

Company registration number: 03425954

Charity registration number: 1065924

The Travel Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
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The Travel Foundation

Contents

| | |
|---|----------|
| Reference and Administrative Details | 1 |
| Report of the Chair | 2 to 3 |
| Trustees' Report | 4 to 17 |
| Statement of Trustees' Responsibilities | 18 |
| Independent Auditors' Report | 19 to 21 |
| Statement of Financial Activities | 22 |
| Balance Sheet | 23 |
| Statement of Cash Flows | 24 |
| Notes to the Financial Statements | 25 to 48 |

The Travel Foundation

Reference and Administrative Details

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|------------------------------------|---|
| Chief Executive Officer | Mr J Sampson |
| Secretary | Mrs T J Quinn-Forgan |
| Trustees | Mrs D A Hindle Mrs J Ashton Ms H N Marano Dr M S Kelig Ms R Turner Ms C A Ritter Ms G James (appointed 23 August 2022) Dr M K Morikawa (appointed 23 August 2022) Mr M S Toprak (appointed 23 August 2022) Dr S B Etti (appointed 17 October 2022) Ms J Kuehnel (resigned 19 April 2022) Mr N Josephides (resigned 31 December 2022) Mr A M Rowland (resigned 31 December 2022) |
| Registered Office | Create Centre Smeaton Road Bristol BS1 6XN The charity is incorporated in England & Wales. |
| Company Registration Number | 03425954 |
| Charity 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

The Travel Foundation's aim is to move tourism to a more balanced model that puts destination needs - the wellbeing of resident communities, and the health of the environment - at its centre. Following a tumultuous two years for tourism as a result of the COVID pandemic, there are signs that some parts of the sector are recovering and evolving towards this stewardship approach. There are, however, many challenges ahead for destinations: the need to embed a change in mindset and mandate; requirements for practical knowledge, different skillsets; creative ideas of innovation, new measures of success; strong thought leadership for new actionable paths; precompetitive collaboration or competition; and many more.

This is where the Travel Foundation comes in. We see our role as supporting destinations and equipping their stakeholders with the competencies to meet myriad challenges. We offer thoughtful, tested approaches, encouraging and helping them through this transition towards a better, healthier, more just future.

Following the rapid adaptations necessary to ensure the Travel Foundation's survival throughout the uncertain years of the pandemic, it is with gratitude and a huge sense of achievement that we can now look back in the knowledge that we have emerged as a stronger and more impactful organisation. With hindsight, we are proud of our ability to remain agile in our strategic approach during that extraordinary time and it's a lesson we hope to retain moving forward. This agility accelerated our transition into an organisation with increased visibility, a more robust leadership role and a broader network of partners and supporters.

Despite the disruption wrought by the pandemic and thanks to the hard work and adaptability of our team, 2022 brought with it some exciting new opportunities to expand our portfolio of work across both of our strategic priorities: climate action in tourism and equity for resident communities. This included creating five new roles this year, welcoming to our team specialists with expertise in climate action, strategic tourism planning, destination stewardship, community engagement and more.

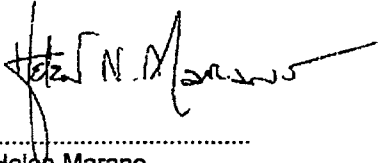
This wealth of expertise and experience has supported us to grow our reach and impact internationally. Having once been based solely in the UK, our team now spans eight countries around the world, echoing the growing geographical reach of our work. In 2022, we forged many new partnerships with leading destinations across Europe and the USA, and our aim is to ensure that the resulting projects will act as exemplars for other destinations to follow. In 2023, it is our intention to broaden our international reach, refocusing our attention and partnerships on the Global South, through our expert support, resources and capacity building initiatives.

During the past year, we have launched a huge range of initiatives on climate action. This included our vital research report, *Envisioning Tourism in 2030 and Beyond*, looking at what a Net Zero future for tourism looks like. We also began developing a first-of-its-kind capacity building program with Expedia Group, designed to bring climate action know-how to numerous destinations around the world - empowering destinations at scale. In addition, we launched a new sustainable tourism management course with Cornell University for destinations in response to our 2019 report, *The Invisible Burden of Tourism*. All three initiatives will come to fruition in 2023 and we look forward to the impact that these important projects will have all around the world.

We take pride in having completed three long-running projects with the TUI Care Foundation, incorporating plastic reduction in Cyprus, support for small tourism businesses in Jamaica and connecting local producers to hotels in Turkey. Each of these projects ended with impressive results that are detailed in this report.

The Travel Foundation

2023 marks the 20th anniversary of the inception of the Travel Foundation and we look forward to celebrating this with our partners and supporters. Capitalising on our new strategic planning framework, designed to increase our impact between now and 2030, we are planning a brand reboot to commemorate this anniversary while we continue to step-up our leadership, advocacy and innovation. The Trustees and executive team are committed to leveraging our combined expertise, partnerships, and strategic focus as the springboard to our next 20 years. Along our path forward the Travel Foundation will further scale our work and increase our reach, resulting in a better, smarter approach to tourism that enables destinations to thrive in a changing global paradigm. We look forward to working together with all of you to bring this vision to life.



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Helen Marano
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 2022.

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).

OBJECTIVES

The Travel Foundation's objectives and purposes, as per its Memorandum and Articles, are to ensure tourism has a positive impact on destination communities by working with governments, community group and tourism businesses for fairer climate-positive tourism. We aim to accelerate change, supporting better destination stewardship that ensures community involvement and sustainable tourism products.

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, Company Secretary 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, Company Secretary 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.

The Travel Foundation

Trustees' Report

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 2022, Governance costs were 1.82% (2021 - 1.38%) of income.

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 £140 (2021 - £1,199).

Governing document

The Travel Foundation is a Charity registered with the Charity 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.

Public benefit

The trustees are confident that The Travel Foundation meets the public benefit requirements for charities and they confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit where applicable.

Risk Management

The Foundation maintains a comprehensive 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 December 2021.

Intellectual property

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

The Travel Foundation

Trustees' Report

FINANCIAL REVIEW

Overview and year-end position

Total income of £756,129 in 2022 (2021 - £659,014) was up 14.7% year on year. It also represented a more than 40% improvement against the organisation's original 2022 operating budget. This increase included £220k of new income achieved in the year, resulting in increased restricted income funding as well as increased private sector income due to the improvements to the travel sector industry as a result of changing restrictions which reignited international travel.

Representing a year on year increase of 62%, total expenditure was £937,065 (2021 - £577,506), also representing an 8% increase against the organisation's 2022 budget.

As reported in our 2021 accounts, we budgeted to draw down from our unrestricted reserves in the year. We closed the year with an increase in reserves on these of £101,366 (2021 - £64,338 deficit), leaving the organisation with closing unrestricted capital and reserves of £273,665 (2021 - £172,299) and restricted capital and reserves of £44,432 (2021 - £326,734). This was a significant improvement against the organisation's original 2022 budget.

Reserves policy and going concern

Our Reserves policy was updated in the prior 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 2022 the charity had total reserves of £318,097 (2021 - £499,033) of which £273,665 (2021 - £172,299) were unrestricted funds and £44,432 (2021 - £326,734) were restricted funds. The free reserves of the charity were £267,242 (2021 - £165,434).

In March 2022, when the policy was fully updated, a readily realisable reserves figure of £155k was calculated for the 2022 period, as the amount required to meet obligations should the charity cease operations. The closing position significantly improved on this.

Looking to the future, the Board of Trustees will conduct a review of financial progress at each meeting in 2023 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.

The Travel Foundation

Trustees' Report

KEY ACHIEVEMENTS AND PERFORMANCE

During 2022, the Travel Foundation continued its focus on both equity and climate change, driving collaboration and innovation for a better, more balanced approach to tourism that puts communities and the environment at its centre. The organisation has continued to evolve, increasing our visibility, taking a more robust leadership role, and creating a broader network of partners and supporters. This evolution, which has been accelerated in part by the disruption caused by the global pandemic, now continues with three notable developments:

- A pivot towards **climate action in tourism**, for which we have set up a huge programme of activities supporting and encouraging tourism organisations on this urgent issue. One of our key initiatives this year has been a ground-breaking research project called 'Envisioning Tourism in 2030 and beyond.'
- A strengthened **focus on destinations**, providing capacity building for destination management organisations and national tourism organisations, such as our new programme of work in the USA, to enable a stewardship approach to planning and management.
- A strong commitment to supporting **collaborative initiatives**, such as the Glasgow Declaration on Climate Action in Tourism and the Future of Tourism Coalition (both of which we helped to create), demonstrating our focus on finding collective solutions and fostering co-operation between organisations for a better, stronger tourism sector that is fit for the future.

