust, will have to be placed at the center of tourism's future."

Maja Pak

Director at the Slovenian Tourist Board (STB).

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Trustees' Report

Re-aligning existing projects to meet new challenges

We began 2020 with active projects in Jamaica, Turkey, Cyprus, Saint Lucia and Mauritius, where we were working with a range of tourism stakeholders from small business owners serving the tourism market, to small-scale producers creating products for sale to hotels and accommodation providers themselves. These projects were put on hold for much of 2020, as the industry and communities grappled with the health crisis created by COVID-19. All of these projects are now back up and running and providing new and vital support to the stakeholders they serve.

Big Up Small Business, Jamaica

This project, funded by TUI Care Foundation, is creating new opportunities for up to 150 small-business entrepreneurs in Jamaica, so that more people can benefit from tourism. With the right conditions, tourism has great potential to enable small businesses such as restaurants, accommodation providers, attractions and excursion providers to prosper, but these businesses have been amongst the hardest hit by the pandemic. Having delivered market-readiness workshops to 190 small business owners the previous year, we switched our support in 2020 to focus on on-line training and resources that support business recovery. We created a guide to the financial schemes available to small, tourism businesses and a guide to marketing, which were both launched early in 2021. We also renewed our partnership with TPDCo (Jamaica's Tourism Product Development Company) and aim to deliver online recovery webinars with them in the coming year.

Keep Our Sand and Sea Plastic Free, Cyprus.

This initiative, funded by TUI Care Foundation, brings together tourists, tourism businesses and residents across the Famagusta region of Cyprus to cut consumption of single-use plastic. The pandemic has increased the importance of this project as hygiene measures mean that more plastic is being used and could potentially find its way to the marine environment. We have been committed to ensuring that one crisis does not accelerate another and have been working with local stakeholders to engage them in plastic reduction measures. Nearly 50 hotels and over 35 bars are now signed up to the project and have committed to make changes to reduce plastic use. Awareness raising campaigns have reached over twenty thousand residents and around 200 school children have participated in project activities. We have also increased the resources available on the project website, which now include guidance and facts for hotels, a hotel training toolkit and an animation for use schools and hotels.

Flavours From The Fields, Turkey

This project, also funded by TUI Care Foundation, aims to improve the livelihoods of farmers and small-scale producers in the Muğla region by facilitating the local supply of traditional ingredients and delicacies to hotels. 2020 saw a 79% decrease in international tourism to the region and as a result our project activities were put on hold. However, by the end of the year all hotels had re-engaged with the project and we have widened our net to include smaller hotels, bars and restaurants. We have also engaged more suppliers and, to date, 9 production units representing 95 farmers have sold products to tourism businesses. The training programme for suppliers, which will be rolled out in 2021, has also been adapted including a stronger focus on hygiene and sanitation.

International Climate Initiative - Transforming Value Chains, Saint Lucia and Mauritius

This ambitious project, led by UN Environment, is finding ways to reduce carbon emissions, as well as water-use and waste from tourism across four island states. The Travel Foundation is leading the implementation of the initiative in Mauritius and Saint Lucia, where this year, despite a pause in activities as a result of COVID-19, we worked with stakeholders to develop implementation plans and developed training packages for delivery in 2021 which will support businesses to improve their procurement and waste management practices.

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Trustees' Report

Online training initiatives

Alongside the training focussed on recovery highlighted above, we delivered a number of online courses in 2020 including:

- A training package on sustainable product development for managers of protected areas, in partnership with IUCN Med and the Global Footprint Network, as part of the MEET Network for Mediterranean Protected Areas.
- Four online courses for tour guides focussing on sustainable guiding of heritage, marine, safari and nature-based tours. 132 guides took the course in 2020. The courses were developed following the success of the original 'Leading the Way' training developed for ANVR (the Dutch Travel Association).

Thought leadership and advocacy

Throughout the year, we have continued our work to advocate for change and to promote a new, enhanced understanding of destination management and sustainable products.

In 2020:

We presented at over 40 events, spreading the word about sustainable recovery to tourism industry professionals and destination management organisations all around the world. These include, Phocuswright Europe, Colorado Tourism Conference, ITB Asia, City Nation Place Global, ECM annual meeting of CEOs, the European Commission's European Tourism Convention, and the launch of the UN Global Tourism Plastics Initiative at FITUR, amongst others.

