

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 2018

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>	Ms S Felton
<b>Trustees</b>	Mr N Josephides Mr R B Anderson Mr A M Rowland Mrs D A Hindle Mr J de Vial Mrs J Ashton (appointed 12 September 2018) Mr G I Wilson (retired 27 May 2018) Dr P B Davis (retired 27 March 2018)
<b>Secretary</b>	Mr D Weston
<b>Principal Office</b>	Create Centre Smeaton Road Bristol BS1 6XN  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 Chartered Accountants and Statutory Auditors Freshford House Redcliffe Way Bristol BS1 6NL

## **The Travel Foundation**

### **Report of the Chair**

This year saw us complete two of our long-running programmes to improve the impacts of tourism. These programmes each focussed on a different, key pillar of our work; spreading the economic benefits of tourism (in Jamaica) and improving the environmental impacts of tourism (in Cape Verde). Across both programmes, we continued our tried-and-tested approach of working closely in partnership with local organisations from the public and private sector and improving collaboration between the two. We also worked with local government agencies to build their capacity so that they, in turn, can improve the impacts of tourism.

In Montego Bay, Jamaica, our 4-year programme was successful in demonstrating that if you support local businesses to fine-tune their products and services, whilst also improving tourist communications, footfall outside hotels can be significantly increased. The improved footfall saw tourist discretionary spend increase within a local craft market that is a source of income for over 250 artisan traders. We were also pleased to see the Jamaican Tourism Product Development Company seeing the benefits of the approach and replicating our ‘warm welcome’ campaign in a new resort. They are also creating plans for improved tourist communications around other resorts in the country.

In Cape Verde, where there is limited natural resources and fragile natural ecosystems, we focussed on resource efficiency in hotels and improving the impacts of nature-based tours. These projects saw significant improvements in practices from hotels and tour-guides, and we expect to see further positive impact over time as a result. Since we began to work in Cape Verde, over six years ago, one major success has been the improvement in collaboration between tourism stakeholders: a vital component for the future sustainable planning and management of tourism.

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. This year, we continued to work with many such partners, including with United Nations Environment as lead implementer in Saint Lucia and Mauritius, for their large ‘Transforming Value Chains’ project which aims to reduce tourism’s carbon footprint in developing countries and small island developing states. We also continued our partnership with the TUI Care Foundation with the launch of an exciting new project in Turkey to support local producers of value-added agricultural products to supply to the sector. New for 2018 was a partnership with Cornell University, through which we will deliver a ground-breaking new report into the ‘Invisible Burden of Tourism’ in 2019. This research highlights the need for new models for tourism to account fully for its social, environmental and financial costs.

The theme of sustainable destination management was also highlighted in 2018 with a roundtable organised by the Travel Foundation at the World Travel and Tourism Council global summit in Buenos Aires focussing on overtourism, what it is and how to tackle it. Our focus on promoting the importance of sustainable destination management will continue into 2019, with the launch of two new research reports and our increased participation in industry events around the world.

Capacity building was a major theme for 2018, both to support our projects in destination and also with our travel company partners in source markets. We were delighted to add Travel Counsellors as a funding partner this year and have been impressed with their engagement in the sustainable tourism training that we created for them. We have already had excellent feedback from this training and look forward to continuing to work with them in the coming year.

Building on our governance review in 2016, we have developed new policies for data protection, banking and investments, whistleblowing and safeguarding in the year and carried out a Trustee skills assessment to aid Trustee recruitment, ensuring that we operate most efficiently and effectively and remain in line with best practice.

Lastly, in 2018, two Trustees departed. The Foundation would like to thank Peter Davis and Garry Wilson for their valued work as Board Members and wish them well in the future. We also recruited one new Trustee in the year, Jane Ashton, who we welcomed to the Board in September.

## **The Travel Foundation**

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.

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 2018 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.

Within the year a Trustee skills matrix was developed using Charity Commission guidance, to help the Board with the process of recruiting new trustees.

During 2018, Jane Ashton, Director of Sustainable Development for TUI Group was welcomed as a new Trustee. There were two retirements during the year, Peter Davis and Garry Wilson.

#### **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 2018, Governance costs were 0.71% (2017 - 0.62%) 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 £943 (2017 - £758). Included within this balance is £561 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 December 2018.

