

Company registration number: 03425954  
Charitable company registration number: 1065924

# The Travel Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2019

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

# **The Travel Foundation**

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## **The Travel Foundation**

### **Reference and Administrative Details**

|   |  |
|---|--|
| <b>Chief Executive Officer</b>                | Mr J Sampson (appointed 16 September 2019)<br><br>Ms S Felton (resigned 4 September 2019)  |
| <b>Trustees</b>                               | Mr N Josephides<br>Mr R B Anderson<br>Mr A M Rowland<br>Mrs D A Hindle<br>Mr J de Vial<br>Mrs J Ashton<br>Ms H N Marano (appointed 15 July 2019) |
| <b>Secretary</b>                              | Mr D Weston  |
| <b>Principal Office</b>                       | Create Centre<br>Smeaton Road<br>Bristol<br>BS1 6XN<br><br>The charitable company is incorporated in England & Wales.                            |
| <b>Company Registration Number</b>            | 03425954   |
| <b>Charitable company Registration Number</b> | 1065924  |
| <b>Auditor</b>                                | Milsted Langdon LLP<br>Chartered Accountants and Statutory Auditors<br>Freshford House<br>Redcliffe Way<br>Bristol<br>BS1 6NL                    |

# **The Travel Foundation**

## **Report of the Chair**

This year was one of transition for the Travel Foundation, with a new Chief Executive, two major work programmes completed in 2018, two further projects completing in 2019 and three exciting new initiatives launching. As a result, the focus for our team has been on consolidation of the achievements within projects that were ending, whilst also devising plans for effective new projects and engaging stakeholders in these.

The two projects that completed this year have both been successful in supporting the conservation of important marine habitats. In Saint Lucia, our 'Lionfish on the Menu' project demonstrated that results can be achieved over a very short time frame. By putting lionfish on the tourist menu, populations of this destructive, invasive species are being reduced to help conserve the island's beautiful coral reefs and locals who catch the fish are gaining economic benefits. In Turkey, our long-running 'Blue Wave' project increased awareness and understanding of the threats to the marine environment from maritime tourism and improved practices carried out by boat operators. Most importantly, by the end of the project we had secured support from the Turkish Chamber of Commerce for the initiative to continue after our involvement had ended and for similar initiatives to be rolled-out in other areas around the country.

This year, we also had welcome news from another project in Turkey that we completed over three years ago, but which continues to prosper. The Taste of Fethiye project successfully linked local farmers to hotels, increasing the supply of local produce and improving incomes for farming communities. Thanks to local NGO, FETAV, and two local wholesalers, Taste of Fethiye has continued to provide benefits for farmers, hotels and tourists alike. In the three years since the project ended, 1,000 tonnes of local fruit and vegetables have been sold to hotels and served to tourists, with fifteen hotels purchasing Taste of Fethiye produce. This highlights that our strategy of building capacity locally is working to ensure our projects bring benefits to destinations in the long term.

Throughout 2019, we continued to build on and strengthen our partnerships with tourism businesses, foundations and international bodies. In particular, we were pleased to continue our partnership with the TUI Care Foundation, launching three important new projects around the world, in Turkey, Jamaica and Cyprus. We have also continued our partnership with UN Environment, delivering their 'Transforming Tourism Value Chains' project in Saint Lucia and Mauritius, for low carbon and resource efficient accommodation.

New partnerships with Cornell University and Eplerwood International resulted in the completion of our ground-breaking 'Invisible Burden' research report, which represented an important step forward for the organisation. The findings have since become a talking point within the industry, the report having been well received widely by destination governments and tourism businesses alike. The publication and promotion of this report has helped the Travel Foundation to transition to an organisation that is at the centre of the push for better, more sustainable destination management.

The biggest transition of the year for us, however, came in September when we said a sad goodbye to our Chief Executive of six years, Salli Felton and welcomed Jeremy Sampson into the role. The Trustees thank Salli for her true dedication to the role and recognise the great strides that she and the Travel Foundation have made to ensure that destinations are understood as precious shared assets and not business commodities. We are delighted to have found in Jeremy someone who brings with him a wealth of experience in sustainable tourism experience, having worked across the spectrum of destinations, industry, NGOs, and academia, including most recently in a leadership role at the International Union for Conservation of Nature (IUCN) Mediterranean Cooperation Centre. Jeremy has a real understanding of the issues facing our industry and a passion for the Travel Foundation and its work. Jeremy has a bold vision for the charity and he is putting into place ambitious plans to transform the way tourism operates that have the support of the team, the trustees, as well as the charity's stakeholders and partners.


In closing, I would like to thank our partners, supporters, donors and the local communities we work with, for making our work possible. We know that we cannot do this alone. Our partnerships with those who plan and manage tourism are vital to developing sustainable tourism models; and our links to local communities enable us to ensure that these models bring real benefits to those who live in tourism destinations.

## **The Travel Foundation**

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### **Post script note**

In the current environment, many projects are on hold, but the necessary adjustments have been made to the structure of The Travel Foundation to ensure its future going forward.

A handwritten signature in dark ink, appearing to read 'Noel Josephides', written over a horizontal dotted line.

Noel Josephides  
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 2019 which are also prepared to meet the requirements for a Trustees' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015).

### **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 quarterly to review operational performance and strategic issues, as presented by the Chief Executive and members of the senior management team. The respective roles and responsibilities of Trustees and management have been clearly defined.

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

#### **Recruitment and appointment of Trustees**

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

During 2019 we welcomed one new trustee, Helen Marano, Founder and President of Marano Perspectives, who serves as a Special Advisor for the WTTC.