We communicated our work and our case for change in 483 media articles around the world with a potential reach of over 840 million viewers. We have over 9000 followers on Twitter and have grown our presence on LinkedIn, also reaching nearly 9000 followers.

We jointly hosted a round-table event with the Pacific Asia Travel Association (PATA) and Harvard's, International Sustainable Tourism Initiative called 'Building Back Better: Reconstructing Governmental Systems and Policies for Sustainability.' The event brought policy experts from around the world together to discuss how tourism can improve its governance and the recovery of destinations hit hard by the spread of COVID 19. At the event, we presented early findings from our research into future scenarios for destination stewardship and the governance structures that would best promote it, which has been conducted in partnership with the European Tourism Futures Institute and the World Travel and Tourism Council (WTTC).

Looking to the future

In the wake of the pandemic, the tourism industry stands at a crossroads, with a unique opportunity to improve its impact. A better future for tourism relies on the industry creating new ways of measuring success, taking action to create real change and ensuring a more inclusive and equitable environment.

Working with our partners, we aim to be a catalyst for change. We will support destinations and travel companies to take a systemic approach that will enable a better, fairer type of tourism that improves long-term outcomes for destination communities and environments.

This year saw us enter into new partnerships and sign MoUs with a range of national and international organisations around the world which will help us to expand our reach, this includes: Women in Travel, the Institute of Tourism Croatia, Thompson Okanagan Tourism Association (TOTA), Sustentur, IUCN and GFN and a major international hotel chain.

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Trustees' Report

Alongside these and other partners, we will work to truly 'build back better', creating a new model for tourism for a more sustainable, equitable and inclusive future.

Disclosure of information to auditor

Each Trustee has taken steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Milsted Langdon LLP as auditors of the charitable company is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the Trustees of the charitable company on 14/07/2021 and signed on its behalf by:



Mr N Josephides
Trustee



Mrs T J Quinn-Forgan
Company Secretary

The Travel Foundation

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of The Travel Foundation for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

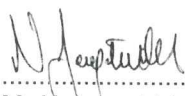
Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees of the charitable company on 14/07/2021 and signed on its behalf by:



Mr N Josephides
Trustee



Mrs T J Quinn-Forgan
Company Secretary

The Travel Foundation

Independent Auditor's Report to the Members of The Travel Foundation

Opinion

We have audited the financial statements of The Travel Foundation (the 'Charitable Company') for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its results 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 charitable 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.

Material uncertainty related to going concern

We draw attention to the going concern paragraph in Note 2 in the financial statements, which indicated that the charitable company has continued to operate since the financial year end but is facing significant uncertainty due to the Covid-19 outbreak and the effect this is specifically having on the travel industry and the wider economy. These conditions and events, along with other matters as set out in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

The Travel Foundation

Independent Auditor's Report to the Members of The Travel Foundation

We have nothing to report in this regard.

Opinion 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 Trustees' Report (incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where 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 Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, (set out on page 12), the Trustees (who are also directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

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Independent Auditor's Report to the Members of The Travel Foundation

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's Trustees, 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 charitable company's trustees 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mrs S R Jenkins (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP,

Freshford House
Redcliffe Way
Bristol
BS1 6NL

Date: 10/8/21

The Travel Foundation

Statement of Financial Activities for the Year Ended 31 December 2020

	Note	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Income and Endowments from:					
Donations and legacies	3	27,156	-	27,156	127,025
Charitable activities	4	-	332,001	332,001	599,558
Investment income	5	1,177	-	1,177	3,068
Other income	6	106,162	-	106,162	3,094
Total Income		<u>134,495</u>	<u>332,001</u>	<u>466,496</u>	<u>732,745</u>
Expenditure on:					
Raising funds	7	(100,332)	-	(100,332)	(98,109)
Charitable activities	8	(368,073)	(203,490)	(571,563)	(843,845)
Total Expenditure		<u>(468,405)</u>	<u>(203,490)</u>	<u>(671,895)</u>	<u>(941,954)</u>
Net (expenditure)/income		<u>(333,910)</u>	<u>128,511</u>	<u>(205,399)</u>	<u>(209,209)</u>
Net movement in funds		(333,910)	128,511	(205,399)	(209,209)
Reconciliation of funds					
Total funds brought forward		<u>570,547</u>	<u>52,377</u>	<u>622,924</u>	<u>832,133</u>
Total funds carried forward	19	<u><u>236,637</u></u>	<u><u>180,888</u></u>	<u><u>417,525</u></u>	<u><u>622,924</u></u>

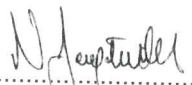
All of the charitable company's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 19.


