

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 2017

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

The Travel Foundation

Contents

Reference and Administrative Details	1
Report of the Chair	2 to 3
Trustees' Report	4 to 10
Statement of Trustees' Responsibilities	11
Independent Auditors' Report	12 to 14
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 to 33

The Travel Foundation

Reference and Administrative Details

Chief Executive Officer	Ms S Felton
Trustees	Mr N Josephides Mr A M Rowland Mr G I Wilson Dr P B Davis Mr R B Anderson Mrs D A Hindle Mr J De Vial Mr Harold Goodwin (resigned 9 March 2017) Ms Elna Kotze (resigned 24 January 2017)
Secretary	Mr D Weston
Principal Office	Create Centre Smeaton Road Bristol BS1 6XN The charitable company is incorporated in England & Wales.
Company Registration Number	03425954
Charitable company Registration Number	1065924
Auditor	Milsted Langdon LLP Chartered Accountants and Statutory Auditors Freshford House Redcliffe Way Bristol BS1 6NL

The Travel Foundation

Report of the Chair

This year saw us reach the mid-point of our five-year strategy and as we strive to achieve our charitable aim - to improve the social, economic and environmental sustainability of mainstream holidays - the way we go about achieving this continues to evolve in order to meet the ongoing changes and challenges in the tourism industry.

A key element of our strategy is working with partners who share our vision and actively want to make a contribution towards improving the impacts of tourism. It was therefore very encouraging to begin collaborating with so many new partners in the year to deliver our portfolio of programmes, including ANVR - the Dutch Association of Travel Agents and Tour Operators, United Nations Environment, the Tourism Product Development Company in Jamaica, World Routes, the European Centre for Ecological and Agricultural Tourism and Harvard Business School.

With a continued effort to diversify our funding sources, we are focusing on two key areas, broadening our private sector funding and increasing the level of our grant funds. To this end we were delighted to receive charitable donations from a number of new private sector funding partners in the year, including Travel Counsellors, Co-operative Energy, I love Eco Hotels, Book Different and Incognito to name a few.

2017 was also the first year of our partnership with the TUI Care Foundation, having transitioned from working with TUI UK & Ireland at the end of 2016, with the signing of a new MoU at the start of the year. During the year we worked on three programmes, in Cape Verde, Jamaica and Croatia and we look forward to working with the TUI Care Foundation in the future on a number of new initiatives. Information about these programmes and our other activities can be found within the 'Key achievements and performance' section of this report.

Turning to grant funds, we launched our work with United Nations Environment in Mauritius and St Lucia in 2017, on a project promoting resource efficient and low-carbon development through transforming tourism value chains in developing countries and small island developing states. The project is led by United Nations Environment and supported by €5 million from the International Climate Initiative on behalf of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety.

Also in St Lucia, we began work on a new project, having successfully secured a grant from the Waterloo Foundation. Our goal is to contribute to the eradication of the invasive lionfish species, and support the conservation of native reef fish stocks around Saint Lucia.

As we reported this time last year, in diversifying our income, we projected a shift between unrestricted and restricted funds, with a much higher proportion of restricted funds expected for the charity. We have seen this take effect in 2017, largely the result of the partnership transition from TUI UK & Ireland to the TUI Care Foundation, but also with the securing of the multi-year project funding from the Waterloo Foundation and United Nations Environment. In part as a result of this, we have also reviewed the way that we budget and plan our activities, moving to a full-cost method of budgeting and reporting. This is evidenced by the change in how our activities are presented within this year's report and will help us ensure we are resourcing and costing all our activities accurately.

The Travel Foundation

Report of the Chair

We also participated in a number of key events in 2017, in order to further raise our profile and to communicate our message to a wider audience. In November, the United Nations World Travel Organization (UNWTO), the Government of Jamaica and the World Bank Group, held a conference on sustainable tourism in Montego Bay. The meeting was a result of collaboration between 800 tourism decision makers from 157 countries and attracted 1,500 participants over the three days. Our CEO Salli Felton was a speaker at the Global Conference on Jobs & Inclusive Growth: Partnerships for Sustainable Tourism participating as a speaker in the plenary session: Delivering Change and Impacts - Donor funded programs that balance scale, sustainability and inclusion. At the event a MoU was also signed with The Tourism Product Development Company (TPDCo) with the partnership formally launched by the Honourable Edmund Bartlett, Minister of Tourism (Jamaica).