#### **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 2019, Governance costs were 1.10% (2018 - 0.71%) of income.

# **The Travel Foundation**

## **Trustees' Report**

### **Trustees' remuneration**

The Trustees (who are directors for purpose of company law) received no remuneration in the current or prior period. Expenses in the year totalled £1,253 (2018 - £943). Included within this balance is £989 of expenses incurred to facilitate Trustee meetings.

### **Governing document**

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

The constitutional documents are the Articles of Association. The Memorandum and Articles of Association were reviewed and updated during 2016, following the development of a new five-year strategy for the organisation.

### **Risk Management**

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

### **Intellectual property**

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

## **FINANCIAL REVIEW**

### **Overview and year-end position**

Total income of £732,745 in 2019 (2018 - £872,193) was down 16% year on year. This projected decrease was largely the result of lower restricted income funding, due to the conclusion of two initiatives that had been in place in 2018.

Representing a year on year decrease of 17%, total expenditure was £941,954 (2018 - £1,137,594). This reduction was planned to counter the lower income level.

We continue to strive to keep our governance, fundraising and supports costs low, ensuring that the majority of the funds raised are spent directly on our core activities.

As reported in our 2018 accounts, we budgeted to draw down from our unrestricted reserves in the year, and we closed the year with a draw down on these of £233,959 (2018 - £254,576 loss), leaving the organisation with closing unrestricted capital and reserves of £570,547 (2018 - £800,535).

# **The Travel Foundation**

## **Trustees' Report**

### **Reserves policy and going concern**

Our Reserves policy requires that reserves be maintained at a level which ensures that The Travel Foundation's core activities could continue in the event of any unplanned impediments that may arise throughout the year, whilst enabling the organisation to take advantage of unforeseen opportunities and invest in the long-term future of the charity.

As circumstances vary considerably from year to year, the policy requires the Trustees to review and agree a reserve level annually, taking into account the risks and opportunities associated with each stream of income and expenditure, the planned activities and the organisation's future commitments.

Taking this approach, in September 2019 the reserves policy was reviewed, and based on the identified risks and opportunities analysis, a readily realisable reserves figure of £440k was calculated for the 2020 period. Projected closing reserves in December 2020 were therefore budgeted at £448k. However, in light of the Covid-19 crisis and its devastating impact on the travel and tourism industry, the closing reserves projection as at the time of signing the accounts is now reduced to £385k, representing a draw of reserves against original policy of £63k. This has been agreed in order to provide the necessary resources for the organisation to cover the gap in funding caused by the Covid-19 pandemic.

At 31 December 2019 the charity had total reserves of £622,924 (2018 - £832,132) of which £570,547 (2018 - £800,535) are unrestricted funds and £56,348 (2018 - £31,597) are restricted funds. The free reserves of the charity are £554,098 (2018 - £787,165).

Looking to the future, the Board of Trustees will conduct a quarterly review of progress at each quarterly meeting in 2020 as a result of the crisis and will execute appropriate actions to reduce expenditure or change the reserve requirement as necessary to ensure the long-term viability of the charity.

### **PLANS FOR FUTURE PERIODS**

#### **Looking forward**

In adopting a highly conservative approach in light of the global pandemic, all forecast income that would ordinarily be raised through holiday bookings has been reduced or removed from projected 2020 income forecasts and a number of committed grants have been deferred into the 2021 budget. Significant steps have therefore been taken by The Travel Foundation to reduce costs in order to meet this anticipated fall in income, resulting in budgeted closing reserves of £385k. The draw down of reserves for 2020 will be used to maintain and continue core activities during the pandemic, including significant fundraising activities to offset projected funding shortfalls.

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



# **The Travel Foundation**

## **Trustees' Report**

### **KEY ACHIEVEMENTS AND PERFORMANCE**

During 2019, the Travel Foundation has continued to work towards a world where tourism brings greater benefits for people and the environment in destinations.

Our aim is to reduce the negative impacts of tourism and harness the opportunities that it brings for local livelihoods and conservation. To achieve this, we support tourism stakeholders from both the public and private sectors to create systemic change in the way that tourism is managed and provide practical solutions to improve the impact of tourism.

To this end, our work during 2019 has involved:

- Research that advances understanding of the impacts of tourism and how to improve them.
- Design and implementation of practical projects in destinations around the world that deliver solutions to key challenges.
- Training that builds capacity in destinations and throughout travel companies.
- Engaging stakeholders in sustainability initiatives and bringing the public and private sectors together.

The following is a summary of just some of our many achievements in 2019.

### **Revealing the 'invisible burden' of tourism**

A key focus for 2019 was the completion and promotion of a ground-breaking report into the hidden costs or 'invisible burden' of tourism, created with Cornell University and Eplerwood International. The report calls on destinations and tourism companies to uncover and account for tourism's costs, warning that failing to do so puts ecosystems, cultural wonders and community life at increasing risk. These costs include: the need to upgrade infrastructure beyond residents' needs; the management and protection of public spaces, monuments and natural habitats; climate change risks; and the effect of rising real estate prices and other costs for residents.

The report findings were promoted and well received by destination governments and tourism planners and managers around the world.

- Over 1,000 people downloaded the report from the Travel Foundation website.
- Our animation explaining the report's finding has been viewed over 4,000 times.
- There have been over 7,200 unique views of the webpage summarising the report.
- 181 articles, with a potential reach of over 170m were written about the 'Invisible Burden' report in travel press around the world.
- The report findings were presented at 16 events around the world by the Travel Foundation, including at ITB Berlin, WTM, Skift Europe, City Nation Place, and the GSTC conference.
- We also curated two online seminars, which offered hundreds of destination and product managers a chance to hear from the expert authors and delve deeper into the issue.