The Travel Foundation
(Registration number: 03425954)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	10,241	12,478
Current assets			
Debtors	15	29,794	81,588
Cash at bank and in hand		<u>413,965</u>	<u>567,159</u>
		443,759	648,747
Creditors: Amounts falling due within one year	16	<u>(36,475)</u>	<u>(38,301)</u>
Net current assets		<u>407,284</u>	<u>610,446</u>
Net assets		<u>417,525</u>	<u>622,924</u>
Funds of the charitable company:			
Restricted income funds			
Restricted funds	19	180,888	52,377
Unrestricted income funds			
Unrestricted funds		<u>236,637</u>	<u>570,547</u>
Total funds	19	<u>417,525</u>	<u>622,924</u>

The financial statements on pages 16 to 39 were approved by the Trustees, and authorised for issue on 14/07/2021, and signed on their behalf by:



 Mr N Josephides
 Trustee



 Mrs T J Quinn-Forgan
 Company Secretary

The Travel Foundation

Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net expenditure		(205,399)	(209,209)
Adjustments to cash flows from non-cash items			
Depreciation	10	3,779	2,759
Investment income	5	(1,177)	(3,068)
Loss on disposal of tangible fixed assets		-	943
		<u>(202,797)</u>	<u>(208,575)</u>
Working capital adjustments			
Decrease in debtors	15	51,794	28,388
Decrease in creditors	16	<u>(1,826)</u>	<u>(28,005)</u>
Net cash flows from operating activities		<u>(152,829)</u>	<u>(208,192)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	1,177	3,068
Purchase of tangible fixed assets	14	<u>(1,542)</u>	<u>(2,810)</u>
Net cash flows from investing activities		<u>(365)</u>	<u>258</u>
Net decrease in cash and cash equivalents		(153,194)	(207,934)
Cash and cash equivalents at 1 January		<u>567,159</u>	<u>775,093</u>
Cash and cash equivalents at 31 December		<u><u>413,965</u></u>	<u><u>567,159</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 19 to 39 form an integral part of these financial statements.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Charitable company status

The charitable company is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £1 towards the assets of the charitable company in the event of liquidation.

The address of its registered office is:

Create Centre
Smeaton Road
Bristol
BS1 6XN

These financial statements were authorised for issue by the Trustees on 14 July 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The Travel Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

There is significant uncertainty surrounding the charitable company's outlook following the Covid-19 pandemic, which started in early 2020. The pandemic has had a major impact on the travel industry to the date of signing and is expected to have an ongoing impact on the industry.

Due to the above matter, there is material uncertainty that casts significant doubt upon the charitable company's ability to continue as a going concern. At the time of approving the financial statements, the Trustees have reasonable expectation that the charitable company will have adequate resources to continue in operational existence for the foreseeable future as detailed on page 6 of the Trustees report. Therefore, the Trustees continue to adopt the going concern basis in preparing the financial statements.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Having given due consideration to estimates and assumptions that form part of the carrying amounts of assets and liabilities within the financial statements, the trustees are of the opinion that significant judgements relate to gifts-in-kind. The cash value of in-kind receipts is subjective and based on reference to external sources at the point of receipt. The value of gifts-in-kind received in the year was £16,940 (2019 - £36,128). The carrying amount is £- (2019 -£-).

Income and endowments

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charitable company has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charitable company before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Government grants comprise the fair value of consideration received or receivable in respect to government provided funding to the entity.

Government grants have been recognised in line with the Accruals model where grants relating to revenue have been recognised as other income on a systematic basis over the periods in which the entity has recognised related costs for which the grant is intended to compensate.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Gifts in kind

In kind support has been recognised at the commercial value of gifts/services received, less the amount paid by the Charity. Donations in kind are recognised when the receipt of the benefit is probable and the economic benefit can be measured reliably, being the amount the clients would have been willing to pay for the services or facilities received. A corresponding amount is recognised in expenditure in the period of receipts.

Investment income

Investment income is recognised using the effective interest method.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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

Governance costs

These include the costs attributable to the charitable company's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

Tangible fixed assets

Tangible assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class

Office equipment

Depreciation method and rate

20% reducing balance

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of charitable activities.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charitable company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the charitable company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charitable company.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each Restricted fund is set out in the notes to the financial statements.