Following this theme, we joined forces with World Routes, the airline route development forum, for their 2017 event and were delighted to be chosen as their official charity partner. We curated a series of presentations and other live content for the delegates, based around the theme “Growing the value of tourism”, with a focus on opportunities for destinations, and those who invest in them, to further benefit from the tourism they are developing - for businesses, communities and the environment.

We plan to participate in more events in 2018, with the first being the World Travel & Tourism Council (WTTC) Summit 2018 in Buenos Aires, where we will be hosting an roundtable event ‘the business of managing overtourism’, with a small number of influential business leaders.

Building on our governance review in 2016, we have developed new policies for risk management and reserves in the year and implemented a new Board reporting process, ensuring that we operate most efficiently and effectively and remain in line with best practice. In 2018 we plan to continue building in this area, with new and improved processes including financial management and data protection. We also appointed new auditors in the year and look forward to working with Milsted Langdon LLP.

Lastly, in 2017 two Trustees departed and the Foundation would like to thank Elna Kotze and Harold Goodwin for their valued work as Board Members and wish them well in the future.

In closing, I would like to thank the Executive team, the local communities we work with, our donors, the Board of Trustees, and our supporters and partners, in 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. To know more, please visit our website www.thetravelfoundation.org.uk or telephone our office on 0117 927 3049.

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 2017 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 and Decision Making

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.

Trustee Recruitment, Training and Succession Planning

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.

On 5th December 2017 the trustees formally agreed to:

- review and agree the mix of skills and experience required on the board;
- draw up a competence framework ("skills matrix") and role portfolios for board members;
- review trustee training and induction; and
- review and agree recruitment processes, planning ahead to address future vacancies with appropriate lead times, and including the succession planning for officers (Chairman, Vice Chairman, and Treasurer).

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 statutory audit fees and the board of trustees. In 2017, Governance costs were 0.62% (2016 - 0.52%) 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 £758 (2016 - £1,198).

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.

Delivering Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

The vision of the Charity is of 'a world where tourism provides the greatest benefits for people and the environment in destinations'. The public benefit requirement of the Charity has been met through the clear enhancement of the environment and the wellbeing of the destination communities.

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 in 2017 and a new risk management policy and process was agreed, with the policy and a new risk register approved by the board of trustees in December 2017.

Intellectual Property

The Travel Foundation name, logo (as updated in 2010) and strapline are registered as a trade mark in the UK and EU.

FINANCIAL REVIEW

Overview & Year-end Position

Total income of £1,225,801 in 2017 (2016 - £1,294,381) was down 5% year on year but was 4% higher than we had originally budgeted. This increase against budget was largely the result of grants secured from the Waterloo Foundation and UN Environment.

Representing a year on year increase of 15%, total expenditure was £1,284,937 (2016 - £1,119,574). This planned increase in spend was used to scale up activities in the year, with management capacity increased to help enable this and a range of new activities initiated.

Within the year the Foundation changed its budgeting method and moved to a full-cost recovery approach, which is evidenced within this report. This provides a greater degree of transparency around the total cost of charitable activities.

The Travel Foundation

Trustees' Report

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

As reported in our 2016 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 £101,559 (2016 - £174,807 surplus), leaving the organisation with closing unrestricted capital and reserves of £1,055,111 (2016 - £1,156,670).

Reserves Policy and Going Concern

During the year a review of our Reserves policy was undertaken and a new Reserves policy was drafted and approved. The 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, the Trustees agreed a reserve level of £655,000 in June 2017 with the plan to review a phased draw down on reserves above this level later in the year.

In December 2017, the Foundation became aware of a potential funding shortfall in 2018 that had been unanticipated. In line with the new policy, a decision was made to allow the Foundation to utilise reserves above the specified reserve level in order to maintain planned core activities, whilst also conducting additional fundraising activities in 2018 to mitigate the funding shortfall in the longer term.

PLANS FOR FUTURE PERIODS

Looking Forward

With budgeted expenditure for 2018 at £1.31 million, a draw down of £360,625 unrestricted funds and closing unrestricted reserves of £694,486 has been budgeted. This draw down for 2018 will be invested in maintaining and bolstering core activities such as new project scoping and fundraising with the aim of securing funds to offset funding shortfalls.

KEY ACHIEVEMENTS AND PERFORMANCE

Our vision is of a world where tourism brings greater benefits for people and the environment in destinations. In 2017 we have continued our work to maximise the benefits and minimise the negative impacts of tourism in destinations around the world.