In 2020 we will be developing new tools and educational content for destinations to equip them with the critical skills needed to identify and manage tourism's invisible burden.

# **The Travel Foundation**

## **Trustees' Report**

### **Lionfish on the menu**

2019 saw the conclusion of a two-year project to help address the danger posed to reef ecosystems and local fish stocks in Saint Lucia by the voracious, invasive lionfish. By putting lionfish on the tourist menu and creating demand, populations are being reduced and locals who catch the fish are gaining economic benefits. All this helps to conserve an important tourism asset for the island: its beautiful coral reefs.

Project outputs included:

- Research that gave baseline information about the number of lionfish present on the reefs and the number being caught and sold.
- Training for 58 fishers to safely catch, handle and prepare the fish, which have venomous spines.
- The provision of equipment for fishers to safely clean and transport the fish.
- Training for chefs and purchasing managers from 10 businesses, supporting them to safely handle and process the fish and introducing recipe ideas.
- Awareness raising initiatives, including encouraging hotels and restaurants to serve lionfish and support for businesses to develop communications materials for their customers that promote lionfish as a delicious and 'eco-friendly' alternative.

At the end of the project, we were pleased to report that fishers were able to sell more lionfish than ever before, with a 250% increase in the volume of sales. Of the fishers that are selling their lionfish catch, 39% reported that their sales of lionfish to hotels and restaurants had increased during the project timeframe. In addition, over the course of the year, their average weekly income from lionfish sales more than doubled. By the end of the project, an additional six hotels and restaurants were serving lionfish. The demand from residents for lionfish also changed, with 82% of fishers reporting increased sales to residents over a twelve-month period.

Although it is difficult to assess changes in fish populations over a short timeframe, reef surveys, as well as reports from fishers, indicate that the populations of lionfish at shallow depths have decreased, with large lionfish now only found at deeper sites.

In the future, we anticipate that the government's ability to monitor and manage lionfish populations will be improved, thanks to better data collection and collaboration with fishers in the reporting of catch and sales. The success of the project demonstrates that results can be achieved over a very short time frame and it is our intention to share our results across the Caribbean, encouraging the use of this method of reducing lionfish populations with the potential to help protect reef ecosystems across the region.

# **The Travel Foundation**

## **Trustees' Report**

### **Blue Wave**

2019 was the final year of our five-year 'Blue Wave' project which aimed to improve the impact of boat tourism on the marine environment in the beautiful Fethiye-Göcek bay in Turkey. The area is home to more than 1,500 species, including endangered loggerhead sea turtles.

Our approach was to increase awareness of the threats to the marine environment both amongst tourists and boat operators, whilst also improving the level of sustainable practices carried out within the sector.

Project outputs included:

- The establishment of a partnership to improve the impact of boat tourism, consisting of cross sector representation, including the Chamber of Shipping, the Municipality of Fethiye, TURMEPA, D Marin Göcek.
- Representation of the project at district government meetings in which coastal regulations at a local level agreed.
- Training for over 130 boat staff from around 100 boats.
- An online training course and the first Turkish sustainable boating guide for boat operators, 1,000 of which have been distributed.
- Educational materials for tourists to raise awareness of the threats to the marine environment and what they can do to help. This includes a map and guide, 60,000 of which are being distributed by marinas and boat operators, audio messages and signage for boats, as well as signage in bays around the area.
- A Blue Wave website has been launched by partners, with information in English and Turkish and downloadable resources for boat operators, tourists and other marine stakeholders.

One of the key achievements for the project was the improved collaboration between the diverse stakeholders involved in maritime tourism in the area, across both the private and public sectors. By the end of the project, a strong partnership structure has been put in place to address sustainable boating issues and improve the governance of maritime tourism in the area.

In 2019, we focused on consolidating this partnership for the future, ensuring lasting impact after our involvement in the project has ended. We were delighted when Turkey's Chamber of Shipping agreed for the initiative to be continued in Fethiye and spread to other destinations. Further results from the project will be available in 2020.

### **Transforming tourism value chains**

In Saint Lucia and Mauritius, we continued to deliver the UN Environment's 'Transforming Value Chains' project which aims to reduce carbon emissions and improve resource efficiency from tourism along the whole supply chain. The project focusses on small island developing states, where tourism is vitally important, but which are among the first to suffer when it comes to tourism's environmental impacts.

A major achievement for the project this year was the launch of action plans in each country, supported by government and industry. These plans set out two programmes of activities around reducing energy consumption and waste generation, which were identified as the main environmental hotspots. The action plans include recommendations for government and public bodies, such as policy formulation, incentives and infrastructure changes; as well as recommendations for hotels and their suppliers to improve energy efficiency, reduce fossil fuel consumption and for sustainable procurement. The plans emphasise the importance of collaboration between and within the public and private sectors.

We also ran training workshops for accommodation providers in each country, giving expert advice on sustainable energy and waste reduction, covering how to engage staff, communicate with customers about sustainability and how to monitor progress. Our 'hotels taking action' webinars also supported hotel managers to share ideas and best practice examples.

# **The Travel Foundation**

## **Trustees' Report**

### **Three new projects with the TUI Care Foundation**

The year saw the launch of three exciting new projects in Turkey, Cyprus and Jamaica, all with the TUI Care Foundation.

Early in 2019, we formally launched our **‘Flavours from the Fields’** project, for which planning, research and stakeholder engagement had begun in 2018. The aim of the project is to support rural, small-scale producers in south-west Turkey to benefit from tourism, improving 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.