To support all of this, our organisation is also changing in its structure, moving from a UK-based, to an increasingly international board and team (now based in eight countries). In 2022, we welcomed five new team members: Elke Dens our Director of Global Programmes, formerly from Visit Flanders; Jeremy Smith, Climate Specialist and co-founder of Tourism Declares a Climate Emergency and three Sustainable Tourism Specialists, Rebecca Armstrong, Kelly Galaski and Alicia Fajardo. We also welcomed four new trustees with diverse experience and perspectives: Climate expert, Dr Susanne Etti, Global Environmental Impact Manager for Intrepid Travel; market analysis and strategy expert, Georgette James, Founder of Clynice Travel & Tourism Consulting; circular economy and marine science expert Megan Morikawa, Global Director of Sustainability at Iberostar Group; and destination sustainability expert Mehmet Semsettin Toprak, Türkiye Programme Manager at the TUI Care Foundation (formerly our project manager for Turkey).

Alongside this structural shift has been an evolution in our funding model, moving away from a strong dependency on a small number of funding sources, towards diversification and growth. More information on this can be found in the section on finances.

Below is a summary of progress and achievements under our two areas of focus: equity and climate change, as well as our broader advocacy work. Included here also is a summary of three long-running projects funded by the TUI Care Foundation which have all come to an end over the past year.

The Travel Foundation

Trustees' Report

TUI Care Foundation Projects

Our three, multi-year TUI Care Foundation projects all came to an end in 2022 or early in 2023, with some impressive results. The projects focussed variously on plastic reduction in Cyprus, support for small tourism businesses in Jamaica and connecting local producers to hotels in Turkey.

Keep Our Sand and Sea Plastic Free, Cyprus

We delivered this project in partnership with the Cyprus Sustainable Tourism Initiative (CSTI), bringing together tourists, tourism businesses and residents across Ayia Napa, Protaras and the wider Famagusta region to cut consumption of single-use plastic. Despite the challenges of the COVID-19 pandemic and the resulting drop in international arrivals, the project delivered some good results:

- **Reduced volumes of single-use plastic procured and used by tourism businesses.** Between 2019 and 2021, the hotels and restaurants involved in the project made significant reductions of specific single-use plastic items. This includes a 98% reduction in use of plastic straws and a 61% decrease in use of plastic cups, a 77% reduction of plastic take-away boxes and 71% reduction of plastic cutlery.
- **Positive changes in practices to reduce single-use plastics waste.** 96% of signed-up businesses made at least one positive change or reduction and many have made multiple changes. More than 300 people in key roles were reached and most of them started implementing our suggestions for the reduction of single use plastic items. The project's toolkits have also been well used.
- **Raising awareness among tourists and locals.** We estimate that at least 500,000 residents and tourists have been reached through awareness-raising activities, including information and publicity events, billboard, public signage, art installations, plastic free beaches, photo exhibition touring the island and media activities.
- **Educational programme reaches more than a third of the school population.** School presentations, including showing a specially created animation, have now reached 2,186 students, exceeding the project target. The Ministry of Education has now included the project animation on its website, making it available to all schools in Cyprus to use themselves.

The project has now been extended and will run for a further three years (to 2025) with an extension to Larnaca, Limassol and Paphos, with delivery spearheaded by CSTI instead of The Travel Foundation.

Big Up Small Business, Jamaica

This project created new opportunities for 300 small and medium-sized tourism businesses (SMTEs) in Jamaica, through capacity building initiatives to enable business owners to access the international tourism market.

We worked with a whole range of small businesses, supporting them to better connect with tourists and to recover from the impacts of the pandemic. Small businesses, including accommodation providers, tourism attractions, community enterprises, craft and food producers and micro excursion providers, received training and marketing support, both in person and online, to improve their business and better understand international market requirements. During the pandemic, the project was paused for 7 months and on its restart, pivoted to a focus on supporting business survival and recovery.

Activities across the three years included:

- In person regional workshops.
- Bespoke, tailored support for a small cohort of 'booster businesses'.

The Travel Foundation

Trustees' Report

- Training and resources for all SMTEs in Jamaica to build their capacity as entrepreneurs.
 - Four 'Are you Ready for Recovery' webinars and related guidebooks for all Jamaican SMTEs focussed on Markets & Products, Health, Safety & Security, Pricing and Getting Ready for Business, attended by 92 SMTEs overall, with an average of 50 participants per session.
 - A further series of training webinars focussed on Business and Basic Book-keeping Skills, Writing a Business Plan, Preparing to Access Funding, Future Proofing your Business and Digital Marketing Skills. 154 attended representing approximately 140 SMTEs.
- 12 weekly online networking events, which gave participants a chance to meet tour operators, ground handlers, OTAs, social media influencers/bloggers, the Jamaica Tourist Board and TUI Jamaica.
- A website www.bigupsmallbusiness.org, where resources can be accessed.
- Promotion of the project on social media and in the press.

Results included:

- **Improved market access for SMTEs in Jamaica.** A total of 397 individuals representing over 300 SMTEs benefited in different ways from the training and resources provided through the programme. Many of the booster businesses also demonstrated increased knowledge and skills. For example, developing new products or improving existing ones and making changes to business.
- **Increased knowledge of tourist market needs.** 90% of those trained have increased knowledge of tourist market needs, and improved skills to develop and adapt their products / services to meet these needs.
- **Improved access to business financing and increased profile/visibility with tourists.** Both of these benefits were highlighted by respondents to our post training surveys and evidenced by changes made by our booster businesses.

"We have received invaluable coaching, mentorship, and advice from experts tailored to our specific needs and goals". Animal Farm and Nature Reserve, one of our 'booster businesses'.

Flavours from the fields

This project tackled one of the most challenging aspects of destination sustainability: how to integrate small, local producers into a large, mainstream tourism supply chain.

The Muğla region of Turkey is famous for its honey, olives, citrus fruits, nuts and herbs from which small-scale producers make delicacies, such as oils, jams and dried fruits. Our project, which ended in early 2022, aimed to support these producers to improve their income by enabling them to supply hotels in the area. As well as brokering direct commercial relationships between hotels and local suppliers, we also provided bespoke advice, workshops, as well as manuals and guides, enabling producers to connect to the international market. Results include:

- **Increased income for farmers and cooperatives.** Fourteen producer units comprising six village cooperatives and 8 SMEs delivered products to hotels and other tourism businesses. Most of them had never been involved or done business with the tourism industry before. The project has reached more than 1000 farmers, directly or indirectly, in the Muğla Region. A 15% increase in income from the tourism sector has been achieved through the sale of value-added products obtained from the raw materials produced by at least 165 farmers.
- **Hotels and tourism businesses changed practices to purchase more local products.** 47 tourism businesses, 40 of which were hotels, purchased value-added local products produced within the project's scope.

The Travel Foundation

Trustees' Report

- **Tourists sampled and purchased local produce.** Despite the fluctuations in the tourism sector, the closures and restrictions caused by the pandemic, and the fact that the project missed an entire tourism season; still approximately 425,000 tourists could sample the local value-added products purchased by hotels and other tourism businesses.

Fairer, More Equitable Tourism

In recent years, there has been a strong trend towards taking a stewardship approach to destination management, putting the needs of local residents and the protection of natural and cultural assets at the heart of their goals. However, designing effective stewardship strategies and programmes is not always straightforward and many destination management organisations (DMOs) and national tourism organisations (NTOs) are struggling to understand how to make this shift.

In 2022, we worked with many leading destinations and tourism organisations, supporting strategic planning and enabling collaboration for better, more balanced tourism.

Destination stewardship Strategy and Planning

In 2022, we partnered with eight leading destinations across the USA, Canada and UK to create stronger, better strategies that put resident communities at their heart, including confronting some of the industry's most persistent challenges, such as inequality, seasonality, economic leakage and overcrowding. The destinations we worked with are all united by their desire to engage fully with their communities, to protect and enhance what makes their places special, and to optimise tourism's benefits for visitors and residents alike. Our aim is to ensure that these organisations are able to lead the way for others to follow, showcasing approaches that improve the impacts of tourism on the destination.

Our work in the US in 2022 marked the first time the Travel Foundation has developed a significant programme of activity in this country. For example, we worked with Tahoe, Vail, Port Aransas and Oceanside (often alongside other partners), to support planning efforts, build the capacity of the DMOs, enable collaboration across the destination and introduce skill sets such as risk profiling and stakeholder engagement.