Our focus is on supporting, encouraging and enabling those who plan and manage tourism to:

- identify, measure and manage the impacts of their tourism activities.
- embed sustainability into core policies, supporting frameworks and operational practices.
- share the results of their work with their peers and competitors, inspiring change in others.

The following are just some of the highlights from our work programmes in 2017.

The Travel Foundation

Trustees' Report

Local product development

In Croatia, we completed a three-year project funded by the TUI Care Foundation for more sustainable resort development. Focusing on two villages in the Makarska Riviera, the project aimed to improve local benefits from tourism, following the recent re-development of two hotels. Many local businesses have been struggling to adapt to the new, more international type of tourist that the hotels are now attracting. Following detailed research, we strengthened local planning structures, delivered training for small business owners and made recommendations for future hotel developments. A significant achievement for the project was the creation of two 'councils', involving a total of 26 public and private sector organisations, which are enabling collaboration between the hotels, public sector organisations and small, local businesses for the first time. To complete the project, we brought together the many stakeholders involved for a conference to share successes and best practice. Information and learnings gained from the project will be shared with stakeholders in Croatia and more widely in 2018.

In Montego Bay, Jamaica, we initiated our new 'Warm Welcome' campaign, funded by the TUI Care Foundation. The initiative is supporting frontline staff, such as hotel reception staff and taxi drivers, to encourage tourists to explore the local area. The campaign was launched as part of the 'Global Sustainable Tourism Conference' run by the UN's World Tourism Organisation in Montego Bay in November. To support the campaign, we developed a visitor map and 'insider guide' highlighting what's on offer in the area. To date, over 11,000 Insider Guides and 5000 visitor maps have been distributed.

This year, we also signed a Memorandum of Understanding with the Tourism Product Development Company (TPDCo), which sets out our joint aims to improve benefits from tourism for local people. Our aim is now to support TPDCo to deliver similar campaigns in other resorts across Jamaica.

Meanwhile, we continued our work to support traders within the Harbour Street craft market to earn a better living from tourism. The market is a vital source of income for many local people, but tourist spend in the market is low, partly due to low tourist footfall, product quality and craft traders hassling tourists to buy. Following a successful training initiative for the traders in 2016, this year, we partnered with the Mobay Chamber of Commerce to run a craft expo which showcased locally-made crafts to further spread economic benefits to local craft producers. We took around 70 Harbour Street Craft Market traders to visit the expo, inspiring them to think differently about what they can offer.

Environmental protection

In 2017, we began an innovative project, delivered in partnership with CLEAR, to reduce numbers of the invasive lionfish species which are devastating the native reef fish around Saint Lucia. Our aim is to demonstrate the economic value of catching and selling lionfish by building supply-chain links between fishing co-operatives and tourist restaurants.

This year, we have completed research, including an assessment of the current and potential demand for lionfish from hotels and restaurants, as well as baseline surveys with fishers to understand fishing practices and the volumes involved. We then began training fishers to process and handle lionfish, which have venomous spines. Equipment to catch and handle the fish safely has been procured and distributed to 60 fishers. A focus on training for fishers, improving storage facilities and building links to hotels will follow in 2018, as well as raising awareness of the benefits of catching and eating the fish with hotels and tourists.

This year also saw the launch of an exciting new, four-year project, led by UN Environment, which aims to reduce tourism's carbon footprint in developing countries and small island developing states. Our role as lead implementing partner in Mauritius and Saint Lucia will see us first uncover carbon 'hotspots' in tourism operations, so that we can then find and prioritise opportunities to reduce tourism's carbon footprint across the supply chain. Our focus in 2017, was to identify and engage stakeholders. Working with the Waste and Resources Action Programme (WRAP), we also began to gather data from tourism businesses that will feed into national action plans and policy recommendations.

The Travel Foundation

Trustees' Report

In Turkey, we entered the second year of Our Blue Wave project which aims to reduce the impacts of marine tourism in the Fethiye-Gocek special environmental protection area. This year, we focused on improving knowledge of sustainable boating practices amongst boat operators and tourists to protect this stunning marine area. We began a series of workshops for staff working at marinas and boat operators which will continue into 2018. We also produced and distributed 60,000 educational maps amongst tourists and operators and published 2,000 copies of our new Sustainable Boating Practices Manual in Turkish and English.