### **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 £872,193 in 2018 (2017 - £1,225,801) was down 29% year on year. This projected decrease was largely the result of lower restricted income, including a change in legislation which resulted in reduced funding from the TUI Care Foundation.

Representing a year on year decrease of 11%, total expenditure was £1,137,594 (2017 - £1,284,937). 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 2017 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 £254,576 (2017 - £101,559 loss), leaving the organisation with closing unrestricted capital and reserves of £800,535 (2017 - £1,055,111).

# **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 December 2018 the reserves policy was reviewed, and based on the identified risks and opportunities analysis, a readily realisable reserves figure of £575k was calculated for the 2019 period.

However, a decision was taken by the Board at the same meeting that for 2019, the organisation will commence the year with a projected draw on its reserves to below the specified reserve requirement. The Board of Trustees will conduct a mid-point review of progress in June 2019 and a possible adjustment in expenditure or change in reserve requirement will be executed at this time.

Closing reserves in December 2019 are currently forecast at £528k, which, with the reserve requirement of £575k, represents a draw on reserves against policy of £47k. This has been agreed in order to provide continuity due to a forecast drop in income in 2019 and to provide the necessary resources for the organisation to cover the gap in funding.

At 31 December 2018 the charity had total reserves of £832,133 (2017 - £1,097,534) of which £800,535 (2017 - £1,055,111) are unrestricted funds and £31,598 (2017 - £42,423) are restricted funds. The free reserves of the charity are £787,165 (2017 - £1,041,126).

Looking to the future, 2020 activities will be agreed by the Board of Trustees in December 2019, when the 2020 budget will be set. At this time, the reserve requirement level will also be reviewed and updated as required.

### **PLANS FOR FUTURE PERIODS**

#### **Looking forward**

With budgeted expenditure for 2019 at £1.11 million, a draw down of £272,472 unrestricted funds and closing unrestricted reserves of £525,895 has been budgeted. This draw down for 2019 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.



# **The Travel Foundation**

## **Trustees' Report**

### **KEY ACHIEVEMENTS AND PERFORMANCE**

Our Vision is of a world where tourism provides the greatest benefits for people and the environment in destinations. In 2018, 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 is a summary of just some of our achievements in 2018, which saw us complete two of our long-running programmes, in Jamaica and Cabo Verde.

#### **Jamaica**

The focus of this programme, funded by the TUI Care Foundation, was on spreading the economic benefits of tourism more widely across the local community in and around Montego Bay. We aimed to increase revenue to local businesses by improving product quality and market access, and by increasing footfall outside hotels. To support these aims, we gained government agency support with the signing of an MOU with TPDCo (Jamaica's Tourism Product Development Company) and trained TPDCo staff, enabling them to continue efforts to improve the impacts of tourism both in Montego Bay and other resorts across Jamaica.

Our project demonstrated that tourists in Jamaica are interested in exploring outside their hotels if they receive the right kind of communications. We created and distributed over 40,000 Insider Guides and tourist maps describing local attractions and places to see. From a survey of 551 people, 64% of those who had access to the map used it and visited at least one attraction on the map. 90% of those people said that having the map enhanced their holiday experience. From our estimations, around 14% of tourists to Montego Bay are currently using the map. This equates to over 25,000 tourists a month visiting a least one attraction that they would not otherwise have visited.

We also developed a 'Warm Welcome' campaign where we trained 138 frontline tourist staff to become resort ambassadors. Feedback from the resort ambassadors indicates that around 4000 tourists per week are now receiving improved information on Montego Bay, equating to around 50,000 tourists in total since the initiative was developed. With our support and training, TPDCo (Jamaica's Tourism Product Development Co.) are now rolling this programme out to the resort of Ocho Rios, creating a tourist map, communications for hotels and training ambassadors, with plans to develop other insider Guides in 2019. This will further spread the benefits. In order to increase the revenue and footfall for Harbour Street Craft Market traders, we trained, mentored and gave marketing support to 250 traders to help them improve sales techniques and product quality. This led to improved customer service, promotion of the market and the introduction of a schedule of special events. In addition, four tour operators incorporated a visit to the market in the excursion itineraries. Following the project, footfall quadrupled, average tourist spend at stalls rose from \$12 to \$18, and visitor satisfaction increased from 48% to 98%. To ensure ongoing replication at scale, TPDCo staff were trained in how to deliver workshops for craft traders in the future, as well as how to support other SMME's in relation to understanding international market needs.