This year, we focussed on supporting local producers to develop a range of goods that appeal to hotels and customers, including running capacity building workshops for producers and creating a sustainable farming guide. We also strengthened market linkages between producers and hotels and encouraged purchasing managers to buy locally and promote these products to their customers, providing a range of communications materials for hotels.

During the year, we supported seven production units, representing 95 farmers, enabling over £47,000 worth of sales to tourism businesses. We worked with sixteen hotels, representing 3,920 rooms and three other tourism businesses. We estimate that more than 85,000 tourists have had the chance to sample or purchase these local products.

In November, we launched a major new initiative with the Cyprus Sustainable Tourism Initiative (CSTI) called **‘Sand, Sea and Plastic Free’**, which brings together tourists, tourism businesses and residents across Ayia Napa and the wider Famagusta region, to cut consumption of single-use plastic so that less enters the waste stream. Activities in 2019 included bringing together representatives from the public and private sector to form a working group, providing communications materials for the hotels involved and creating a brand and website for the project.

Meanwhile, in Jamaica, we launched **‘Big up Small Business’**, an initiative that will support over 150 entrepreneurs and small businesses across the country to connect to the tourism market. The project kicked off in 2019 with workshops that gave 250 people running micro businesses, advice and practical tips on how to meet international requirements and promote their products to hotels, tour operators and tourists. The training took place during a series of events run by Jamaica’s Tourism Product Development Co and covered everything from how to appeal to visitors to health and safety, and marketing.

## **The Travel Foundation**

### **Trustees' Report**

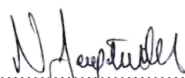
#### **Disclosure of information to auditor**

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

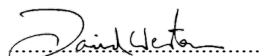
#### **Reappointment of auditor**

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

The annual report was approved by the Trustees of the charitable company on 29th June 2020.... and signed on its behalf by:



.....  
Mr N Josephides  
Trustee



.....  
Mr D Weston  
Company Secretary

## **The Travel Foundation**

### **Statement of Trustees' Responsibilities**

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

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

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

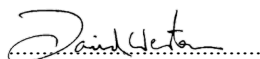
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Trustees of the charitable company on 29th June 2020 and signed on its behalf by:



Mr N Josephides  
Trustee



Mr D Weston  
Company Secretary

## **The Travel Foundation**

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

#### **Opinion**

We have audited the financial statements of The Travel Foundation (the 'Charitable Company') for the year ended 31 December 2019, 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 2019 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Material uncertainty related to going concern**

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

#### **Other information**

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

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

We have nothing to report in this regard.

## **The Travel Foundation**

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

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the Directors' Report) has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, (set out on page 12), the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.



## **The Travel Foundation**

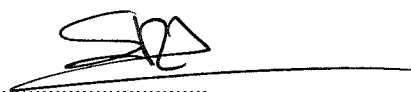
### **Independent Auditor's Report to the Members of The Travel Foundation**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charitable company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charitable company's audit. We remain solely responsible for our audit opinion.

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

#### **Use of our report**

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

Freshford House  
Redcliffe Way  
Bristol  
BS1 6NL

Date:.....7/7/20.....

## The Travel Foundation

### Statement of Financial Activities for the Year Ended 31 December 2019

|                                    | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2019<br>£    | Total<br>2018<br>£    |
|------------------------------------|------|----------------------------|--------------------------|-----------------------|-----------------------|
| <b>Income and Endowments from:</b> |      |                            |                          |                       |                       |
| Donations and legacies             | 3    | 127,025                    | -                        | 127,025               | 144,066               |
| Charitable activities              | 4    | 160,000                    | 439,558                  | 599,558               | 720,584               |
| Investment income                  | 5    | 3,068                      | -                        | 3,068                 | 4,443                 |
| Other income                       | 6    | 3,094                      | -                        | 3,094                 | 3,100                 |
| Total Income                       |      | <u>293,187</u>             | <u>439,558</u>           | <u>732,745</u>        | <u>872,193</u>        |
| <b>Expenditure on:</b>             |      |                            |                          |                       |                       |
| Raising funds                      | 7    | (98,109)                   | -                        | (98,109)              | (74,777)              |
| Charitable activities              | 8    | <u>(426,236)</u>           | <u>(417,609)</u>         | <u>(843,845)</u>      | <u>(1,062,817)</u>    |
| Total Expenditure                  |      | <u>(524,345)</u>           | <u>(417,609)</u>         | <u>(941,954)</u>      | <u>(1,137,594)</u>    |
| Net (expenditure)/income           |      | (231,158)                  | 21,949                   | (209,209)             | (265,401)             |
| Transfers between funds            |      | <u>1,170</u>               | <u>(1,170)</u>           | <u>-</u>              | <u>-</u>              |
| Net movement in funds              |      | (229,988)                  | 20,779                   | (209,209)             | (265,401)             |
| <b>Reconciliation of funds</b>     |      |                            |                          |                       |                       |
| Total funds brought forward        |      | <u>800,535</u>             | <u>31,598</u>            | <u>832,133</u>        | <u>1,097,534</u>      |
| Total funds carried forward        | 18   | <u><u>570,547</u></u>      | <u><u>52,377</u></u>     | <u><u>622,924</u></u> | <u><u>832,133</u></u> |

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


The funds breakdown for 2018 is shown in note 18.