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

The Charity participates in a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the Charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Redundancy Pay

Redundancy pay is recognised immediately as an expense when the charity can demonstrate its commitment to terminate the employment of an employee or to provide termination benefits in accordance with contractual arrangements. Payments are calculated in accordance with statutory redundancy guidelines published by HM Government.

Other employee benefits

The cost of any unused holiday entitlement is recognised as an expense in the period in which the employees service is received.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

3 Income from donations and legacies

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	27,156	27,156	127,025
	<u>27,156</u>	<u>27,156</u>	<u>127,025</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Donations				
Donations in kind	16,940	-	16,940	36,129
Travel Counsellors	-	-	-	40,000
Sunvil Holidays	-	-	-	9,544
Holiday Extras	3,279	-	3,279	10,261
Midcounties Co-operative Travel	2,347	-	2,347	22,363
ECEAT Training	-	-	-	2,801
Others	4,590	-	4,590	5,927
	<u>27,156</u>	<u>-</u>	<u>27,156</u>	<u>127,025</u>

Donations include contributions made by customers travelling and/or booking holidays between January and December 2020, as well as donations passed from other organisations, of £10,216 (2019 - £90,896).

Donations in kind of £16,940 (2019 - £36,129) were received during the year in the form of travelling costs, accommodation, meeting room facilities and other services. Companies that in kind support was received from include Four Communications, Impact, BTO, BehaviorSMART, Good Tourism, The Urban Nomad, A2B Consulting, Confluence Sustainability and Tomas George.

The Charity is grateful for all such support, particularly in such a difficult year.

£27,156 (2019 - £127,025) of the income was attributable to unrestricted funds and £nil (2019 - £nil) was attributable to restricted funds. The reduction in unrestricted funds is as a result of a significant loss in donations as a result of the global pandemic and its devastating impact on the travel industry.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

4 Income from charitable activities

	Restricted funds £	Total 2020 £	Total 2019 £
TUI Group	253,534	253,534	448,025
United Nations	25,678	25,678	134,903
IUCN	18,449	18,449	4,350
EBRD	17,340	17,340	12,280
European Travel Commission	5,170	5,170	-
Caribbean Tourism Organisation	4,000	4,000	-
US Embassy	6,330	6,330	-
SMILO Project	1,500	1,500	-
	<u>332,001</u>	<u>332,001</u>	<u>599,558</u>

£nil (2019 - £160,000) of the income was attributable to unrestricted funds and £332,001 (2019 - £439,558) was attributable to restricted funds.

5 Investment income

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>1,177</u>	<u>1,177</u>	<u>3,068</u>

£1,177 (2019 - £3,068) of the income was attributable to unrestricted funds and £nil (2019 - £nil) was attributable to restricted funds.

6 Other income

	Unrestricted General £	Total 2020 £	Total 2019 £
Furlough income	98,403	98,403	-
Other income	3,759	3,759	94
Employer's allowance	4,000	4,000	3,000
	<u>106,162</u>	<u>106,162</u>	<u>3,094</u>

£106,162 (2019 - £3,094) of the income was attributable to unrestricted funds and £nil (2019 - £nil) was attributable to restricted funds.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

7 Expenditure on raising funds

Costs of generating donations and legacies

	Unrestricted General £	Total 2020 £	Total 2019 £
Other fundraising costs	3,790	3,790	6,157
Employment costs	96,542	96,542	91,952
	<u>100,332</u>	<u>100,332</u>	<u>98,109</u>

£100,332 (2019 - £98,109) of the expenditure related to unrestricted funds and £nil (2019 - £nil) was attributable to restricted funds.

8 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2020 £	2019 £
Destinations	143,011	24,690	167,701	462,961
Capacity Building & Advocacy	129,969	40,841	170,810	135,992
Research & Scoping	60,605	24,638	85,243	198,757
Other Project Funds	16,940	123,194	140,134	38,066
Governance Costs	-	7,675	7,675	8,069
	<u>350,525</u>	<u>221,038</u>	<u>571,563</u>	<u>843,845</u>

£368,073 (2019 - £426,236) of the above expenditure was attributable to unrestricted funds and £203,490 (2019 - £417,609) was to restricted funds.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Destinations	-	167,701	167,701	462,961
Capacity Building & Advocacy	137,531	33,279	170,810	135,992
Research & Scoping	82,733	2,510	85,243	198,757
Other Project Funds	117,250	-	117,250	38,066
Redundancy Costs	22,884	-	22,884	-
Governance Costs	7,675	-	7,675	8,069
	<u>368,073</u>	<u>203,490</u>	<u>571,563</u>	<u>843,845</u>