## **The Travel Foundation**

### **Trustees' Report**

#### **Cabo Verde**

The broad goal of our programme was to bring people together in Sal and Boa Vista to improve the impacts of tourism. On Sal, an assessment was conducted to identify the most important negative impacts from tourism. The assessment highlighted tourist consumption of water and energy and the generation of waste as a problem, along with negative environmental impacts from tourist excursions. A programme funded by the TUI Care Foundation was developed to address these impacts focusing on resource efficiency in hotels and improving the impacts of tourist excursions on the islands of Sal and Boa Vista.

#### *Greener hotels:*

With limited rainfall, a lack of recycling facilities and minimal landfill capacity, it is vital that accommodation providers in Cabo Verde can improve their environmental impact. To reduce water and energy consumption, we trained staff from 12 hotels (representing 43% of total bed nights on Sal and Boa Vista), developed action plans to implement resource efficiency measures and supported staff to deliver the actions. Across these hotels, we saw an average 12% reduction of energy (in kwh) consumed per bed night. This equates to 2.9 million kwh; enough energy to power 997 average households in Cabo Verde for a year. The carbon reductions associated with these energy savings were an estimated average of 6%.

Water consumption was reduced by 12% per guest night across the hotels. In total, water savings of 92,866 m<sup>3</sup> (the equivalent of 37 Olympic sized swimming pools) were achieved across one year. On average, hotels only implemented 23% of the recommended actions in the first year and we can assume that further reductions in consumption will be realized as actions continue to be implemented over time. In addition, the training tools we developed on resource efficiency were implemented at the Cabo Verde Hospitality school, which will help to build knowledge and awareness among future hotel managers.

In order to decrease the volume of solid waste going to land-fill, we trained staff from ten hotels (comprising 41% of total bed nights across Sal and Boa Vista) and created bespoke action plans for them. To date, 8 hotels have implemented actions. Impact data has yet to be collected, however assuming all 10 implement some basic actions, requiring simple, no-cost changes in practice, it is estimated that the volume of waste to landfill from these hotels will be reduced by an estimated 15% (456 tons) by the end of 2019. Feedback from one of the participating hotels demonstrated that food waste was reduced by 20% within 3 months of hotel staff receiving training, by implementing recommended actions.

## **The Travel Foundation**

### **Trustees' Report**

#### *Improving the impacts of nature-based tourism activities/excursions:*

Overall, 107 tour guides were trained using our best practice manual; 92 guides in Sal/Boa Vista plus 15 guides in Santiago. This represents 58% of all registered guides on the islands. Guides demonstrated improved knowledge and practices after the training as assessed by 'on the job' evaluations, with 70% meeting good practice requirements and 90%+ demonstrating improved tourist communications in relation to dune, shark and turtle-based excursions. Guides also reported improved tourist feedback and satisfaction ratings post-training. Interestingly, three guides also stopped running their excursions post-training, due to the new realization that their excursions were causing negative impacts. Training modules from the manual were incorporated into the national guide training curriculum, ensuring that all future guides across Cabo Verde will have the required knowledge to deliver more sustainable excursions.

In addition, a 'Responsible Excursions' Code of Conduct was produced and 18 excursion operators (representing 41% of the market) signed up to it. This Code of Conduct requires that tour guides follow practices that support the protection of internationally-important species and habitats, as well as enabling local communities to benefit more from excursions. For example, guides are required to educate customers about the fragility of natural environments and how to protect them, as well as to provide opportunities for customers to spend money with local businesses. The Association of Small Tourism Service Providers (APROTUR), representing 40+ excursion providers, will be using the Code of Conduct as part of their membership criteria in 2019.

We also produced two research papers to support the management of more sustainable excursions; an excursions impact report and research outlining international good practice case studies relating to guide/attractions licensing and certification. These were presented to relevant government authorities to build their knowledge and to inform future planning and decision-making around excursions.

In support of our overarching aim, to bring stakeholders together for sustainable tourism, we also set up a Destination Council on Sal. Whilst on Boa Vista, we arranged events, meetings and training for key stakeholders to improve collaboration. In Sal, we trained members of the Destination Council on project design and management to enable them to develop and coordinate sustainable tourism initiatives of their own. From this, a strategic plan was created and two projects have been developed and implemented by the Council independently of the Travel Foundation to date.