"Our work with the Travel Foundation provided a solid base of research and planning for us to evolve our island home and destination. Their research helped us develop a new stewardship position and laid the groundwork work for goals and a vision to work toward." Brett Stawar, President & CEO, Port Aransas Tourism Bureau & Chamber of Commerce

For many of our partners, we act as a 'critical friend', providing independent, expert advice on sustainable tourism and acting as an advocate for climate action and equitable tourism. As part of this role, we take care to understand fully the context our partners operate in, the challenges they face and the opportunities open to them. We provide an impartial assessment, offering new ideas and strategic insights, analysing and evaluating solutions, as well as acting as a sounding board for tourism leaders. We also leverage our network of leaders from across tourism destinations, companies, NGOs and public sector organisations to provide additional support and share learning.

For example, with 4VI (formerly Tourism Vancouver Island), we are supporting the continued development of a set of sustainable impact key performance indicators (KPI) and building a business case based on these new measures of success. We are also using our 'optimal value (impact) framework' to build an in-depth understanding of the value of tourism for communities on Vancouver Island across economic, environmental, societal and cultural parameters. The analysis will then support 4VI to minimize risks and negative impacts from tourism, whilst also enhancing its value to local people.

The Travel Foundation

Trustees' Report

Taking a destination stewardship approach with EasyJet holidays

This two-year project with easyJet holidays aimed to support four destinations across Europe Tenerife (Spain), Mallorca (Spain), Marmaris (Turkey), The Algarve (Portugal), to take a stewardship approach to the management of tourism. The project considered tourism as a whole in these destinations, not just easyJet holidays' operations.

We first conducted research to better understand the most important tourism-related challenges and opportunities in each destination, to inform a more balanced and equitable approach. We then sought engagement from a wide range of stakeholders, bringing together competitors, community representatives and those responsible for public assets to consider tourism's most significant impacts and build consensus around common goals. We also worked with these stakeholders to build a pathway towards a more equitable approach and practical steps to achieve the goals. We also produced specific recommendations for easyJet holidays based on its areas of influence and leverage to address the key challenges and opportunities identified from research, highlighting key priority areas for action per destination. Following the project, we ran a global roundtable, which explored the opportunities and challenges emerging from the project.

Sustainable Tourism Destination Management Course with Cornell University

In December 2022, we launched a new online course in partnership with Cornell University's SC Johnson College of Business. The course aims to train global hospitality and tourism professionals in using sustainable practices across all areas of the tourism industry. It was developed as a follow-up to the 2019 report 'Destinations at Risk: The Invisible Burden of Tourism', (created by the two organisations with Epler Wood International), that highlights a gap in fostering the talent, capacity and leadership needed to manage the greener, more resilient and equitable destinations of the future. The programme provides essential skills and tools that can be applied with immediacy in the workplace, covering areas such as governance, community engagement, impact management, data monitoring, and climate action planning.

The course was developed with support and collaboration from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the German Federal Ministry for Economic Cooperation and Development. At least 1,000 course participants will receive funding to offset the cost of the program and enable greater participation from target countries where affordability might be a barrier.

Research for Equitable, Diverse and Inclusive Travel and Tourism

We worked with the University of Surrey's School of Hospitality and Tourism Management to identify key challenges and barriers to equity, diversity and inclusion (EDI) in travel and tourism, with the ultimate aim of fostering inclusive organisational cultures and achieving representation and progression of diverse groups (i.e., ethnicity, gender, age, sexuality etc.). We co-moderated in-person workshops in London which explored the issues and contributed to building a greater understanding of different dimensions of EDI. From these workshops, a flexible and usable toolkit was developed to support and guide organisations and policy makers toward achieving the EDI agenda across the sector.

The Travel Foundation

Trustees' Report

Climate Action

Envisioning Tourism in 2030

This major research project sought to understand what a growing, thriving Net-Zero visitor economy would look like and how tourism could get there. The project was undertaken in collaboration with CELTH, Breda University of Applied Sciences, the European Tourism Futures Institute, and the Netherlands Board of Tourism and Conventions, alongside other partners. The project team modelled different decarbonisation scenarios across transport and accommodation with the aim of providing a positive vision of a growing visitor economy where emissions are reduced to Net Zero.

The initial findings were released in November 2022, during COP 27 in Egypt and highlighted that there is only one scenario compatible with this aim.

The report found that to achieve this scenario, everyone in tourism needs to act fast. With global tourism set to double in size by 2050 from 2019 levels, current strategies that rely solely on carbon offsetting, technological efficiencies and biofuels are woefully inadequate. Such measures alone will fail to meet the Paris Agreement-aligned goals to halve emissions by 2030 and achieve net zero emissions by 2050 at the latest. Instead, global policy makers and tourism organisations are urged to combine all those measures with significant investments and incentives for bringing forth the greenest forms of transport, and limits on the most polluting. The key measures for reaching Net Zero include: trillion-dollar investments in all available decarbonisation measures; prioritising trips which can reduce emissions most readily (e.g. those by road and rail); and limits to aviation growth until it is fully able to decarbonise, in particular capping the longest-distance trips to 2019 levels.

The full report was launched and promoted widely early in 2023.

Climate action planning support

This year, we have stepped up our work to support destinations to better understand the challenges relating to climate change and to co-create solutions that can help them advance on climate action. This includes supporting destinations to reduce carbon emissions relating to tourism, as well as how to adapt plans and products to address the risks associated with our changing climate and make use of the opportunities around moving towards Net Zero.

The Travel Foundation

Trustees' Report

Towards Net Zero in Scotland

One of the most interesting initiatives we have worked on in 2022 has been with leading destination Visit Scotland across different parts of the Scottish tourism industry on three simultaneous projects. The first of these initiatives was working with a group of sub-national DMOs - Glasgow, Inverness and Loch Ness and the Outer Hebrides - to build their knowledge and literacy about tourism and climate action, while supporting the delivery of their own initial climate action plans through mentoring, peer-to-peer exchange, and facilitated workshops which included other DMOs from across the country. As a result of this work, the three destinations were able to develop their own climate action plans and tourism representatives across Scotland received tools and training to support them in accelerating climate action.

Our second initiative kickstarted a new collaboration between Scotland and international tour operator, The Travel Corporation (TTC), which has a large operational footprint in the country. We worked with TTC, Visit Scotland and Scottish Enterprise to design a series of public private interventions that explore how businesses and destinations can work together on shared challenges in climate action, in particular measuring and reducing emissions from across the value chain. The aims of the project is to lay the groundwork for further, cross-destination collective action.

Finally, we worked with Scottish Enterprise, VisitScotland, the Scottish Government and other enterprise agencies to develop a Destination Net Zero Climate Action Plan looking at how these national level supporting organisations can enable the DMOs and other stakeholders across the industry in Scotland to deliver climate action.

Climate training for tourism destinations

Another major initiative that we began work on in 2022 is a first-of-its-kind capacity-building programme for destination management organisations in partnership with Expedia Group. The online training program will launch in 2023 and will equip DMOs with the knowledge and skills to become a hub for climate action and tourism in their communities, create their own climate action plans and support industry partners do the same while applying a sustainability lens to planning and decision-making. The aim is to create 'climate champions' who can lead the way and facilitate stakeholder alignment and action within their destination. The program will also offer peer-to-peer learning opportunities for destinations to share knowledge and insights with one another. The pilot will launch in 2023.

The barriers and enablers for climate action planning: research

We began a long-term research project in collaboration with Leeds Beckett University to study what barriers destinations across the world face when it comes to Climate Action Planning. The study kicked off in 2022 and will report in 2023, guiding the development of support for destinations, including new tools, resources and collaborative initiatives.

Destination Climate Exchange

We created and hosted a monthly online meetup called Destination Climate Exchange, which brings together frontrunning destinations from around the world and a selection of relevant experts to share challenges, solutions and ideas openly with each other.

The Travel Foundation

Trustees' Report

Supporting membership organisations

We began work with several membership organisations in Europe: the European Travel Commission, Necstour and the Global Business Travel Association (GBTA), supporting them with climate action planning. The aim of this work is to enable the creation of leading examples for other organisations to follow, including the hundreds of membership and partner organisations, thus broadening our reach and enabling us to influence a wider range of organisations.

Glasgow Declaration on Climate Action in Tourism

Having helped to create and launch the Glasgow Declaration on Climate Action in Tourism, at COP26 in November 2021, we continued our support for this world-leading movement, working with the United Nations World Tourism Organisation (UNWTO) on capacity building that supports tourism organisations to deliver and accelerate their commitments to climate action, including:

- We supported UNWTO to develop and launch a Capacity Building Working Group that brings together over 50 experts from across the industry to understand and solve the challenges facing tourism.
- We began work on signatory guidance packs for accommodation providers and tour operators, which will support those entities to meet the Declaration's basic requirements, find useful resources, and deliver climate action plans.
- We collaborated with UNWTO on a series of webinars for signatories exploring different aspects of the declaration and climate action, including measurement and shaping your role in climate action and action planning.
- We supported UNWTO in the delivery of regular newsletters to update signatories on progress of the Glasgow Declaration, featuring inspiring examples of organisations individuals who are making a difference.