In Cape Verde, we continued our work, funded by the TUI Care Foundation, to improve resource efficiency in hotels on the islands of Sal and Boa Vista. With limited rainfall, a lack of recycling facilities and minimal landfill capacity, it's vital that accommodation providers on these islands can improve their environmental impact. In 2017, we successfully engaged 16 hotels in the project and began training on waste prevention, as well as producing action plans focusing on water, waste and energy. We also ran the first of a series of planned business impact forums to enable tourism businesses to share best practice.

Meanwhile, the launch of our new good practice manual for marine-based and coastal excursions is enabling tour guides to protect precious habitats and species. As well as forming strong partnerships with local organisations to support the creation and roll-out of these guidelines, we signed an MOU with the Cape Verde Directorate of Tourism and the Directorate of Environment for joint work to improve the impacts of tourist excursions.

The destination council in Sal, consisting of local tourism businesses, NGOs and government agencies, that we created over five years ago continues to support the planning and implementation of these projects. In 2017, we continued work to strengthen the council and began to engage stakeholders in a similar partnership on Boa Vista.

Embedding sustainable ways of working

In addition to the support, training and guidance we have given to businesses as part of our local product development and environmental protection projects, we have completed two significant training initiatives. Our partnership with the Dutch Travel Association, ANVR, enabled us to reach tour guides and managers around the world with a new training course to improve the sustainability of tours. We created a special training website for member companies of ANVR, which gives practical tips on how to improve practices and communicate better with customers. Over 500 guides and managers have completed the course. Of the 115 who completed our survey, 95% said they will change practices to increase their economic contribution to local businesses and minimize impacts on the environment. In 2018, we plan to add new modules to the training for specialist tours.

In the Caribbean, we signed an MOU with the Caribbean Tourism Organization (CTO) to work together towards sustainable tourism development in the region. The first joint initiative has been the launch of 'A Roadmap to Destination Success', a free online sustainable tourism course for ministries, government departments, tourism authorities and tourist boards engaged in destination management. The course is designed to help increase knowledge of how to review and plan the sustainable development of Caribbean tourist destinations. So far, 65 members of staff from Caribbean destinations have completed the training course.

Research and impact assessment

In 2017, we began an innovative research project in Tenerife to understand the 'true' value of different tourist markets to the economy, environment, culture and society. To do this, we are looking at the costs and benefits of different types of tourism, for example cruise tourism, all-inclusive tourism and back-packing, to find the optimal market mix for the destination. Our aim is to create and test an effective research methodology that will enable destination governments to grow tourism sustainably.

The Travel Foundation

Trustees' Report

In Mexico, we undertook research to understand the size and scope of the excursions market, its operating and regulatory structure and supporting mechanisms, and the broader strategic and governance environment. Our aim is to use this research to develop a new project to increase local economic benefits to rural communities, to support marine and rainforest conservation and to protect cultural heritage. During the year, we 'mapped' activities within a day trip from Cancun/Riviera Maya resorts, such as heritage sites (Chichen Itza, Coba, Muyil and Tulum) theme parks, cruises, diving, golf courses, 4×4 safaris, swimming in cenotes and more in order to understand the current areas of tourism impact. In 2018 we will look to secure funding for a project that aims to maximise the benefits of tourism from these excursions.

Communications

One of the highlights of the year was our partnership with World Routes, the airline development forum, for the UN's Year of Sustainable Tourism 2017. The Travel Foundation was the official charity partner for World Routes 2017 and curated a series of presentations for the event based around the theme "growing the value of tourism". Presentations and seminars focused on opportunities for destinations to increase benefits for communities and the environment, as well as businesses.

At the beginning of the year, the launch of our new website enabled us to present our vision for sustainable tourism with greater impact. New content showcased on the site includes a series of new films about our work in Cape Verde, Jamaica and Croatia, new photography from South Africa and St Lucia, a new on-line annual review, as well as updated content about present and past projects.

We continue to grow our presence on Twitter (over 6,800 followers) and LinkedIn (over 3,600 followers) and have increased our activity on these channels. Our focus on these channels and our blog will continue into 2018, in order to support our aim to enhance our reputation and profile, as well as to position the Travel Foundation as a thought leader in sustainable tourism.

During the year, we refreshed and improved communications with our partners, creating a new partnership pack to share logos, links to photo library and information about our work and projects. We also launched a new quarterly partnership newsletter to share bespoke updates and shared successes.

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 Travel Foundation

Trustees' Report

The annual report was approved by the Trustees of the charitable company on 10 April 2018 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 10 April 2018 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 2017, 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).