#### **Saint Lucia**

In 2018, we continued our project, delivered in partnership with CLEAR, to reduce numbers of the invasive lionfish species, which is 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 completed training for 58 fishers (89% of all registered fishers on the island) on how to handle and process lionfish. As a result of this training, 90%+ of fishers reported increased motivation to actively catch lionfish, and increased confidence in handling and processing them.

Training workshops were delivered to 24 chefs and purchasing managers from 10 hotels and restaurants to raise awareness of the conservation threat posed by lionfish and how to safely cook and serve it. All reported increased knowledge as a result of training and 92% stated an increased motivation to source and serve it in their establishments.

We also participated in St Lucia's Chefs in Schools Annual Culinary Competition organised by the hotel association, where the 'mystery' ingredient for the cook-off was the lionfish prepared as part of chefs' training the previous day. This high-profile event generated significant local media coverage. Posters and educational materials were produced and distributed to fishing cooperatives, hotels and restaurants, to raise awareness of the conservation issue and provide practical guidance on consumption.

## **The Travel Foundation**

### **Trustees' Report**

#### **Saint Lucia and Mauritius**

This year also saw the continuation of a four-year project, led by UN Environment, which aims to reduce tourism's carbon footprint in developing countries and small island developing states. Without introducing greener practices, by 2050 tourism's energy use and greenhouse gas emissions are set to double, with even greater increases in water use and waste disposal. Tourism is vitally important to small island developing states, yet these destinations are among the first to suffer when it comes to tourism's environmental impacts. The four countries involved in this ambitious project have been selected primarily because tourism is an essential part of their economies.

As lead implementing partner in Mauritius and Saint Lucia, we first identified and engaged stakeholders from government and private businesses. We then worked with our project delivery partner, the Waste and Resources Action Programme (WRAP) to 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. This year, we have also produced country reports for Mauritius and Saint Lucia, which include policy recommendations and potential interventions and have run four workshops to involve key stakeholders. The next step is the drafting of National Action Plans for each country, which will be delivered in 2019. Research into sustainable products and services was also undertaken to inform the development of a communications campaign to encourage hotels to increase their sustainable procurement.

## **The Travel Foundation**

### **Trustees' Report**

#### **Turkey**

##### *Blue Wave*

The aim of the Blue Wave (BW) project, which has been running for four years, is to reduce the impacts of marine tourism in the stunning Fethiye-Gocek special environmental protection area by improving knowledge of sustainable boating practices amongst boat operators and tourists. This year, we completed training for boat operators in sustainable practice. In total 142 operators, representing 100 boats were trained. Over 90% reported a significant increase in knowledge of sustainable boating practices and the capacity to apply them. Best practice information was also published on the BW website, which has received over 5000 visitors to date.

We also created and distributed audio messages for the boats to inform tourists about sustainable practices. Signage and other communications materials were created and distributed to over 100 boats, with an estimated reach of over 30,000 tourists. 41 staff from 3 large tour operators were also trained on how to brief tourists about the marine environment and some of the information was included on Thomas Cooks' destination mobile app. A train-the-trainer programme was delivered to two of four Captain's Schools in the region. These schools train and license around 300 student 'Captains' a year. Training outputs are to be incorporated into the curriculum of one of the schools.

We continued our focus on improving collaboration between private and public marine tourism stakeholders. This year, partners continued to participate in formal meetings, as well as collaborating on coastal clean-ups, a Blue Wave Awards ceremony showcasing best maritime tourism practice and the initiation of a new D Marin childrens' awareness-raising project.

In 2019 we will conduct a final evaluation to assess the effectiveness of the project and report on results.

##### *Flavours from the Fields*

In 2018, we launched an exciting new project called Flavours from the Fields, funded by the TUI Care Foundation. The aim of the project is to support local producers of value-added agricultural products such as olive oils, dried fruit and honey, to adapt their products to meet tourism sector needs and to create market linkages with the sector. In doing so, it is intended that their livelihoods security will be improved (through product and market diversification), benefitting both these producers and the broader circle of small farmers who supply them. Initial research carried out in 2018 showed that less than 10% of value-added products are currently being sourced from the region by hotels. The research also identified four main product groups with the most potential to supply the tourism sector; olive-related products, apiculture products (ie honey), fruit-based products, and some dairy products. In addition to the research, we also formalized a partnership with local NGO, FETAV (Fethiye Tourism Promotion Cultural Environment and Education Foundation), who will be supporting the running and delivery of the project and identified core stakeholders, for each resort - Bodrum, Fethiye and Marmaris.