Transforming value chains

The long-running '**Transforming Value Chains**' project, led by the UN Environment and supported by the International Climate Initiative on behalf of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), came to an end in 2022. The aim of the project was to find ways to reduce carbon emissions, as well as water-use and waste from tourism across four island states. Across the four-year project, the Travel Foundation led the implementation of the initiative in Mauritius and Saint Lucia, where we:

- Identified 'hot spots' or key areas to reduce carbon emissions and improve resource efficiency.
- Trained public officials and private sector staff in sustainable procurement.
- Developed and launched national action plans in each country to reduce greenhouse gas emissions and improve resource efficiency.
- Developed implementation plans and accompanying capacity building materials.
- Engaged key industry associations to take ownership of project initiatives and to embed the action plans into their own strategic plans to ensure the longevity of the initiative.
- Analysed the market readiness of selected sustainable products in Saint Lucia and Mauritius, which will inform recommendations for sustainable procurement.

The Travel Foundation

Trustees' Report

In 2022, we also ran a **workshop and webinar series** across the Indian Ocean and OECS regions, for accommodation providers. We organised and hosted 11 online training workshops and 4 webinars targeting hotels and associations with the aim of supporting the acceleration of sustainable consumption and production patterns by offering concrete solutions and actions. Topics covered included: plastic waste, food, sustainable procurement, influencing sustainable behaviours and climate change. 226 participants, from over 150 organisations, across 54 countries took part in the workshops and webinars. From our post training survey, 100% of respondents felt the workshops/webinars added to their knowledge, and 98% of respondents felt more able to take action as a result. The series was organised within the framework of the One Planet Sustainable Tourism Programme and in collaboration with UNWTO for accommodation providers around the world.

"The session was informative and I had no knowledge how wide this area is and the vast importance it holds. I am certainly more aware and would be most ready to play my part and be involved in this area of change". Workshop attendee.

Future of Tourism Coalition Summit

As one of the founding members of the Future of Tourism Coalition, we played an integral role in the creation of the coalition's first ever summit, held as part of the Green Destinations 2022 Conference and hosted by Athens in September. During the Summit, destinations, businesses and NGOs came together for a day to demonstrate the need for 'radical collaboration' to adapt to future needs. The focus on the event was on climate action within the framework of the Glasgow Declaration on Climate Action in Tourism.

To conclude the event, members of the audience from organisations that had signed the Glasgow Declaration were invited on stage and applauded, while Preferred Travel Group (parent company of Beyond Green) and the City of Athens became the latest to sign, committing to publish their climate action plans and report on progress annually.

Gloucestershire Community Rail Partnership

We began work on a project with the Gloucestershire Community Rail Partnership (GCRP) to promote sustainable transport and to stimulate joint working between destinations, community rail partnerships and train operators in the UK. In 2022, we developed a methodology, framework and tools to engage with and gather data from stakeholders and monitor and evaluate impacts. We also supported the case for sustainable transport, by developing the Gloucestershire rail 'case study' as a model for others to follow. Finally, we worked with the GCRP to create a practical toolkit that provides tips, case studies and ideas for action for community rail partnerships and destinations across the UK, enabling them to harness opportunities that bring benefits to communities and businesses, whilst also supporting tourism's transition towards Net Zero. The toolkit was launched with two webinars early in 2023.

Travel Tech for Tourism

In December 2022, we announced a new initiative, called Travel Tech for Tourism, set to launch in 2023, which aims to help the travel tech community take action on climate change. The initiative was introduced at the Phocuswright Conference in the US. The initiative will engage the travel tech community in developing new solutions to address real-world challenges faced by most destinations in search of a more equitable, climate-positive future for tourism. Travel Tech for Tourism has already attracted a wide variety of partners who will support the program's development and provide expertise to sharpen its outcomes, including destination experts, a successful travel-tech founder, a behaviour-change specialist and a climate scientist.

The Travel Foundation

Trustees' Report

Thought Leadership and Advocacy

Events and speaking

We had another record-breaking year for external events, speaking at 57 leading summits and conferences around the world. This included the COP27 climate summit, ITB, the Skift Forum Europe, IMPACT Canada, the UN Ocean Conference and the Mediterranean Sustainable Tourism Conference. At such events, we see our role as a catalyst for change, advocating for better, more balanced tourism that puts resident communities at its heart and for urgent action across tourism on climate change. We have also spoken at a range of events for our public and private sector partners, including NECSTouR, GBTA and 4VI (Tourism Vancouver Island), supporting efforts to engage members and stakeholders in a positive vision for tourism.

Workshops and webinars

Alongside our external speaking engagements, we also host, or co-host our own webinars and workshops, both in-person and online. This is a growing part of our work and in 2022, we hosted 40 such events, reaching thousands of individuals. The workshops are often a key part of projects, where we bring together stakeholders to discuss and address challenges and solutions and which ensure that resident communities have a voice in tourism planning and management. Meanwhile, the webinars we run often focus on a particular training need for both destination management organisations and private sector tourism companies. For example, in 2022, we ran a series of training webinars for accommodation providers in the Caribbean and Pacific Island regions for our Transforming Value Chains project and we organised two capacity building webinars for signatories of the Glasgow Declaration on Climate Action in Tourism.

Media

We also continued to communicate our messages across social media, our website and through news platforms. At the end of 2022, we had:

- 13,500 Linked In followers, up 50% from 2021, 165,964 impressions and 9,220 engagements.
- 10,000 twitter followers, a growth of 5.6%, 168,200 impressions and 6,122 engagements.
- 4,000 Facebook followers, up 14% from 2021 with 5,874 impressions.

We had 58,000 visitors to our website and have 3,900 subscribers to our e-newsletter. We were mentioned in 1,116 articles in travel media around the world, with a potential reach of over 1,018 million.

The Travel Foundation

Trustees' Report

Looking to the future

With two very difficult years as a result of the global pandemic behind us, 2022 found us in a much stronger position to increase our push towards a destination-centred vision and mandate. Building on what we have achieved in 2022, we will continue to identify new approaches and solutions, as well as continuing to provide resources, facilitate collaborations and advocate for new measures of success. Through all our work, we will be looking to increase scale and in 2023, we look forward to the launch of our climate action training programme for destinations with Expedia Group, as well as the wide dissemination of our new research, 'Envisioning Tourism in 2030 and Beyond', a ground-breaking report into how tourism can reach Net Zero and continue to thrive.

In September 2022, we held a strategy planning meeting, including our executive team, trustees and several of our key partners, which began the process of creating a new strategic framework that we will further develop in 2023. This meeting represented a highlight in the development of our new approach, with a focus on our growing network, the breadth of our organisation and our increased focus on advocacy, innovation and collaboration. 2023 marks the 20th anniversary of the creation of the Travel Foundation and we intend to celebrate this milestone with the promotion of our new strategic framework, vision and mission and further step up our work to lead tourism into a thriving future that benefits resident communities all around the world.

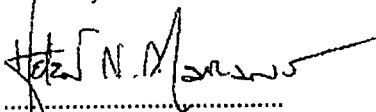
Disclosure of information to auditor

Each member 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 charity'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 charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the Trustees of the charity on 16/08/2023... and signed on its behalf by:



.....
Ms H N Marano
Trustee

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

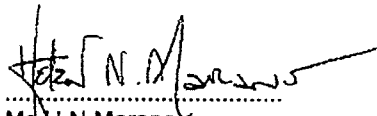
Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company 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 accounting standards, comprising FRS 102 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 proper accounting records that can 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 governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees of the charity on 16/08/2023 and signed on its behalf by:


.....
Ms H N Marano
Trustee

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 2022, 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 2022 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 matter 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 charity 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 18), 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 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.

The Travel Foundation

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

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

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the charitable 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.