**The Travel Foundation**  
**(Registration number: 03425954)**  
**Balance Sheet as at 31 December 2019**

|   | Note | 2019<br>£             | 2018<br>£             |
|---|------|-----------------------|-----------------------|
| <b>Fixed assets</b>                                   |      |                       |                       |
| Tangible assets                                       | 14   | 12,478                | 13,370                |
| <b>Current assets</b>                                 |      |                       |                       |
| Debtors   | 15   | 81,588                | 109,976               |
| Cash at bank and in hand                              |      | <u>567,159</u>        | <u>775,093</u>        |
|   |      | 648,747               | 885,069               |
| <b>Creditors: Amounts falling due within one year</b> | 16   | <u>(38,301)</u>       | <u>(66,306)</u>       |
| <b>Net current assets</b>                             |      | <u>610,446</u>        | <u>818,763</u>        |
| <b>Net assets</b>                                     |      | <u><u>622,924</u></u> | <u><u>832,133</u></u> |
| <b>Funds of the charitable company:</b>               |      |                       |                       |
| <b>Restricted funds</b>                               |      | 52,377                | 31,598                |
| <b>Unrestricted income funds</b>                      |      |                       |                       |
| Unrestricted funds                                    |      | <u>570,547</u>        | <u>800,535</u>        |
| <b>Total funds</b>                                    | 18   | <u><u>622,924</u></u> | <u><u>832,133</u></u> |

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

The financial statements on pages 16 to 36 were approved by the Trustees, and authorised for issue on 29th June 2020... and signed on their behalf by:



Mr N Josephides  
Trustee

# The Travel Foundation

## Statement of Cash Flows for the Year Ended 31 December 2019

|  | Note | 2019<br>£ | 2018<br>£ |
|--|------|-----------|-----------|
| <b>Cash flows from operating activities</b>          |      |           |           |
| Net expenditure                                      |      | (209,209) | (265,401) |
| <b>Adjustments to cash flows from non-cash items</b> |      |           |           |
| Depreciation   | 10   | 2,759     | 2,888     |
| Investment income                                    | 5    | (3,068)   | (4,443)   |
| Loss on disposal of tangible fixed assets            |      | 943       | 1,232     |
|  |      | (208,575) | (265,724) |
| <b>Working capital adjustments</b>                   |      |           |           |
| Decrease in debtors                                  | 15   | 28,388    | 31,030    |
| Decrease in creditors                                | 16   | (28,005)  | (79,144)  |
| Net cash flows from operating activities             |      | (208,192) | (313,838) |
| <b>Cash flows from investing activities</b>          |      |           |           |
| Interest receivable and similar income               | 5    | 3,068     | 4,443     |
| Purchase of tangible fixed assets                    | 14   | (2,810)   | (3,505)   |
| Net cash flows from investing activities             |      | 258       | 938       |
| Net decrease in cash and cash equivalents            |      | (207,934) | (312,900) |
| Cash and cash equivalents at 1 January               |      | 775,093   | 1,087,993 |
| Cash and cash equivalents at 31 December             |      | 567,159   | 775,093   |

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

# **The Travel Foundation**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **1 Charitable company status**

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

The address of its registered office is:

Create Centre  
Smeaton Road  
Bristol  
BS1 6XN

These financial statements were authorised for issue by the Trustees on 29 June 2020.

### **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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### **Basis of preparation**

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

#### **Going concern**

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

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

#### **Income and endowments**

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

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### ***Donations and legacies***

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

#### ***Grants receivable***

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

#### ***Gifts in kind***

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

#### ***Investment income***

Investment income is recognised using the effective interest method.

#### ***Expenditure***

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

#### ***Raising funds***

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

#### ***Charitable activities***

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

#### ***Governance costs***

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

#### ***Tangible fixed assets***

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

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **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:

| <b>Asset class</b> | <b>Depreciation method and rate</b> |
|--------------------|-------------------------------------|
| Office equipment   | 20% reducing balance                |

#### **Pensions and other post retirement obligations**

The Charity operates 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.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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. Accounts payable 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.

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **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.

#### **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.

Designated funds comprise unrestricted funds that are used for specified purposes as discussed with funders and decided by the Trustees in furtherance of specific objectives of the Charity. The aim and use of these Designated funds is set out in the notes of these financial statements.

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.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities.



# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2019

### *Recognition and measurement*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charitable company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charitable company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charitable company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### **3 Income from donations and legacies**

|   | <b>Unrestricted<br/>funds</b> | <b>Total</b>   | <b>Total</b>   |
|---|-------------------------------|----------------|----------------|
|   | <b>General</b>                | <b>2019</b>    | <b>2018</b>    |
|   | <b>£</b>                      | <b>£</b>       | <b>£</b>       |
| Donations and legacies;                               |                               |                |                |
| Donations from companies, trusts and similar proceeds | <u>127,025</u>                | <u>127,025</u> | <u>144,066</u> |
|   | <u>127,025</u>                | <u>127,025</u> | <u>144,066</u> |

Donations include contributions made by customers travelling and/or booking holidays between January and December 2019, as well as donations passed from other organisations, of £90,896 (2018- £120,554).

Donations in kind of £36,129 (2018 - £23,512) were received during the year in the form of travelling costs, accommodation, meeting room facilities and other services. Companies that in kind support was received from include ABTA, Four Communications, Bluesun Hotels and Resorts, Sandals Hotels, Voyage Travel marketing, WWF, IUCN, Holiday Extras and Chris Willan.

The Charity is grateful for all such support, without which its tasks would be much more difficult.

£127,025 (2018 - £139,066) of the income was attributable to unrestricted funds and £Nil (2018 - £5,000) was attributable to restricted funds.