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.

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 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The 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.

The Travel Foundation

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

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.

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 11), 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:

The Travel Foundation

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

- 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.
- 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.

Mrs S R Jenkins (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor
Freshford House
Redcliffe Way
Bristol
BS1 6NL

Date: 12 April 2018

The Travel Foundation

Statement of Financial Activities for the Year Ended 31 December 2017

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income and Endowments from:					
Donations and legacies	3	216,203	4,306	220,509	273,950
Charitable activities	4	171,762	821,501	993,263	1,006,369
Investment income	5	5,294	-	5,294	5,532
Other income	6	6,735	-	6,735	8,530
Total Income		<u>399,994</u>	<u>825,807</u>	<u>1,225,801</u>	<u>1,294,381</u>
Expenditure on:					
Raising funds	7	(56,386)	-	(56,386)	(68,775)
Charitable activities	8	(445,167)	(783,384)	(1,228,551)	(1,050,799)
Total Expenditure		<u>(501,553)</u>	<u>(783,384)</u>	<u>(1,284,937)</u>	<u>(1,119,574)</u>
Net (expenditure)/income		<u>(101,559)</u>	<u>42,423</u>	<u>(59,136)</u>	<u>174,807</u>
Net movement in funds		(101,559)	42,423	(59,136)	174,807
Reconciliation of funds					
Total funds brought forward		<u>1,156,670</u>	-	<u>1,156,670</u>	<u>981,863</u>
Total funds carried forward	19	<u>1,055,111</u>	<u>42,423</u>	<u>1,097,534</u>	<u>1,156,670</u>

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

The funds breakdown for 2016 is shown in note 19.

The Travel Foundation
(Registration number: 03425954)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	15	13,985	14,491
Current assets			
Debtors	16	141,006	177,541
Cash at bank and in hand		<u>1,087,993</u>	<u>1,059,637</u>
		1,228,999	1,237,178
Creditors: Amounts falling due within one year	17	<u>(145,450)</u>	<u>(94,999)</u>
Net current assets		<u>1,083,549</u>	<u>1,142,179</u>
Net assets		<u><u>1,097,534</u></u>	<u><u>1,156,670</u></u>
Funds of the charitable company:			
Restricted funds		42,423	-
Unrestricted income funds			
Unrestricted funds		<u>1,055,111</u>	<u>1,156,670</u>
Total funds	19	<u><u>1,097,534</u></u>	<u><u>1,156,670</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 15 to 33 were approved by the Trustees, and authorised for issue on 10 April 2018 and signed on their behalf by:

Mr N Josephides
Trustee

The Travel Foundation

Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (expenditure)/income		(59,136)	174,807
Adjustments to cash flows from non-cash items			
Depreciation	7	2,948	3,104
Investment income	5	<u>(5,294)</u>	<u>(5,532)</u>
		(61,482)	172,379
Working capital adjustments			
Decrease in debtors	16	36,535	2,120
Increase in creditors	17	<u>50,451</u>	<u>37,818</u>
Net cash flows from operating activities		<u>25,504</u>	<u>212,317</u>
Cash flows from investing activities			
Interest receivable and similar income	5	5,294	5,532
Purchase of tangible fixed assets	15	(3,721)	(2,560)
Sale of tangible fixed assets		<u>1,279</u>	<u>405</u>
Net cash flows from investing activities		<u>2,852</u>	<u>3,377</u>
Net increase in cash and cash equivalents		28,356	215,694
Cash and cash equivalents at 1 January		<u>1,059,637</u>	<u>843,943</u>
Cash and cash equivalents at 31 December		<u><u>1,087,993</u></u>	<u><u>1,059,637</u></u>

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 2017

1 Charitable company status

The charitable company is a charitable company limited by guarantee 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.

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) and the Companies Act 2006.

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

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charitable company. Accordingly the accounts have been prepared on the basis the charity is a going concern.

Income and endowments

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

Donations and legacies

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

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.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

Investment income

Investment income is recognised using the effective interest method.

Expenditure

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

Raising funds

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

Charitable activities

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

Governance costs

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

Tangible fixed assets

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

Depreciation and amortisation

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

Asset class	Depreciation method and rate
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.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

Foreign exchange

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

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

Other exchange differences are recognised in the statement of financial activities in the period in which they arise except for:

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

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

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.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	General £	£	£	£
Donations and legacies;				
Donations from companies, trusts and similar proceeds	216,203	4,306	220,509	273,950
	<u>216,203</u>	<u>4,306</u>	<u>220,509</u>	<u>273,950</u>

Donations comprise of contributions made by customers travelling and/ or booking between January and December 2017, as well as donations passed from other organisations.