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 charity'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

21 August 2023

The Travel Foundation

Statement of Financial Activities for the Year Ended 31 December 2022

| | Note | Unrestricted £ | Restricted £ | Total 2022 £ | Total 2021 £ |
|------------------------------------|------|-------------------|------------------|--------------------|--------------------|
| Income and Endowments from: | | | | | |
| Donations and legacies | 3 | 137,321 | - | 137,321 | 61,035 |
| Charitable activities | 4 | - | 563,617 | 563,617 | 508,028 |
| Investment income | 5 | 325 | - | 325 | 686 |
| Other income | 6 | 54,866 | - | 54,866 | 89,265 |
| Total Income | | <u>192,512</u> | <u>563,617</u> | <u>756,129</u> | <u>659,014</u> |
| Expenditure on: | | | | | |
| Raising funds | 7 | (30,619) | - | (30,619) | (69,983) |
| Charitable activities | 8 | <u>(60,527)</u> | <u>(845,919)</u> | <u>(906,446)</u> | <u>(507,523)</u> |
| Total Expenditure | | <u>(91,146)</u> | <u>(845,919)</u> | <u>(937,065)</u> | <u>(577,506)</u> |
| Net income/(expenditure) | | <u>101,366</u> | <u>(282,302)</u> | <u>(180,936)</u> | <u>81,508</u> |
| Net movement in funds | | 101,366 | (282,302) | (180,936) | 81,508 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>172,299</u> | <u>326,734</u> | <u>499,033</u> | <u>417,525</u> |
| Total funds carried forward | 20 | <u>273,665</u> | <u>44,432</u> | <u>318,097</u> | <u>499,033</u> |

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

The funds breakdown for 2021 is shown in note 20.

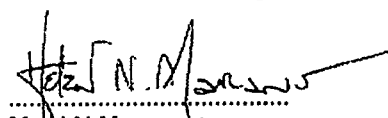
The notes on pages 25 to 48 form an integral part of these financial statements.

The Travel Foundation

(Registration number: 03425954)
Balance Sheet as at 31 December 2022

| | Note | 2022 £ | 2021 £ |
|--|------|-----------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 14 | 6,423 | 6,865 |
| Current assets | | | |
| Debtors | 15 | 203,495 | 110,810 |
| Cash at bank and in hand | | <u>199,485</u> | <u>457,808</u> |
| | | 402,980 | 568,618 |
| Creditors: Amounts falling due within one year | 16 | <u>(57,473)</u> | <u>(33,559)</u> |
| Net current assets | | <u>345,507</u> | <u>535,059</u> |
| Total assets less current liabilities | | 351,930 | 541,924 |
| Creditors: Amounts falling due after more than one year | 17 | <u>(33,833)</u> | <u>(42,891)</u> |
| Net assets | | <u>318,097</u> | <u>499,033</u> |
| Funds of the charity: | | | |
| Restricted income funds | | | |
| Restricted funds | 20 | 44,432 | 326,734 |
| Unrestricted income funds | | | |
| Unrestricted funds | | <u>273,665</u> | <u>172,299</u> |
| Total funds | 20 | <u>318,097</u> | <u>499,033</u> |

The financial statements on pages 22 to 48 were approved by the Trustees, and authorised for issue on 16/08/2023.. and signed on their behalf by:


.....
Ms N. Marano
Trustee

The notes on pages 25 to 48 form an integral part of these financial statements.

The Travel Foundation

Statement of Cash Flows for the Year Ended 31 December 2022

| | Note | 2022 £ | 2021 £ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net (expenditure)/income | | (180,936) | 81,508 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | 10 | 2,843 | 3,376 |
| Investment income | 5 | <u>(325)</u> | <u>(686)</u> |
| | | (178,418) | 84,198 |
| Working capital adjustments | | | |
| Increase in debtors | 15 | (92,685) | (81,016) |
| Increase/(decrease) in creditors | 16 | <u>21,355</u> | <u>(10,025)</u> |
| Net cash flows from operating activities | | <u>(249,748)</u> | <u>(6,843)</u> |
| Cash flows from investing activities | | | |
| Interest receivable and similar income | 5 | 325 | 686 |
| Purchase of tangible fixed assets | 14 | <u>(2,401)</u> | <u>-</u> |
| Net cash flows from investing activities | | (2,076) | 686 |
| Cash flows from financing activities | | | |
| Receipt of loans and borrowings | 16 | <u>(6,499)</u> | <u>50,000</u> |
| Net (decrease)/increase in cash and cash equivalents | | (258,323) | 43,843 |
| Cash and cash equivalents at 1 January | | <u>457,808</u> | <u>413,965</u> |
| Cash and cash equivalents at 31 December | | <u><u>199,485</u></u> | <u><u>457,808</u></u> |

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

The notes on pages 25 to 48 form an integral part of these financial statements.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Charity status

The charity 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 charity 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 16 August 2023.

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.

The financial statements are prepared in sterling, which is the functional currency of the the charity, and rounded to the nearest £.

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 was significant uncertainty surrounding the charitable company's outlook during the Covid-19 pandemic, which started in early 2020. The pandemic had a major impact on the travel industry which is now showing signs of recovery.

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 in 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 2022

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 £14,802 (2021 - £10,000).

Income and endowments

All income is recognised once the charity 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 charity 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 charity before the charity 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 charity 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 2022

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.

The analysis of expenditure across charitable activities has been amended this year to reflect the changing work of the charity. The comparative figures for 2021 have been re-analysed in accordance with these activities.

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 charity 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 | Depreciation method and rate |
|--------------------|-------------------------------------|
| Office equipment | 20% reducing balance |

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

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 2022

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.

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 2022

3 Income from donations and legacies

| | Unrestricted funds General £ | Total 2022 £ | Total 2021 £ |
|--|---------------------------------------|--------------------|--------------------|
| Donations and legacies; | | | |
| Donations from companies, trusts and similar proceeds | 137,321 | 137,321 | 61,035 |
| | <u>137,321</u> | <u>137,321</u> | <u>61,035</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2022 £ | Total Funds 2021 £ |
|---------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Donations | | | | |
| Donations in kind | 14,802 | - | 14,802 | 10,000 |
| First Rate Exchange | 10,225 | - | 10,225 | - |
| Euromonitor | - | - | - | 5,000 |
| Holiday Extras | 25,626 | - | 25,626 | 9,697 |
| Midcounties Co-operative Travel | 1,299 | - | 1,299 | 18,981 |
| Expedia | 52,960 | - | 52,960 | - |
| 4VI | 16,057 | - | 16,057 | - |
| Blue Bay | 14,288 | - | 14,288 | 13,377 |
| Others | 2,064 | - | 2,064 | 3,980 |
| | <u>137,321</u> | <u>-</u> | <u>137,321</u> | <u>61,035</u> |

Donations include contributions made by customers travelling and/or booking holidays between January and December 2022, as well as donations passed from other organisations, of £122,519 (2021 - £51,035).

Donations in kind of £14,802 (2021 - £10,000) were received during the year from Iberostar, for support in the development and design of research.

The charity is grateful for all such support.

£137,321 (2021 - £61,035) of the income was attributable to unrestricted funds and £Nil (2021 - £Nil) was attributable to restricted funds.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

4 Income from charitable activities

| | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|----------------------------|--------------------------|--------------------|--------------------|
| TUI Group | 5,495 | 5,495 | 202,631 |
| GIZ | 40,598 | 40,598 | 158,598 |
| IUCN | - | - | 2,490 |
| EBRD | - | - | 4,289 |
| European Travel Commission | - | - | 11,552 |
| US Embassy | - | - | 6,188 |
| SMILO | - | - | 5,168 |
| easyJet Holidays | 109,383 | 109,383 | 70,000 |
| Hilton | - | - | 9,207 |
| NKC | - | - | 1,247 |
| Visit California | 2,741 | 2,741 | 17,474 |
| Purbeck | 591 | 591 | 3,500 |
| GIZ (webinar) | - | - | 6,496 |
| Travel Oregon | 10,084 | 10,084 | 2,220 |
| Travel Corporation | - | - | 6,968 |
| IKI/UNEP | 5,500 | 5,500 | - |
| EBRD | 1,154 | 1,154 | - |
| ETC | 21,467 | 21,467 | - |
| CTO | 5,397 | 5,397 | - |
| Scotland 2022 programme | 109,296 | 109,296 | - |
| Destination Orkney | 3,825 | 3,825 | - |
| Port Aransas | 14,824 | 14,824 | - |
| Vail DSP, NextFactor | 31,674 | 31,674 | - |
| East Midlands Chamber | 27,000 | 27,000 | - |
| Leeds Beckett, Living Lab | 24,800 | 24,800 | - |
| WWF Mediterranean | 20,689 | 20,689 | - |
| Tour Radar | 4,202 | 4,202 | - |
| NecSTour | 1,629 | 1,629 | - |
| Glocs Rail Partnership | 10,000 | 10,000 | - |
| Lake Tahoe CREST | 41,586 | 41,586 | - |
| Visit Finland | 2,482 | 2,482 | - |
| Oceanside Project | 8,546 | 8,546 | - |
| Sidmouth Town Council | 5,000 | 5,000 | - |
| Expedia | 51,654 | 51,654 | - |
| Surrey University | 4,000 | 4,000 | - |
| | <u>563,617</u> | <u>563,617</u> | <u>508,028</u> |

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

£Nil (2021 - £Nil) of the income above was attributable to unrestricted funds and £563,617 (2021 - £508,028) attributable to restricted funds.