## The Travel Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2019

|                                 | Unrestricted<br>Funds | Restricted<br>Funds | Total Funds<br>2019 | Total Funds<br>2018 |
|---------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                 | £                     | £                   | £                   | £                   |
| <b>Donations</b>                |                       |                     |                     |                     |
| Donations in kind               | 36,129                | -                   | 36,129              | 23,512              |
| Travel Counsellors              | 40,000                | -                   | 40,000              | 40,000              |
| I Love Eco Hotels               | -                     | -                   | -                   | 16,048              |
| Co-op Energy                    | -                     | -                   | -                   | 15,958              |
| Sunvil Holidays                 | 9,544                 | -                   | 9,544               | 14,555              |
| Holiday Extras                  | 10,261                | -                   | 10,261              | 19,674              |
| Midcounties Co-operative Travel | 22,363                | -                   | 22,363              | 8,861               |
| ECEAT Training                  | 2,801                 | -                   | 2,801               | -                   |
| Others                          | 5,927                 | -                   | 5,927               | 5,458               |
|                                 | <u>127,025</u>        | <u>-</u>            | <u>127,025</u>      | <u>144,066</u>      |

#### 4 Income from charitable activities

|                         | Unrestricted<br>funds |                |                |                |
|-------------------------|-----------------------|----------------|----------------|----------------|
|                         | General               | Restricted     | Total          | Total          |
|                         | £                     | funds          | 2019           | 2018           |
|                         | £                     | £              | £              | £              |
| TUI Group               | 160,000               | 288,025        | 448,025        | 521,152        |
| United Nations          | -                     | 134,903        | 134,903        | 174,570        |
| The Waterloo Foundation | -                     | -              | -              | 8,000          |
| GIZ                     | -                     | -              | -              | 16,862         |
| IUCN                    | -                     | 4,350          | 4,350          | -              |
| EBRD                    | -                     | 12,280         | 12,280         | -              |
|                         | <u>160,000</u>        | <u>439,558</u> | <u>599,558</u> | <u>720,584</u> |

£160,000 (2018 - £160,000) of the income was attributable to unrestricted funds and £439,558 (2018 - £560,584) was attributable to restricted funds.

# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 5 Investment income

|   | Unrestricted<br>funds |       |       |
|---|-----------------------|-------|-------|
|   | General               | Total | Total |
|   | £                     | 2019  | 2018  |
|   |                       | £     | £     |
| Interest receivable and similar income; |                       |       |       |
| Interest receivable on bank deposits    | 3,068                 | 3,068 | 4,443 |

£3,068 (2018 - £4,443) of the income was attributable to unrestricted funds and £nil (2018 - £nil) was attributable to restricted funds.

### 6 Other income

|                      | Unrestricted<br>funds |       |       |
|----------------------|-----------------------|-------|-------|
|                      | General               | Total | Total |
|                      | £                     | 2019  | 2018  |
|                      |                       | £     | £     |
| Other income         | 94                    | 94    | 100   |
| Employer's allowance | 3,000                 | 3,000 | 3,000 |
|                      | 3,094                 | 3,094 | 3,100 |

£3,094 (2018 - £3,100) of the income was attributable to unrestricted funds and £nil (2018 - £nil) was attributable to restricted funds

### 7 Expenditure on raising funds

#### Costs of generating donations and legacies

|                         | Unrestricted<br>funds |        |        |
|-------------------------|-----------------------|--------|--------|
|                         | General               | Total  | Total  |
|                         | £                     | 2019   | 2018   |
|                         |                       | £      | £      |
| Other fundraising costs | 6,157                 | 6,157  | 2,670  |
| Employment costs        | 91,952                | 91,952 | 72,107 |
|                         | 98,109                | 98,109 | 74,777 |

£98,109 (2018 - £74,777) of the expenditure related to unrestricted funds and £nil (2018 - £nil) was attributable to restricted funds

# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 8 Expenditure on charitable activities

|                      | Unrestricted funds                | Restricted funds            | Total 2019      | Total 2018       |
|----------------------|-----------------------------------|-----------------------------|-----------------|------------------|
|                      | General<br>£                      | funds<br>£                  | £               | £                |
| Destinations         | 61,982                            | 400,979                     | 462,961         | 648,373          |
| Sustainable Practice | 119,362                           | 16,630                      | 135,992         | 204,636          |
| Research & Scoping   | 198,757                           | -                           | 198,757         | 178,885          |
| Other Project Funds  | 38,066                            | -                           | 38,066          | 24,693           |
| Governance Costs     | 8,069                             | -                           | 8,069           | 6,230            |
|                      | <u>426,236</u>                    | <u>417,609</u>              | <u>843,845</u>  | <u>1,062,817</u> |
|                      | Activity undertaken directly<br>£ | Activity support costs<br>£ | Total 2019<br>£ | Total 2018<br>£  |
| Destinations         | 408,089                           | 54,872                      | 462,961         | 648,372          |
| Sustainable Practice | 104,523                           | 31,469                      | 135,992         | 204,638          |
| Research & Scoping   | 150,930                           | 47,827                      | 198,757         | 178,885          |
| Other Project Funds  | 37,600                            | 466                         | 38,066          | 24,692           |
| Governance Costs     | -                                 | 8,069                       | 8,069           | 6,230            |
|                      | <u>701,142</u>                    | <u>142,703</u>              | <u>843,845</u>  | <u>1,062,817</u> |

£426,236 (2018 - £483,443) of the above expenditure was attributable to unrestricted funds and £417,609 (2018 - £579,374) to restricted funds.

# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 9 Analysis of governance and support costs

#### Charitable activities expenditure

|                          | Unrestricted funds |                |                |
|--------------------------|--------------------|----------------|----------------|
|                          | General            | Total          | Total          |
|                          | £                  | 2019           | 2018           |
|                          |                    | £              | £              |
| Staff costs              | 93,730             | 93,730         | 105,668        |
| Premises                 | 28,831             | 28,831         | 28,317         |
| Communications and IT    | 1,514              | 1,514          | 1,696          |
| General office           | 8,472              | 8,472          | 8,819          |
| Human resources          | 21,749             | 21,749         | 6,255          |
| Depreciation             | 3,190              | 3,190          | 2,888          |
| Disposals and write-offs | 944                | 944            | 1,232          |
| Other office costs       | 720                | 720            | 720            |
| Governance costs         | 8,069              | 8,069          | 6,230          |
|                          | <u>167,219</u>     | <u>167,219</u> | <u>161,825</u> |

#### Governance costs

|                                   | Unrestricted funds |              |              |
|-----------------------------------|--------------------|--------------|--------------|
|                                   | General            | Total        | Total        |
|                                   | £                  | 2019         | 2018         |
|                                   |                    | £            | £            |
| Audit fees                        |                    |              |              |
| Audit of the financial statements | 5,400              | 5,400        | 4,365        |
| Other fees paid to auditors       | 1,416              | 1,416        | 922          |
| Other governance costs            | 1,253              | 1,253        | 943          |
|                                   | <u>8,069</u>       | <u>8,069</u> | <u>6,230</u> |

### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

|   | 2019         | 2018         |
|---|--------------|--------------|
|   | £            | £            |
| Audit fees                                | 5,400        | 4,365        |
| Other non-audit services                  | 1,416        | 922          |
| Loss on disposal of tangible fixed assets | 943          | 1,232        |
| Depreciation of fixed assets              | <u>2,759</u> | <u>2,888</u> |

## The Travel Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 11 Trustees remuneration and expenses

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

£1,253 (2018 - £943) of expenses were reimbursed to the Trustees during the year.

During the year the number of Trustees that were paid expenses was 1 (2018 - 3).

Travel and subsistence costs were paid to Trustees in order to attend Trustees meetings. Expenses to facilitate Trustee meetings of £989 (2018 - £561) were incurred as a part of the above figure.

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

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

#### 12 Staff costs

The aggregate payroll costs were as follows:

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 530,254        | 547,609        |
| Social security costs                    | 50,678         | 55,385         |
| Pension costs                            | 24,400         | 25,942         |
| Other staff costs                        | 1,406          | 4,643          |
|  | <u>606,738</u> | <u>633,579</u> |

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

|                       | 2019<br>No | 2018<br>No |
|-----------------------|------------|------------|
| Charitable activities | 12         | 13         |
| Fundraising           | 1          | 2          |
| Support               | 3          | 3          |
|                       | <u>16</u>  | <u>18</u>  |

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

|                   | 2019<br>No | 2018<br>No |
|-------------------|------------|------------|
| £60,001 - £70,000 | <u>1</u>   | <u>1</u>   |

## The Travel Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 13 Taxation

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

#### 14 Tangible fixed assets

|                         | Office<br>equipment<br>£ | Total<br>£     |
|-------------------------|--------------------------|----------------|
| <b>Cost</b>             |                          |                |
| At 1 January 2019       | 27,907                   | 27,907         |
| Additions               | 2,810                    | 2,810          |
| Disposals               | <u>(2,655)</u>           | <u>(2,655)</u> |
| At 31 December 2019     | <u>28,062</u>            | <u>28,062</u>  |
| <b>Depreciation</b>     |                          |                |
| At 1 January 2019       | 14,537                   | 14,537         |
| Charge for the year     | 2,759                    | 2,759          |
| Eliminated on disposals | <u>(1,712)</u>           | <u>(1,712)</u> |
| At 31 December 2019     | <u>15,584</u>            | <u>15,584</u>  |
| <b>Net book value</b>   |                          |                |
| At 31 December 2019     | <u>12,478</u>            | <u>12,478</u>  |
| At 31 December 2018     | <u>13,370</u>            | <u>13,370</u>  |

#### 15 Debtors

|                | 2019<br>£     | 2018<br>£      |
|----------------|---------------|----------------|
| Trade debtors  | 162           | 887            |
| Accrued income | <u>81,426</u> | <u>109,089</u> |
|                | <u>81,588</u> | <u>109,976</u> |

#### 16 Creditors: amounts falling due within one year

|                                    | 2019<br>£     | 2018<br>£     |
|------------------------------------|---------------|---------------|
| Trade creditors                    | 5,574         | 18,282        |
| Other taxation and social security | 12,144        | 13,180        |
| Other creditors                    | <u>20,583</u> | <u>34,844</u> |
|                                    | <u>38,301</u> | <u>66,306</u> |

## The Travel Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 17 Commitments

##### Other financial commitments

The charity has financial commitments for the rental of property on an operating lease.

The total amount of other financial commitments not provided in the financial statements was £6,936 (2018 - £6,800).