There was a value of £61,674 (2016 - £55,794) in kind support received during the year in the form of hosting, meeting rooms, venues, travel and accommodation from many companies, including ABTA, TUI (UK & Ireland), UBM (UK) Limited and Chris Willan (photography).

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

£216,203 (2016 - £273,950) of the income was attributable to unrestricted funds and £4,306 (2016 - £nil) was attributable to restricted funds.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

	Unrestricted Funds	Restricted Funds	Total Funds 2017
	£	£	£
Donations			
Donations in kind	61,674	-	61,674
Virgin Holidays	48,389	-	48,389
Holiday Extras	36,032	-	36,032
Co-op Energy	35,500	-	35,500
Sunvil Holidays	12,493	-	12,493
I Love Eco Hotels	9,400	-	9,400
Midcounties Co-operative Travel	4,950	-	4,950
Travelife	-	4,306	4,306
Others	7,765	-	7,765
	<u>216,203</u>	<u>4,306</u>	<u>220,509</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2016
	£	£	£
Donations			
Virgin Holidays	104,519	-	104,519
Holiday Extras	95,283	-	95,283
Donations in kind	55,794	-	55,794
Sunvil Holidays	11,830	-	11,830
Midcounties Co-operative Travel	4,775	-	4,775
Others	1,749	-	1,749
	<u>273,950</u>	<u>-</u>	<u>273,950</u>

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	General			
	£	£	£	£
TUI Group	171,762	628,238	800,000	1,000,485
United Nations	-	131,263	131,263	-
The Waterloo Foundation	-	62,000	62,000	-
Other grants	-	-	-	5,884
	<u>171,762</u>	<u>821,501</u>	<u>993,263</u>	<u>1,006,369</u>

£171,762 (2016 - £1,000,485) was attributable to unrestricted funds and £821,501 (2016 - £5,884) was attributable to restricted funds.

5 Investment income

	Unrestricted funds	Total 2017	Total 2016
	General		
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>5,294</u>	<u>5,294</u>	<u>5,532</u>

All of the above income was attributable to unrestricted funds in 2017 and 2016.

6 Other income

	Unrestricted funds	Total 2017	Total 2016
	General		
	£	£	£
Other income	3,735	3,735	1,902
Lottery sales	-	-	3,628
Employer's allowance	3,000	3,000	3,000
	<u>6,735</u>	<u>6,735</u>	<u>8,530</u>

All of the above income was attributable to unrestricted funds in 2017 and 2016.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

7 Expenditure on raising funds

a) Costs of generating donations and legacies

		Unrestricted funds	Total 2017	Total 2016
	Note	General £	£	£
Employment costs		56,386	56,386	58,051
Lottery costs		-	-	10,724
		<u>56,386</u>	<u>56,386</u>	<u>68,775</u>

All of the above expenditure related to unrestricted funds in 2017 and 2016.

8 Expenditure on charitable activities

	Unrestricted funds		Restricted funds	Total 2017	Total 2016
	Designated £	General £	£	£	£
Destinations	16,896	92,306	779,079	888,281	570,221
Sustainable Practice	22,635	146,326	4,305	173,266	377,698
Research & Scoping	6,467	86,640	-	93,107	23,502
Other Project Funds	-	66,335	-	66,335	72,679
Governance Costs	-	7,562	-	7,562	6,699
	<u>45,998</u>	<u>399,169</u>	<u>783,384</u>	<u>1,228,551</u>	<u>1,050,799</u>

	Activity undertaken directly	Activity support costs	Total 2017	Total 2016
	£	£	£	£
Destinations	780,288	107,993	888,281	570,221
Sustainable Practice	144,150	29,116	173,266	377,698
Research & Scoping	77,062	16,045	93,107	23,502
Other Project Funds	65,532	803	66,335	72,679
Governance Costs	-	7,562	7,562	6,699
	<u>1,067,032</u>	<u>161,519</u>	<u>1,228,551</u>	<u>1,050,799</u>

£445,167 (2016 - £1,044,915) of the above expenditure was attributable to unrestricted funds and £783,384 (2016 - £5,884) to restricted funds.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