# **The Travel Foundation**

## **Trustees' Report**

### **Improving knowledge and skills**

In addition to providing training and capacity-building within our destination projects, we also provide stand-alone, bespoke training on sustainable practice for a range of stakeholders, including tour operators and agents, as well as hoteliers.

This year, saw us launch a new e-learning platform, with the aim of providing a comprehensive, learning resource about sustainable tourism. The platform was launched with a new short course 'Paradise (Almost) Lost', which enables tourism professionals to test their knowledge of sustainable tourism. Following the relaunch of the platform, participation by general users (excluding sponsored courses) of the platform rose from 72 in the first half of 2018 to 284 in the second half; an increase of 294% . On this new platform, we also re-developed our online 'training course for our partners 'Go Greener'. This course was adapted specifically for Travel Counsellors, and was completed by 192 staff , 93% of whom reported an increase in knowledge of tourism impacts and 98% reported that they intend to communicate how to travel responsibly to customers.

Within our face-to-face training offer, we developed and delivered two, tailor-made workshops for our partners: one for Travel Counsellors staff to support the team in developing sustainable excursions criteria and an accommodation audit, the other for senior managers at Mid Counties Co-operative Travel to support them in developing a sustainable tourism strategy. We were also approached by GIZ to develop and deliver a training course and manual for hotel staff in Luang Prabang to support their wider 'Handle with Care' project. The training focused on enabling hoteliers to improve resource efficiency and was delivered to around 40 participants. Our main objective was to build capacity within the hotels for them to make saving water, waste and energy 'business as usual'. Following the course, 96% of respondents reported that the course improved their capacity to apply sustainable tourism principles.

### **Communication**

A major focus for our communications for the year was on promoting the importance of destination management, a focus that will continue into 2019 with the launch of two exciting new research reports. In 2018, this theme was kicked off with a round table discussion at the World Travel & Tourism Council (WTTC) Global Summit in Buenos Aires. This brought together eight leading industry executives to discuss overtourism, its negative impacts and what to do about it. In advance of our new report with Cornell University on the Invisible Burden of tourism, to be launched in 2019, we also took part in a workshop with academics, destination and business representatives to look at the question of whether tourism is covering its costs. With the resounding conclusion that tourism is not paying its way.

Following the launch of our new website in 2017, we continued to make improvements to enable our audiences to access information about sustainable tourism. This includes a new 'resources hub', where readers can more easily access research reports, project case studies, videos and useful links. New resources created in 2018 include a case study about community inclusion in tourism development, focusing on our completed project in Croatia and new photography for our Blue Wave and Flavours from the Fields projects in Turkey. We also created wealth of communications materials to support our projects in destinations around the world, such as posters, maps, fliers, videos, handbooks and more.

We continue to grow our presence on Twitter, with over 7,500 followers (up 900 from 2017) and LinkedIn with over 4100 (up by over 1000 from 2017). Our focus on these channels and our blog will continue into 2019, 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.

## **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 10 April 2019 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 2019 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 2018, 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 2018 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.

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 14), 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.

Milsted Langdon LLP, Statutory Auditor

Freshford House  
Redcliffe Way  
Bristol  
BS1 6NL

18 April 2019

## The Travel Foundation

### Statement of Financial Activities for the Year Ended 31 December 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Income and Endowments from:</b>					
Donations and legacies	3	139,066	5,000	144,066	220,509
Charitable activities	4	160,000	560,584	720,584	993,263
Investment income	5	4,443	-	4,443	5,294
Other income	6	3,100	-	3,100	6,735
Total Income		<u>306,609</u>	<u>565,584</u>	<u>872,193</u>	<u>1,225,801</u>
<b>Expenditure on:</b>					
Raising funds	7	(74,777)	-	(74,777)	(56,386)
Charitable activities	8	<u>(483,443)</u>	<u>(579,374)</u>	<u>(1,062,817)</u>	<u>(1,228,551)</u>
Total Expenditure		<u>(558,220)</u>	<u>(579,374)</u>	<u>(1,137,594)</u>	<u>(1,284,937)</u>
Net expenditure		(251,611)	(13,790)	(265,401)	(59,136)
Transfers between funds		<u>(2,965)</u>	<u>2,965</u>	<u>-</u>	<u>-</u>
Net movement in funds		(254,576)	(10,825)	(265,401)	(59,136)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,055,111</u>	<u>42,423</u>	<u>1,097,534</u>	<u>1,156,670</u>
Total funds carried forward	19	<u>800,535</u>	<u>31,598</u>	<u>832,133</u>	<u>1,097,534</u>

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

The funds breakdown for 2017 is shown in note 19.