9 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted General £	Total 2020 £	Total 2019 £
Staff costs	156,614	156,614	93,730
Redundancy costs	22,884	22,884	-
Premises	19,274	19,274	28,831
Communications and IT	1,511	1,511	1,514
General office	2,884	2,884	8,472
Human resources	5,937	5,937	21,749
Depreciation	3,779	3,779	3,190
Disposals and write-offs	-	-	944
Other office costs	480	480	720
Governance costs	7,675	7,675	8,069
	<u>221,038</u>	<u>221,038</u>	<u>167,219</u>

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

Governance costs

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Audit fees			
Audit of the financial statements	5,250	5,250	5,400
Other fees paid to auditors	2,349	2,349	1,416
Other governance costs	76	76	1,253
	<u>7,675</u>	<u>7,675</u>	<u>8,069</u>

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2020 £	2019 £
Operating leases - other assets	18,060	27,608
Audit fees	5,250	5,400
Other non-audit services	2,349	1,416
Loss on disposal of tangible fixed assets	-	943
Depreciation of fixed assets	<u>3,779</u>	<u>2,759</u>

11 Trustees remuneration and expenses

During the year the charitable company made the following transactions with Trustees:

£Nil (2019 - £1,253) of expenses were reimbursed to the Trustees during the year.

During the year the number of Trustees that were paid expenses was Nil (2019 - 1).

Travel and subsistence costs were paid to Trustees in order to attend Trustees meetings.

Expenses to facilitate Trustee meetings of £76 (2019 - £989) were incurred.

No Trustees, nor any persons connected with them, have received any remuneration from the charitable company during the current or prior year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	472,665	530,254
Social security costs	45,551	50,678
Pension costs	17,555	24,400
Redundancy costs	22,884	-
Other staff costs	61	1,406
	<u>558,716</u>	<u>606,738</u>

The monthly average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020 No	2019 No
Charitable activities	7	12
Fundraising	1	1
Support	2	3
	<u>10</u>	<u>16</u>

During the year, the charitable company made redundancy payments which totalled £22,884 (2019 - £Nil) in compensation for loss of office. Included within this amount was £Nil (2019 - £Nil), representing ex-gratia payments.

The number of employees whose emoluments fell within the following bands was:

	2020 No	2019 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

13 Taxation

The charitable company is a registered charity and is therefore exempt from taxation on income and gains to the extent that they are applied to its charitable objects.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

14 Tangible fixed assets

	Office equipment £	Total £
Cost		
At 1 January 2020	28,062	28,062
Additions	1,542	1,542
At 31 December 2020	<u>29,604</u>	<u>29,604</u>
Depreciation		
At 1 January 2020	15,584	15,584
Charge for the year	3,779	3,779
At 31 December 2020	<u>19,363</u>	<u>19,363</u>
Net book value		
At 31 December 2020	<u>10,241</u>	<u>10,241</u>
At 31 December 2019	<u>12,478</u>	<u>12,478</u>

15 Debtors

	2020 £	2019 £
Trade debtors	21,995	162
Accrued income	7,799	81,426
	<u>29,794</u>	<u>81,588</u>

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,162	5,574
Other taxation and social security	10,349	12,144
Other creditors	24,964	20,583
	<u>36,475</u>	<u>38,301</u>

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

17 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Land and buildings		
Within one year	<u>2,060</u>	<u>6,936</u>

18 Pension and other schemes

Defined contribution pension scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company to the scheme and amounted to £17,555 (2019 - £24,400).

Included in £17,555 (2019 - £24,400) is amounts of £6,271 (2019 - £9,343) attributable to restricted funds and £11,284 (2019 - £15,057) to unrestricted funds.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