5 Investment income

| | Unrestricted funds General £ | Total 2022 £ | Total 2021 £ |
|---|---------------------------------------|--------------------|--------------------|
| Interest receivable and similar income; | | | |
| Interest receivable on bank deposits | 325 | 325 | 686 |

£325 (2021 - £686) of the income above was attributable to unrestricted funds and £Nil (2021 - £Nil) attributable to restricted funds.

6 Other income

| | Unrestricted General £ | Total 2022 £ | Total 2021 £ |
|----------------------|------------------------------|--------------------|--------------------|
| Furlough income | - | - | 75,523 |
| Sponsorship income | 31,527 | 31,527 | - |
| Other income | 18,339 | 18,339 | 13,032 |
| Employer's allowance | 5,000 | 5,000 | 710 |
| | <u>54,866</u> | <u>54,866</u> | <u>89,265</u> |

£54,866 (2021 - £89,265) of the income above was attributable to unrestricted funds and £Nil (2021 - £Nil) attributable to restricted funds.

7 Expenditure on raising funds

Costs of generating donations and legacies

| | Unrestricted General £ | Total 2022 £ | Total 2021 £ |
|-------------------|------------------------------|--------------------|--------------------|
| Fundraising costs | 30,619 | 30,619 | 69,983 |

£30,619 (2021 - £69,983) of the expenditure above was attributable to unrestricted funds and £Nil (2021 - £Nil) attributable to restricted funds.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

8 Expenditure on charitable activities

| | Activity undertaken directly £ | Activity support costs £ | 2022 £ | 2021 £ |
|------------------------------------|---|-----------------------------------|----------------|----------------|
| Climate Change Programme | 189,477 | 37,029 | 226,506 | 50,489 |
| Equity Programme | 195,304 | 45,864 | 241,168 | 78,064 |
| Transformative Change Programme | 251,743 | 22,312 | 274,055 | 45,144 |
| Destinations | 104,390 | 26,098 | 130,488 | 223,412 |
| Other Project Funds | 34,229 | - | 34,229 | 110,414 |
| | <u>775,143</u> | <u>131,303</u> | <u>906,446</u> | <u>507,523</u> |

£60,527 (2021 - £145,341) of the expenditure above was attributable to unrestricted funds and £845,919 (2021 - £362,182) attributable to restricted funds.

| | Unrestricted funds General £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|------------------------------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Climate Change Programme | 19,913 | 206,593 | 226,506 | 50,465 |
| Equity Programme | - | 241,168 | 241,168 | 78,071 |
| Transformative Change Programme | 6,385 | 267,670 | 274,055 | 45,118 |
| Destinations | - | 130,488 | 130,488 | 223,425 |
| Other Project Funds | 34,229 | - | 34,229 | 110,444 |
| | <u>60,527</u> | <u>845,919</u> | <u>906,446</u> | <u>507,523</u> |

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

9 Analysis of governance and support costs

Charitable activities expenditure

| | Unrestricted | | |
|------------------------|----------------|----------------|----------------|
| | General | Total | Total |
| | £ | 2022 | 2021 |
| | | £ | £ |
| Staff costs | 71,603 | 71,603 | 118,754 |
| Premises | 9,938 | 9,938 | 9,554 |
| Communications and IT | 2,890 | 2,890 | 1,478 |
| General office | 64 | 64 | 1,332 |
| Human resources | 8,784 | 8,784 | 4,504 |
| Depreciation | 2,843 | 2,843 | 3,376 |
| Other office costs | 1,039 | 1,039 | 720 |
| Governance costs | 13,746 | 13,746 | 9,062 |
| Travel and subsistence | 20,396 | 20,396 | - |
| | <u>131,303</u> | <u>131,303</u> | <u>148,780</u> |

10 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

| | 2022 | 2021 |
|---------------------------------|--------------|--------------|
| | £ | £ |
| Operating leases - other assets | 8,529 | 8,240 |
| Audit fees | 11,106 | 5,450 |
| Other non-audit services | 2,500 | 2,413 |
| Depreciation of fixed assets | <u>2,843</u> | <u>3,376</u> |

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

11 Trustees remuneration and expenses

During the year the charity made the following transactions with Trustees:

£140 (2021 - £1,199) of expenses were reimbursed to the Trustees during the year.

During the year the number of Trustees that were paid expenses was 1 (2021 - 2).

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

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

No Trustees have received any other benefits from the Charity during the current or prior year.

12 Staff costs

The aggregate payroll costs were as follows:

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Staff costs during the year were: | | |
| Wages and salaries | 266,481 | 349,106 |
| Social security costs | 28,214 | 33,353 |
| Pension costs | 13,121 | 13,949 |
| | <u>307,816</u> | <u>396,408</u> |

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

| | 2022 No | 2021 No |
|-----------------------|------------|------------|
| Charitable activities | 6 | 6 |
| Fundraising | 1 | 1 |
| Support | 1 | 2 |
| | <u>8</u> | <u>9</u> |

During the year, the charity made redundancy payments which totalled £Nil (2021 - £Nil) in compensation for loss of office.

No employee received emoluments of more than £60,000 during the year.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

13 Taxation

The charity 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.

14 Tangible fixed assets

| | Office equipment £ | Total £ |
|-----------------------|--------------------------|---------------|
| Cost | | |
| At 1 January 2022 | 29,604 | 29,604 |
| Additions | <u>2,401</u> | <u>2,401</u> |
| At 31 December 2022 | <u>32,005</u> | <u>32,005</u> |
| Depreciation | | |
| At 1 January 2022 | 22,739 | 22,739 |
| Charge for the year | <u>2,843</u> | <u>2,843</u> |
| At 31 December 2022 | <u>25,582</u> | <u>25,582</u> |
| Net book value | | |
| At 31 December 2022 | <u>6,423</u> | <u>6,423</u> |
| At 31 December 2021 | <u>6,865</u> | <u>6,865</u> |

15 Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 88,634 | 89,644 |
| Prepayments and accrued income | <u>114,861</u> | <u>21,166</u> |
| | <u>203,495</u> | <u>110,810</u> |

16 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|---------------|---------------|
| Government supported bank loans | 9,668 | 7,109 |
| Trade creditors | 24,545 | 16,702 |
| Other taxation and social security | 3,290 | - |
| Accruals and other creditors | <u>19,970</u> | <u>9,748</u> |
| | <u>57,473</u> | <u>33,559</u> |

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

17 Creditors: amounts falling due after one year

| | 2022 £ | 2021 £ |
|------------|---------------|---------------|
| Bank loans | <u>33,833</u> | <u>42,891</u> |

18 Obligations under leases and hire purchase contracts

Operating lease commitments

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

| | 2022 £ | 2021 £ |
|--------------------|--------------|--------------|
| Land and buildings | | |
| Within one year | <u>2,060</u> | <u>2,060</u> |

19 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £13,121 (2021 - £13,949).

Included in £13,121 (2021 - £13,949) is amounts of £12,065 (2021 - £9,753) attributable to restricted funds and £1,056 (2021 - £4,196) 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 2022