9 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Staff costs	90,152	90,152	164,114
Premises	28,518	28,518	26,817
Communications and IT	9,086	9,086	2,019
General office	14,102	14,102	10,805
Human resources	6,105	6,105	7,650
Depreciation	2,948	2,948	3,104
Disposals and write-offs	1,280	1,280	25,356
Other office costs	1,766	1,766	1,189
Governance costs	7,562	7,562	6,699
	<u>161,519</u>	<u>161,519</u>	<u>247,753</u>

Governance costs

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Audit fees			
Audit of the financial statements	4,200	4,200	3,600
Other fees paid to auditors	2,448	2,448	1,560
Trustees remuneration and expenses	758	758	1,198
Other governance costs	156	156	341
	<u>7,562</u>	<u>7,562</u>	<u>6,699</u>

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

10 Net incoming/outgoing resources

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

	2017 £	2016 £
Audit fees	4,200	3,600
Other non-audit services	2,448	1,560
Depreciation of fixed assets	<u>2,948</u>	<u>3,104</u>

11 Trustees remuneration and expenses

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

£758 (2016 - £1,198) of expenses were reimbursed to the Trustees during the year.

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

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:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	511,793	479,550
Social security costs	52,268	44,122
Pension costs	18,215	9,366
Other staff costs	<u>2,367</u>	<u>105</u>
	<u>584,643</u>	<u>533,143</u>

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

	2017 No	2016 No
Charitable activities	13	13
Fundraising	1	1
Support	<u>3</u>	<u>3</u>
	<u>17</u>	<u>17</u>

Contributions to the employee pension schemes for the year totalled £18,215 (2016 - £9,366).

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

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

	2017 No	2016 No
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1

13 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	4,200	3,600
Other fees to auditors		
All other non-audit services	2,448	1,560

14 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.

15 Tangible fixed assets

	Office equipment £	Total £
Cost		
At 1 January 2017	28,084	28,084
Additions	3,721	3,721
Disposals	(4,597)	(4,597)
At 31 December 2017	27,208	27,208
Depreciation		
At 1 January 2017	13,593	13,593
Charge for the year	2,948	2,948
Eliminated on disposals	(3,318)	(3,318)
At 31 December 2017	13,223	13,223
Net book value		
At 31 December 2017	13,985	13,985
At 31 December 2016	14,491	14,491

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

16 Debtors

	2017	2016
	£	£
Trade debtors	100,068	171,418
Prepayments	40,938	6,123
	<u>141,006</u>	<u>177,541</u>

17 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	124,455	65,722
Other taxation and social security	13,838	12,034
Other creditors	7,157	17,243
	<u>145,450</u>	<u>94,999</u>

18 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 £6,736 (2016 - £5,151).

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

19 Funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2017 £
Unrestricted funds					
<i>General</i>					
General	1,086,184	399,994	(455,555)	24,488	1,055,111
<i>Designated</i>					
Designated	70,486	-	(45,998)	(24,488)	-
Total Unrestricted funds	<u>1,156,670</u>	<u>399,994</u>	<u>(501,553)</u>	<u>-</u>	<u>1,055,111</u>
Restricted funds					
IKI/UNEP	-	131,263	(149,071)	-	(17,808)
TCF Jamaica	-	222,938	(207,865)	-	15,073
TCF Cape Verde	-	297,000	(269,969)	-	27,031
TCF Croatia	-	108,300	(107,815)	-	485
Waterloo/Lionfish	-	62,000	(44,358)	-	17,642
ECEAT Training	-	4,306	(4,306)	-	-
Total restricted funds	<u>-</u>	<u>825,807</u>	<u>(783,384)</u>	<u>-</u>	<u>42,423</u>
Total funds	<u>1,156,670</u>	<u>1,225,801</u>	<u>(1,284,937)</u>	<u>-</u>	<u>1,097,534</u>
	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2016 £
Unrestricted funds					
<i>General</i>					
General	650,765	1,288,497	(538,282)	(314,796)	1,086,184
<i>Designated</i>					
Designated	331,098	-	(575,408)	314,796	70,486
Total unrestricted funds	<u>981,863</u>	<u>1,288,497</u>	<u>(1,113,690)</u>	<u>-</u>	<u>1,156,670</u>
Restricted funds					
Destination Lanzarote	-	1,300	(1,300)	-	-
ANVR Training Funds	-	4,584	(4,584)	-	-
Total restricted funds	<u>-</u>	<u>5,884</u>	<u>(5,884)</u>	<u>-</u>	<u>-</u>
Total funds	<u>981,863</u>	<u>1,294,381</u>	<u>(1,119,574)</u>	<u>-</u>	<u>1,156,670</u>

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

General Designated Fund

This fund is supported by travel companies raising above a certain threshold in terms of donations and grants. A percentage of these funds are reserved to develop and deliver sustainable tourism initiatives, in line with the Foundation's charitable aims. These funds are used between the following categories: Destinations, Sustainable Practice, Research & Scoping and Other Project Funds.