19 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted				
<i>General</i>				
General	570,547	134,495	(468,405)	236,637
Restricted				
IKI/UNEP	-	25,678	(24,500)	1,178
EBRD Croatia & Montenegro	-	17,340	(17,340)	-
TCF BUSB Jamaica	22,912	86,907	(37,508)	72,311
TCF SSPF Cyprus	11,218	74,053	(61,803)	23,468
ETC Project	-	5,170	(2,585)	2,585
TCF FFF Turkey	18,247	92,574	(34,805)	76,016
SMILO Project	-	1,500	(1,500)	-
CTO Project	-	4,000	(4,000)	-
US Embassy	-	6,330	(1,000)	5,330
IUCN	-	18,449	(18,449)	-
Total restricted	<u>52,377</u>	<u>332,001</u>	<u>(203,490)</u>	<u>180,888</u>
Total funds	<u><u>622,924</u></u>	<u><u>466,496</u></u>	<u><u>(671,895)</u></u>	<u><u>417,525</u></u>

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2019 £
Unrestricted funds					
<i>General</i>					
General	800,535	293,187	(524,345)	1,170	570,547
Restricted					
IKI/UNEP	1,140	134,903	(134,873)	(1,170)	-
TCF MB Jamaica	17,585	-	(17,585)	-	-
TCF BUSB Jamaica	-	89,284	(66,372)	-	22,912
TCF SSPF Cyprus	-	83,641	(72,423)	-	11,218
TCF FFF Turkey	3,987	115,100	(100,840)	-	18,247
Waterloo/Lionfish	8,886	-	(8,886)	-	-
IUCN	-	4,350	(4,350)	-	-
EBRD	-	12,280	(12,280)	-	-
Total restricted funds	<u>31,598</u>	<u>439,558</u>	<u>(417,609)</u>	<u>(1,170)</u>	<u>52,377</u>
Total funds	<u>832,133</u>	<u>732,745</u>	<u>(941,954)</u>	<u>-</u>	<u>622,924</u>

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

General Fund

This fund represents the charity's free reserves and is used to develop and deliver sustainable tourism initiatives without restrictions on the basis of trustees' decisions. These funds are used between the following categories: Destinations, Sustainable Practice, Research & Scoping, Other Project Funds, Governance & Fundraising Costs.

TCF Turkey, Flavours From the Field (*Destinations*)

This project, a TUI Care Foundation initiative delivered by the Travel Foundation, is helping rural, small-scale producers in south-west Turkey to benefit from tourism. The aim is to improve the livelihoods of farmers and small-scale producers in the Muğla region by facilitating the local supply of traditional ingredients and delicacies to hotels, restaurants and gift shops.

The area is famous for its honey, olives, citrus fruit, almonds, herbs, pomegranates and fresh vegetables. Traditional delicacies made from this fresh produce, such as oils, vinegars and jams, will be bought by hotels for their kitchens and gift shops.

We will support local producers to develop a range of goods that appeal to hotels and customers, and we will encourage hotels to buy locally, and promote local products to their customers.

TCF Jamaica, Big Up Small Business (*Destinations*)

Our Big up Small Business project, with the TUI Care Foundation, is creating new opportunities for up to 150 small business entrepreneurs in Jamaica, so that more people can benefit from tourism.

Small business entrepreneurs are a vital part of any economy, most people rely on them for employment and they drive innovation and opportunity. With the right conditions, tourism has great potential to enable small businesses to prosper. Bars, restaurants, shops and activities can be enjoyed by visitors and residents alike and in turn they create jobs, prosperity and contribute to a thriving local economy.

We're giving a helping hand to a whole range of exciting small business in Jamaica, so they can better connect with tourists and take advantage of the opportunities that tourism brings. Small businesses including artisans, accommodation providers, community enterprises, craft and food producers and micro excursion providers will receive training and marketing support to improve their business and better understand international market requirements. Ten of these small businesses, selected by a panel of experts, will receive intensive, bespoke support.

TCF Cyprus, Sand, Sea and Plastic Free (*Destinations*)

This initiative with TUI Care Foundation aims to bring together tourists, tourism businesses and residents across Ayia Napa, Protaras and the wider Famagusta region of Cyprus to cut consumption of single-use plastic so that less enters the waste stream.

The project campaign Keep Our Sand and Sea Plastic Free will initially be delivered in the popular neighbouring resorts of Ayia Napa and Protaras. We are focusing on reducing the amount of single-use plastics waste generated and discarded in resort, as well as promoting recycling.

We are working with the tourism sector to reduce demand and consumption of single-use plastics - such as plastic straws, cups, cutlery and hotel toiletries. The project will raise awareness of the issue with residents, school children and tourists in order to reduce demand, and work with tourism businesses to change procurement practices. We are also collaborating with regional authorities to embed longer-lasting change.