20 Funds

| | Balance at 1 January 2022 £ | Incoming resources £ | Resources expended £ | Balance at 31 December 2022 £ |
|-------------------------------|-----------------------------------|----------------------------|----------------------------|--|
| Unrestricted funds | | | | |
| <i>General</i> | | | | |
| General | 172,299 | 192,512 | (91,146) | 273,665 |
| Restricted funds | | | | |
| IKI/UNEP | - | 5,500 | (5,500) | - |
| EBRD | - | 1,154 | (1,154) | - |
| TCF BUSB Jamaica | 101,566 | - | (71,568) | 29,998 |
| TCF SSPF Cyprus | 18,511 | 5,495 | (24,006) | - |
| ETC | - | 21,467 | (11,467) | 10,000 |
| TCF FFF Turkey | 34,913 | - | (34,913) | - |
| GIZ | 141,744 | 40,598 | (182,342) | - |
| CTO | - | 5,397 | (5,397) | - |
| easyJet Holidays | 30,000 | 109,383 | (139,383) | - |
| Visit California | - | 2,741 | (2,741) | - |
| Purbeck | - | 591 | (591) | - |
| Travel Oregon | - | 10,084 | (10,084) | - |
| Scotland 2022 programme | - | 109,296 | (109,296) | - |
| Destination Orkney | - | 3,825 | (3,825) | - |
| Port Aransas | - | 14,824 | (14,824) | - |
| Vail DSP, NextFactor | - | 31,674 | (31,674) | - |
| East Midlands Chamber | - | 27,000 | (27,000) | - |
| Leeds Beckett, Living Lab | - | 24,800 | (23,800) | 1,000 |
| WWF Mediterranean | - | 20,689 | (20,689) | - |
| Tour Radar | - | 4,202 | (4,202) | - |
| NecSTour | - | 1,629 | (1,629) | - |
| Glocs Rail Partnership | - | 10,000 | (10,000) | - |
| Lake Tahoe CREST | - | 41,586 | (41,586) | - |
| Visit Finland | - | 2,482 | (2,482) | - |
| Oceanside Project | - | 8,546 | (8,546) | - |
| Sidmouth Town Council | - | 5,000 | (5,000) | - |
| Expedia | - | 51,654 | (48,220) | 3,434 |
| Surrey University | - | 4,000 | (4,000) | - |
| Total restricted funds | <u>326,734</u> | <u>563,617</u> | <u>(845,919)</u> | <u>44,432</u> |
| Total funds | <u>499,033</u> | <u>756,129</u> | <u>(937,065)</u> | <u>318,097</u> |

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

| | Balance at 1 January 2021 £ | Incoming resources £ | Resources expended £ | Balance at 31 December 2021 £ |
|-------------------------------|-----------------------------------|----------------------------|----------------------------|--|
| Unrestricted funds | | | | |
| General | | | | |
| General | 236,637 | 150,986 | (215,324) | 172,299 |
| Restricted | | | | |
| IKI/UNEP | 1,178 | - | (1,178) | - |
| EBRD | - | 4,289 | (4,289) | - |
| TCF BUSB Jamaica | 72,311 | 97,879 | (68,624) | 101,566 |
| TCF SSPF Cyprus | 23,468 | 67,451 | (72,408) | 18,511 |
| ETC | 2,585 | 11,552 | (14,137) | - |
| TCF FFF Turkey | 76,016 | 37,301 | (78,404) | 34,913 |
| SMILO | - | 5,168 | (5,168) | - |
| GIZ | - | 158,598 | (16,854) | 141,744 |
| US Embassy | 5,330 | 6,188 | (11,518) | - |
| IUCN | - | 2,490 | (2,490) | - |
| easyJet Holidays | - | 70,000 | (40,000) | 30,000 |
| Hilton | - | 9,207 | (9,207) | - |
| NKC | - | 1,247 | (1,247) | - |
| Visit California | - | 17,474 | (17,474) | - |
| Purbeck | - | 3,500 | (3,500) | - |
| GIZ (webinar) | - | 6,496 | (6,496) | - |
| Travel Oregon | - | 2,220 | (2,220) | - |
| Travel Corporation | - | 6,968 | (6,968) | - |
| Total restricted funds | <u>180,888</u> | <u>508,028</u> | <u>(362,182)</u> | <u>326,734</u> |
| Total funds | <u>417,525</u> | <u>659,014</u> | <u>(577,506)</u> | <u>499,033</u> |

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

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, Capacity Building and Advocacy, Research & Scoping, Other Project Funds, Governance & Fundraising Costs.

TCF Turkey, Flavours From the Field

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

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

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.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

IKI/UNE

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

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

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

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

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

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

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.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

EBRD Croatia and Montenegro

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.

GIZ

This fund by GIZ, commissioned from the Federal Ministry for Economic Cooperation and Development (BMZ), is for the development of the Destination Resilience: Sustainable Destinations Management online training. This fund to the Travel Foundation, and sub-grantee Cornell University, is to produce an online course to promote sustainable destination management and it will be the first-of-its-kind to equip destination professionals with new knowledge and skills urgently needed to manage tourism in the 21st Century.

easyJet Holidays

This fund by easyJet Holidays has been established for the Travel Foundation to support and advise easyJet Holidays in the delivery of their strategic sustainability roadmap, specifically how best they may support their key holiday destinations by maximising the benefits and minimising the negative impacts of tourism. This work will bring together private, public and local community representation to establish a common set of priorities for tourism management and long-term resilience following the COVID-19 pandemic. The work will look at tourism as a whole, not just easyJet holidays' operations, and ensure there is engagement from a wide range of stakeholders - including competitors, community representatives and those responsible for public assets - to consider tourism's most significant impacts and build consensus around common goals and a pathway to achieving them.

Hilton

This fund was from Hilton Domestic Operating Company Inc for the project: Defining Hilton's sourcing definition, data and approach, in relation to local sourcing.

Visit California

This fund from Visit California was to deliver a programme of training tailored to Destination Management Organisations (DMOs), along with a "How-To" guide to help destinations rebuild in a responsible, data-driven way with more resilience.

Purbeck

This fund, established by Dorset Council, was for the creation and delivery of a sustainable tourism plan for the Purbeck Heaths National Nature Reserve, including clearly defining tourism's role in catalysing benefits for local people and resources.

GIZ (webinars)

In cooperation with the German Federal Ministry for Economic Cooperation and Development (BMZ), this fund from GIZ was for the delivery of the project: Smart Recovery Planning Workshop and Manual - Supporting Resilient Regrowth for Destinations. The workshop was an interactive workshop for tourism destination decision makers to support them with reviewing and improving tourism recovery plans and longer-term destination management strategies that foster long-term resilience and economic growth.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

Travel Oregon

To support Travel Oregon's Destination Development department in designing destination development strategic approaches, this fund was to engage the Travel Foundation in a process to be a "critical friend", working with DDEV staff and others to help them think about the future of development strategies.

NKC Guide Training

This fund, by NKC, Europe's largest camper club, was to support further development of the Travel Foundation's Leading the Way Training programme.

Travel Corporation, Transforming Businesses report

This fund was to help support the development of a report aiming to turn attention on travel businesses, advocating for new roles and operational practices to help travel & tourism evolve to meet the challenges and opportunities of a fast-changing world. The report will act as a 'playbook' for leaders in travel and tourism, supporting them to pivot with confidence towards running a sustainable, ethical and transparent businesses that can contribute meaningfully towards the tackling of global challenges.

Scotland Programme

This fund was from VisitScotland, Scottish Enterprise, Toposophy and the Travel Corporation, to work on a package of COP26 legacy projects to further establish Scotland's tourism sector as a global leader in the race to net zero.

As part of the Destination Net Zero programme, funded through the Scottish Government's Tourism Recovery Programme and developed by the Scottish Tourism Emergency Response Group (STERG), the projects will accelerate climate action within the sector, while sharing the lessons so that destinations worldwide can also benefit.

Destination Orkney

The Orkney Destination Management Partnership (ODMP) is a strategic collaboration of six core organisations, which together have committed to "lead, manage and review the sustainable growth, management and protection of Orkney as a tourism destination to 2025".

This fund was from Destination Orkney to work with key destination stakeholders to guide them through a process of strategic review and to support the development of an action plan to deliver on their five-year Tourism Strategy (launched in 2019), which sets out a vision for Orkney as "a world-class sustainable destination enriching the lives of its people and visitors".

Port Aransas

This fund from the Port Aransas Tourism Bureau and Chamber of Commerce was for a project that aimed to bring the community together around a plan and vision for the destination that will balance visitor growth with the long-term health and vibrancy of the community and place.

The Travel Foundation's role in the project, which was led by consultancy Better Destinations, was to provide research on best practice for managing sustainable coastal tourism and to lead action planning and visioning workshops. As part of the project, Better Destinations also led community workshops to gather community input into a messaging campaign that launched in May 2022.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

Vail, NextFactor

This fund was from MMGY NextFactor, to create one of the USA's first destination stewardship plans. The plan was guided by the principles of sustainability and puts residents' values and goals at its heart. Vail is a popular resort in Colorado, USA and is hailed as North America's pre-eminent snow destination. The project team worked with the town to align Vail's thriving tourism economy with community priorities, addressing challenges such as growing visitor numbers and climate change and maximising opportunities in a sustainable way.

The project aimed to provide a lasting framework for a thriving tourism economy that supports quality of life and place for residents and visitors alike.

East Midlands Chamber

In partnership with specialist consultancy, Tomorrow's Tourism, we supported Marketing Peak District & Derbyshire (MPDD) alongside the Peak District National Park and the National Forest, to prepare a sustainable tourism action plan for the region with this fund. The aim is to enable local stakeholders to unite together behind a shared vision and to work collaboratively to deliver sustainable growth for the destination. This work will support the development of an inspirational destination management and planning framework for future collaborative efforts, to ensure the region remains a world-class attraction in which to live, work and visit.