#### 18 Funds

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



# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2019

|                               | Balance at 1<br>January<br>2018<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£  | Balance at<br>31<br>December<br>2018<br>£ |
|-------------------------------|--------------------------------------|----------------------------|----------------------------|-----------------|---|
| <b>Unrestricted funds</b>     |                                      |                            |                            |                 |   |
| <i>General</i>                |                                      |                            |                            |                 |   |
| General                       | 1,055,111                            | 306,609                    | (558,220)                  | (2,965)         | 800,535                                   |
| <b>Restricted funds</b>       |                                      |                            |                            |                 |   |
| IKI/UNEP                      | (17,808)                             | 174,570                    | (155,622)                  | -               | 1,140                                     |
| TCF MB Jamaica                | 15,073                               | 173,207                    | (170,695)                  | -               | 17,585                                    |
| TCF Cape Verde                | 27,031                               | 132,825                    | (159,856)                  | -               | -   |
| TCF Croatia                   | 485                                  | -                          | (485)                      | -               | -   |
| TCF FFF Turkey                | -                                    | 55,120                     | (51,133)                   | -               | 3,987                                     |
| Waterloo/Lionfish             | 17,642                               | 8,000                      | (16,756)                   | -               | 8,886                                     |
| GIZ - Laos Training           | -                                    | 16,862                     | (16,862)                   | -               | -   |
| Holiday Extras                | -                                    | 5,000                      | (5,000)                    | -               | -   |
| ECEAT Training                | -                                    | -                          | (2,965)                    | 2,965           | -   |
| <b>Total restricted funds</b> | <u>42,423</u>                        | <u>565,584</u>             | <u>(579,374)</u>           | <u>2,965</u>    | <u>31,598</u>                             |
| <b>Total funds</b>            | <u><u>1,097,534</u></u>              | <u><u>872,193</u></u>      | <u><u>(1,137,594)</u></u>  | <u><u>-</u></u> | <u><u>832,133</u></u>                     |

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **General Fund**

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

#### **IKI/UNE Project (*Destinations*)**

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

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

#### **TCF MB Jamaica (*Destinations*)**

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

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

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

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

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

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

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

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

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

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

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

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

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

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

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

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

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

#### **ECEAT Training (*Sustainable Practice*)**

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

#### **IUCN (*Sustainable Practice*)**

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

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

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

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

# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 19 Analysis of net assets between funds

|                       | Unrestricted<br>funds | Restricted<br>funds | Total funds    |
|-----------------------|-----------------------|---------------------|----------------|
|                       | General<br>£          | £                   | £              |
| Tangible fixed assets | 12,478                | -                   | 12,478         |
| Current assets        | 592,399               | 56,348              | 648,747        |
| Current liabilities   | (38,301)              | -                   | (38,301)       |
| Total net assets      | <u>566,576</u>        | <u>56,348</u>       | <u>622,924</u> |

|                       | Unrestricted<br>funds | Restricted<br>funds | Total funds at<br>31 December<br>2018 |
|-----------------------|-----------------------|---------------------|---------------------------------------|
|                       | General<br>£          | £                   | £                                     |
| Tangible fixed assets | 13,370                | -                   | 13,370                                |
| Current assets        | 853,471               | 31,598              | 885,069                               |
| Current liabilities   | (66,306)              | -                   | (66,306)                              |
| Total net assets      | <u>800,535</u>        | <u>31,598</u>       | <u>832,133</u>                        |

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **20 Related party transactions**

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

##### **TUI Care Foundation**

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

During the year, the TUI Care Foundation made available £448,025 (2018 - £521,152) in grant funding for the Foundation. At the balance sheet date the amount due to/from TUI Care Foundation was £Nil (2018 - £Nil).

##### **TUI Group**

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

During the year, TUI Group provided in-kind support valued at £nil (2018 - £2,651). At the balance sheet date the amount due to/from TUI Group was £Nil (2018 - £Nil).

##### **The Midcounties Co-operative**

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

During the year, this company and its subsidiaries collected £22,363 (2018 - £24,186) in customer donations and provided in-kind support of £620 (2018 - £Nil) for The Travel Foundation. At the balance sheet date the amount due from The Midcounties Co-operative was £19,801 (2018 - £24,186).

##### **Sunvil International Sales Limited**

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

During the year, this company and its subsidiaries collected £9,544 (2018 - £14,555) in customer donations for the Foundation. At the balance sheet date the amount due from Sunvil International Sales Limited was £9,544 (2018 - £14,555).

##### **ABTA Ltd**

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

During the year ABTA provided gifts in kind valued at £1,250 (2018 - £2,250). At the balance sheet date the amount due to/from ABTA Ltd was £Nil (2018 - £Nil).

##### **Four Communications Limited**

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

During the year this company provided in-kind support valued at £1,250 (2018 - £1,000). At the balance sheet date the amount due to/from Four Communications Limited was £Nil (2018 - £Nil).

##### **Co-Operative Holidays Limited**

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

During the year this company provided in-kind support valued at £684 (2018 - £Nil). At the balance sheet date the amount due to/from Co-Operative Holidays Limited was £Nil (2018 - £Nil).

##### **GSTC**

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

During the year this company provided in-kind support valued at £571 (2018 - £Nil). At the balance sheet date the amount due to/from GSTC was £Nil (2018 - £Nil).

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **21 Non-adjusting events after the financial period**

Since the start of January 2020, the outbreak of Covid-19, which is a rapidly evolving situation, has adversely impacted global financial markets. The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak.

Whilst the Charity does not have direct exposure to capital market investments it is reliant on the donations and grants provided by the travel and tourism industry, the level of which are impacted by economic conditions and volatility. The nature of the charity being both awareness raising and practical application of sustainable tourism has also been impacted as a result of border closures and reduced air traffic, this will subsequently have an impact on projects based overseas.

The Trustees do not believe there is any significant financial impact to the Financial Statements as at 31 December 2019 as a result of this subsequent event. The Trustees have considered various scenarios, including available mitigating actions and concluded that the charity has sufficient retained capital and liquidity. They continue to monitor this situation closely.