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Notes to the Financial Statements for the Year Ended 31 December 2020

IKI/UNE Project (*Destinations*)

This project, "Transforming Tourism Value Chains in developing countries and Small Island Developing States (SIDS) to accelerate more resilient, resource efficient, low carbon development" is finding ways to reduce tourism's carbon footprint and make it a more efficient industry in terms of water and energy use.

The project is led by UN Environment and supported by €5 million from the International Climate Initiative (IKI) on behalf of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety. The four-year project aims to transform activities and services along the whole supply chain, looking at three areas within the tourism sector: accommodation, food/beverages, and events. We are collaborating with UN Environment, the Waste and Resources Action Programme (WRAP), the Technical University of Denmark (DTU), and local partners including tourism ministries to deliver this project in Saint Lucia and Mauritius

IUCN (*Sustainable Practice*)

Commissioned by the International Union For Conservation of Nature Mediterranean Center for Cooperation, we funds these used to support the development of a capacity building report describing the capacity building activities conducted with Local Ecotourism Clusters; and support the delivery of a transferability plan demonstrating how the DestiMED project actions will be transferred.

These activities were done to support the DestiMED project, which is a project co-financed by the European Regional Development fund that brings together protected areas to collectively develop, manage and promote ecotourism products in the Mediterranean basin.

EBRD, Regional: Mapping supply and demand potential for tourism (*Sustainable Practice*)

This work, commissioned by the EBRD, was to support their Inclusive Tourism Framework in the Eastern Mediterranean (ICTW) programme. Within this, we reviewed and categorised products typically used in tourism operations in the Mediterranean region and target countries before conduct a mapping of local/regional supply-side potential of relevant products and developed a demand-side mapping of tourism procurement operations.

ETC Project (*Sustainable Practice*)

The European Travel Commission (ETC) is an international non-profit-making organisation, whose members are the 33 National Tourism Organisations (NTOs) of Europe, whose role is to promote tourism to Europe. This fund was for the Travel Foundation to draft the ETC Handbook European Sustainability Schemes.

SMILO Project

This fund from the Small Islands Organisation (SMILO) was for the Travel Foundation to develop and deliver training on Sustainable Tourism within the framework of the project "Women on islands, leaders of sustainable tourism".

CTO Project

This fund, from the Caribbean Tourism Organisation (CTO), was to deliver a series of Smart Recovery Planning Virtual Workshops - Supporting Resilient Regrowth for the Caribbean, as a partnership project of the Travel Foundation and the Caribbean Tourism Organisation.

US Embassy Project

This fund, from the Pacific Tourism Organisation, was part of the Building Resilient Tourism Futures Project, for the SPTO and The Travel Foundation to together develop a practical Are you Ready for Recovery Toolkit to help the region's experience and excursion SMEs adapt and connect successfully to US and other international tourism marketplaces.

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Notes to the Financial Statements for the Year Ended 31 December 2020

TCF MB Jamaica (*Destinations*)

This project, funded by TUI Care Foundation, successfully increased the number of tourists exploring and spending money outside their hotels, increasing opportunities for local businesses to benefit economically from tourism.

Using the city of Montego Bay as the demonstration model, we worked with the public sector to build the capacity of local small, medium and micro enterprises (SMME's) such as local attractions and craft producers so that they can meet international requirements. This included reducing tourist hassle by developing customer service skills and ensuring tourists get a warm welcome. In parallel, we worked to improve the quality and quantity of information available for visitors on what to see and do in Montego Bay with the aim of increasing footfall outside hotels and spreading the economic benefits locally. This included facilitating market access for local SME's through their inclusion in international excursion programmes.

Lionfish on the Menu Project, Waterloo Foundation (*Destinations*)

Funded by a grant from the Waterloo Foundation, the project's goal is to contribute to the eradication of the invasive lionfish species, supporting the conservation of native reef fish stocks around Saint Lucia. To achieve this, we aim to demonstrate the economic value of catching and selling lionfish by building supply-chain links between fishing co-operatives and tourist restaurants. A decrease in lionfish populations will help to conserve one of the island's main tourist attractions - the coral reef, which is Saint Lucia's largest marine protected area. In the longer term, populations of native reef fish should increase. In addition, hotels and restaurants involved will be able to demonstrate their commitment to conservation to their customers and the project will also benefit fishing communities, through increased incomes and conservation of local fish stocks.