Leeds Beckett, Living Lab

This fund from Leeds Beckett University was to support the set up a Living Lab research project to explore what practical support is needed by destinations to commit to and implement a Climate Action Plan (CAP) under the Glasgow Climate Declaration (GCD).

In particular, this research aims to understand the state of play of destinations in the developing of CAPs for the Glasgow Declaration including the issues and challenges encountered and anticipated.

WWF Mediterranean

This fund from WWF Mediterranean was to provide technical expertise in the framework of the DestiMEDPLUS Project, supporting the development and improvement of an online Capacity Building Platform and a tool for managing training performance and effectiveness.

The project DestiMED PLUS is an Interreg Med Project led by Lazio Region (Italy) and consists of a partnership of nine national and regional authorities, and four technical Organisations (conservation, advocacy, research). The project builds on the outcomes of the past projects MEET and DestiMED and aims to improve levels of integration between regional tourism and conservation policies in Mediterranean Protected Areas (PAs) through the creation of ecotourism products which are developed using a collaborative approach, both locally and regionally.

Tour Radar

This fund was to provide technical support to Tour Radar, supporting a series of Roundtable and Panel events and help TourRadar to design and develop a program or initiative to roll out in 2023.

NecSTour

This fund is to support the development of a Climate Action Plan.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

Glocs Rail Partnership (restricted)

This fund from the Gloucestershire Community Rail Partnership was to launch a new toolkit: 'Connecting Climate, Community & the Visitor Economy', which was launched with two webinars for UK destination management organisations (DMOs) and Community Rail Partnerships (CRPs).

The toolkit features tips, case studies and ideas for action and has been designed to highlight the opportunities for better, more climate-friendly travel within the 'rail for leisure' market. The toolkit also aims to help bring together DMOs, train operators and community rail partnerships to realise the potential for rail, other public transport and active travel options in relation to tourism. The two webinars featured an insight into the new toolkit, and featured case studies from a range of DMOs and CRPs.

Lake Tahoe, CREST

This fund from the Center for Responsible Travel (CREST) was to work with a number of project and local partners to develop a shared vision around how tourism is managed and improve its impact on the environment, local communities, businesses and visitors. Lake Tahoe's communities and economy are rooted in recreation, but during COVID, visitor numbers surged causing many unprecedented issues, including an increase in plastic waste, overcrowding and pollution. A multi-sector coordinated response to COVID in the region demonstrated the power of collaboration and spurred the initiative to come together to manage the region sustainably.

The project aimed to reach a shared vision, enabling environment and an actionable roadmap through community engagement to improve destination stewardship outcomes in the region.

Our role was to identify the strategic levers that increase the benefits of tourism and minimize the cost or negative impacts of tourism in the destination through our Optimal Value Framework. We were also involved in all aspects of the project's stakeholder engagement processes to steer the analysis.

Visit Finland

This fund was to provide technical support to Visit Finland for a Sustainability seminar.

Oceanside Project, MMGY NextFactor

With this fund from MMGY NextFactor, we are supporting the Californian coastal destination of Oceanside to create a Tourism Master Plan. The aim of the plan is to ensure that tourism benefits the local economy whilst also nurturing the environment and community. We will lead on the sustainability assessments for the plan, working with MMGY NextFactor, as project lead, and Hunden Strategies.

Our role will be to provide an understanding of how Oceanside performs according to the Global Sustainable Tourism Council (GSTC) criteria, as well as a risk and opportunity analysis using our Optimal Value Framework.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

Sidmouth Town Council

We're working with Sidmouth, alongside four other towns in East Devon, UK to support the development of a sustainable tourism roadmap and carbon action plan for the region. The initiative is led by Sidmouth Town Council, working with the towns of Budleigh Salterton, Honiton, Seaton and Ottery St Mary and is part of a wider project called 'Coast Meets Country' to demonstrate both connectivity and distinctiveness of the area as a visitor destination. Funded by East Devon District Council's Innovation and Resilience Fund, Sidmouth is piloting a collaborative approach to promote resilient and sustainable tourism and transform East Devon into a leader in green tourism.

Our role involves leading resilience workshops for stakeholders, including an 'Imaginarium' to inspire innovation and share knowledge. Our support will enable destination businesses and communities to work towards net zero targets, enabling the region to strengthen resilience and ensure a sustainable tourism model is integrated with other areas such as housing, transport and employment.

Expedia

The Travel Foundation and Expedia Group are working together to launch a first-of-its kind capacity - building program for destination marketing and management organisations (DMOs), using this fund from the Expedia Group. The pilot will launch over the summer of 2023 and will include Destination Vancouver - the first DMO to sign on as a participant.

The online training program will equip DMOs with the knowledge and skills to become a hub for climate action and tourism in their communities, create their own climate action plans and support industry partners do the same while applying a sustainability lens to planning and decision-making. The aim is to create 'climate champions' who can lead the way and facilitate stakeholder alignment and action within their destination. The program will also offer peer-to-peer learning opportunities for destinations to share knowledge and insights with one another.

Surrey University

With this fund from Surrey University, we are supporting a project which aims to draw on existing research on EDI in travel and tourism (T&T) and apply them to industry through bringing together voices from diverse travel businesses and senior leaders of small, medium and large T&T organisations. It aims to engage with these key stakeholders towards the creation of an EDI-specific knowledge and resources hub and seeks to co-design an EDI toolkit that will act as a blueprint to support organisations and policy makers towards achieving their EDI agenda.

This project aims to bring different leading stakeholders from the tourism, hospitality and events industry (hereafter referred to as tourism or T&T) together to openly discuss and co-create new strategies, interventions and solutions and co-design an EDI toolkit for making travel and tourism equitable, diverse and inclusive (EDI).

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

21 Analysis of net assets between funds

| | Unrestricted funds General £ | Restricted funds £ | Total funds at 31 December 2022 £ |
|-----------------------|---------------------------------------|--------------------------|---|
| Tangible fixed assets | 6,423 | - | 6,423 |
| Current assets | 358,548 | 44,432 | 402,980 |
| Current liabilities | (57,473) | - | (57,473) |
| Creditors over 1 year | (33,833) | - | (33,833) |
| Total net assets | <u>273,665</u> | <u>44,432</u> | <u>318,097</u> |

| | Unrestricted funds General £ | Restricted funds £ | Total funds at 31 December 2021 £ |
|-----------------------|---------------------------------------|--------------------------|---|
| Tangible fixed assets | 6,865 | - | 6,865 |
| Current assets | 241,884 | 326,734 | 568,618 |
| Current liabilities | (33,559) | - | (33,559) |
| Creditors over 1 year | (42,891) | - | (42,891) |
| Total net assets | <u>172,299</u> | <u>326,734</u> | <u>499,033</u> |

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2022

22 Related party transactions

During the year the charity 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 £5,495 (2021 - £202,631) in grant funding for the Foundation

Prior to taking on a role at the TUI Care Foundation and being appointed as a trustee of The Travel Foundation, M S Toprak worked as a consultant for The Travel Foundation. Amounts totalling £6,503 were paid in relation to the FFF Turkey Project and amounts totalling £1,200 paid for the eJH project. At the balance sheet date the amount due to/from TUI Care Foundation was £Nil (2021 - £Nil).

easyJet Holidays

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

During the year, the easyJet Holidays made available £109,383 (2021 - £70,000) in grant funding for the Foundation. At the balance sheet date the amount due to/from easyJet Holidays was £Nil (2021 - £Nil).

The Midcounties Co-operative

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

During the year, this company and its subsidiaries collected £1,299 (2021 - £18,981) in customer donations and provided in-kind support of £Nil (2021 - £Nil) for The Travel Foundation. At the balance sheet date the amount due to/from The Midcounties Co-operative was £Nil (2021 - £Nil).

Blue Bay Travel

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

During the year, this company and its subsidiaries collected £14,288 (2021 - £13,377) in customer donations for The Travel Foundation. At the balance sheet date the amount due to/from Blue Bay Travel was £Nil (2021 - £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 £Nil (2021 - £2,500). At the balance sheet date the amount due to/from Four Communications Limited was £Nil (2021 - £Nil).

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 £Nil (2021 - £11,552) in grant funding for the Foundation. At the balance sheet date the amount due to/from European Travel Commission was £Nil (2021 - £Nil).

Iberostar

(Director Dr. M Morikawa is a trustee of The Travel Foundation)

During the year this company provided in-kind support valued at £14,802 to support the development of the Envisioning 2030 initiative. At the balance sheet date the amount due to/from Iberostar was £Nil (2021 - £Nil).