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.

Destination Lanzarote

To assist with the development of training that provided UK travel industry staff with a valuable insight into the true identity of Lanzarote, the sustainable brand values of the destination and a local perspective on how visitors could have higher quality and enriched experiences whilst maximising the benefits to the destination.

ANVR Training Funds

For the creation of an on-line training course for member companies of the Dutch travel association, ANVR. The aim is to provide tour leaders and guides with new skills to improve the sustainability of their tours.

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.

Whilst currently in deficit, future income is expected to be received to cover this shortfall.

TCF Jamaica (*Destinations*)

As part of our partnership with TUI Care Foundation in Jamaica we're working on a project to encourage tourists to explore beyond their hotels so that they spread the economic benefits of their visit to local communities.

Using the city of Montego Bay as the demonstration model, we are working 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 includes reducing tourist hassle by developing customer service skills and ensuring tourists get a warm welcome. In parallel, we are working to improving the quality and quantity of information available for visitors on what to see and do in Montego Bay with the aim to increase footfall outside hotels and spread the economic benefits locally. This includes facilitating market access for local SME's through their inclusion in international excursion programmes.

TCF Cape Verde (*Destinations*)

In Cape Verde we've brought local authorities, private businesses and NGO's together to form a Destination Council, creating a culture of shared ownership and management of sustainable tourism. As part of our partnership with TUI Care Foundation, we are now delivering a range of activities to support sustainable tourism practices in Sal and Boa Vista.

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

We are working on two main initiatives. Firstly, Greener Hotels aims to reduce the consumption of water and energy and minimise the generation of waste disposal by hotels, self-catering accommodation, bars and restaurants on the islands of Sal and Boa Vista. Secondly, Better Excursions aims to increase economic benefits for local people from tourism excursions and improve the environmental impact of tours.

TCF Croatia (*Destinations*)

In partnership with TUI Care Foundation, we are working to ensure that large hotel re-developments bring benefits for local people and that local heritage is promoted. Our aim is to demonstrate that resort development can take place in a collaborative way, so it maximises the value of tourism for local communities. There are two core areas of focus, the first is to increase the benefits for local people of two hotel re-developments in the villages of Zivogosce and Igrane, located on the Makarska Riviera. And the second is to improve the promotion of local heritage and culture within and around the villages of Zivogosce and Igrane.

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.

20 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	13,985	-	13,985
Current assets	1,186,576	42,423	1,228,999
Current liabilities	(145,450)	-	(145,450)
Total net assets	<u>1,055,111</u>	<u>42,423</u>	<u>1,097,534</u>

The Travel Foundation

Notes to the Financial Statements for the Year Ended 31 December 2017

21 Related party transactions

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

TUI Travel Group Plc

(Director Garry Wilson is a trustee of The Travel Foundation)

During the year, this company and its subsidiaries collected £800,000 (2016 - £1,000,485) in customer donations for the Foundation and provided in-kind support valued at £12,224 (2016 - £17,750). At the balance sheet date the amount due to/from TUI Travel Group Plc was £Nil (2016 - £88,047).

Midcounties Co-op

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

During the year, this company and its subsidiaries collected £4,950 (2016 - £4,775) in customer donations for the Foundation and £Nil (2016 - £1,440) in lottery sales. At the balance sheet date the amount due from Midcounties Co-op was £11,165 (2016 - £6,215).

Sunvil International Sales Limited

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

During the year, this company and its subsidiaries collected £12,493 (2016 - £11,830) in customer donations for the Foundation in addition to £Nil (2016 - £36) in lottery sales. At the balance sheet date the amount due from Sunvil International Sales Limited was £12,493 (2016 - £11,866).

Association of British Travel Agents

(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 £1,000 (2016 - £1,500). At the balance sheet date the amount due to/from Association of British Travel Agents was £Nil (2016 - £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 £2,000 (2016 - £6,600). At the balance sheet date the amount due to/from Four Communications Limited was £Nil (2016 - £Nil).