ECEAT Training (*Sustainable Practice*)

Commissioned by the European Centre for Eco and Agro Tourism, this fund was used to produce specialised guiding modules for an online training course for tour operators and guides, to illustrate members' commitments to being responsible businesses and to improve both the quality of products and tourism supply chain in destinations worldwide.

EBRD Croatia and Montenegro (*Destinations*)

This fund was from the European Bank for Reconstruction and Development (the "EBRD" or the "Bank") as part of the "Inclusive Tourism Framework in the Eastern Mediterranean" (the "ITFW"). The Travel Foundation's role within this project was to provide technical assistance to identified beneficiaries, to assist them in becoming more inclusive in their practices and policies, in particular by ensuring equal opportunities to young people and women; and/or encouraging linkages with local suppliers.

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Notes to the Financial Statements for the Year Ended 31 December 2020

20 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2020 £
Tangible fixed assets	10,241	-	10,241
Current assets	262,872	180,887	443,759
Current liabilities	(36,475)	-	(36,475)
Total net assets	<u>236,638</u>	<u>180,887</u>	<u>417,525</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2019 £
Tangible fixed assets	12,478	-	12,478
Current assets	596,370	52,377	648,747
Current liabilities	(38,301)	-	(38,301)
Total net assets	<u>570,547</u>	<u>52,377</u>	<u>622,924</u>

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2020

21 Related party transactions

During the year the charitable company made the following related party transactions:

TUI Care Foundation

(Chair of the Advisory Committee for TUI Care Foundation was Jane Ashton who is a Trustee of The Travel Foundation)

During the year, the TUI Care Foundation made available £253,534 (2019 - £448,025) in grant funding for the Foundation. At the balance sheet date the amount due from TUI Care Foundation was £20,700 (2019 - £Nil).

TUI Group

(Chair of the Advisory Committee for TUI Care Foundation Jane Ashton is a Trustee of The Travel Foundation)

During the year, TUI Group provided in-kind support valued at £nil (2019 - £nil). At the balance sheet date the amount due to/from TUI Group was £Nil (2019 - £Nil).

The Midcounties Co-operative

(Director Alistair Rowland is a trustee of The Travel Foundation)

During the year, this company and its subsidiaries collected £2,347 (2019 - £22,363) in customer donations and provided in-kind support of £Nil (2019 - £620) for The Travel Foundation. At the balance sheet date the amount due from The Midcounties Co-operative was £1,289 (2019 - £19,801).

Sunvil International Sales Limited

(Director Noel Josephides is a trustee of The Travel Foundation)

During the year, this company and its subsidiaries collected £Nil (2019 - £9,544) in customer donations for the Foundation. At the balance sheet date the amount due to/from Sunvil International Sales Limited was £Nil (2019 - £9,544).

ABTA Ltd

(Directors John de Vial, Alistair Rowland and Noel Josephides are trustees of The Travel Foundation)

During the year ABTA provided gifts in kind valued at £Nil (2019 - £1,250). At the balance sheet date the amount due to/from ABTA Ltd was £Nil (2019 - £Nil).

Four Communications Limited

(Director Debbie Hindle is a trustee of The Travel Foundation)

During the year this company provided in-kind support valued at £1,000 (2019 - £1,250). At the balance sheet date the amount due to/from Four Communications Limited was £Nil (2019 - £Nil).

Co-Operative Holidays Limited

(Director Mark Alistair Rowland is a trustee of The Travel Foundation.)

During the year this company provided in-kind support valued at £Nil (2019 - £684). At the balance sheet date the amount due to/from Co-Operative Holidays Limited was £Nil (2019 - £Nil).

GSTC

(Director Jane Ashton is a trustee of The Travel Foundation.)

During the year this company provided in-kind support valued at £Nil (2019 - £571). At the balance sheet date the amount due to/from GSTC was £Nil (2019 - £Nil).

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Notes to the Financial Statements for the Year Ended 31 December 2020

European Travel Commission

(Chairman of marketing group Elke Dens is a trustee of The Travel Foundation on 25 January 2021)

During the year, European Travel Commission made available £5,170 (2019 - £Nil) in grant funding for the Foundation. At the balance sheet date the amount due to/from European Travel Commission was £Nil (2019 - £Nil).

Impact Travel Alliance

(Board member Elke Dens is a trustee of The Travel Foundation on 25 January 2021)

During the year Impact Travel Alliance provided gifts in kind valued at £131 (2019 - £Nil). At the balance sheet date the amount due to/from Impact Travel Alliance was £Nil (2019 - £Nil).