**The Travel Foundation**  
**(Registration number: 03425954)**  
**Balance Sheet as at 31 December 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	15	13,370	13,985
<b>Current assets</b>			
Debtors	16	109,976	141,006
Cash at bank and in hand		<u>775,093</u>	<u>1,087,993</u>
		885,069	1,228,999
<b>Creditors: Amounts falling due within one year</b>	17	<u>(66,306)</u>	<u>(145,450)</u>
<b>Net current assets</b>		<u>818,763</u>	<u>1,083,549</u>
<b>Net assets</b>		<u><u>832,133</u></u>	<u><u>1,097,534</u></u>
<b>Funds of the charitable company:</b>			
<b>Restricted funds</b>		31,598	42,423
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>800,535</u>	<u>1,055,111</u>
<b>Total funds</b>	19	<u><u>832,133</u></u>	<u><u>1,097,534</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 18 to 37 were approved by the Trustees, and authorised for issue on 10 April 2019 and signed on their behalf by:

Mr N Josephides  
Trustee

# The Travel Foundation

## Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net expenditure		(265,401)	(59,136)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	7	2,888	2,948
Investment income	5	<u>(4,443)</u>	<u>(5,294)</u>
		(266,956)	(61,482)
<b>Working capital adjustments</b>			
Decrease in debtors	16	31,030	36,535
(Decrease)/increase in creditors	17	<u>(79,144)</u>	<u>50,451</u>
Net cash flows from operating activities		<u>(315,070)</u>	<u>25,504</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	4,443	5,294
Purchase of tangible fixed assets	15	(3,505)	(3,721)
Sale of tangible fixed assets		<u>1,232</u>	<u>1,279</u>
Net cash flows from investing activities		<u>2,170</u>	<u>2,852</u>
Net (decrease)/increase in cash and cash equivalents		(312,900)	28,356
Cash and cash equivalents at 1 January		<u>1,087,993</u>	<u>1,059,637</u>
Cash and cash equivalents at 31 December		<u><u>775,093</u></u>	<u><u>1,087,993</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 2018**

### **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 10 April 2019.

### **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**

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.

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

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

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

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

Investment income is recognised using the effective interest method.

#### **Expenditure**

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

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

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

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

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

#### **Governance costs**

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

#### **Tangible fixed assets**

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

#### **Depreciation and amortisation**

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

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



## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **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 2018**

#### **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 2018

### *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

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	General £	£	£	£
Donations and legacies;				
Donations from companies, trusts and similar proceeds	139,066	5,000	144,066	220,509
	<u>139,066</u>	<u>5,000</u>	<u>144,066</u>	<u>220,509</u>

Donations include contributions made by customers travelling and/or booking holidays between January and December 2018, as well as donations passed from other organisations.

Donations in kind of £23,512 (2017 - £61,674) was 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 includes ABTA, TUI (UK & Ireland), Chris Willian Photography, World Travel & Tourism Council and Four Communications.

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

£139,066 (2017 - £216,203) of the income was attributable to unrestricted funds and £5,000 (2017 - £4,306) was attributable to restricted funds.

## The Travel Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2018

	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
<b>Donations</b>				
Donations in kind	23,512	-	23,512	61,674
Travel Counsellors	40,000	-	40,000	-
I Love Eco Hotels	16,048	-	16,048	9,400
Co-op Energy	15,958	-	15,958	35,500
Sunvil Holidays	14,555	-	14,555	12,493
Holiday Extras	14,674	5,000	19,674	36,032
Virgin Holidays	-	-	-	48,389
Travelife	-	-	-	4,306
Midcounties Co-operative Travel	8,861	-	8,861	4,950
Others	5,458	-	5,458	7,765
	<u>139,066</u>	<u>5,000</u>	<u>144,066</u>	<u>220,509</u>

#### 4 Income from charitable activities

	Unrestricted funds			
	General	Restricted funds	Total 2018	Total 2017
	£	£	£	£
TUI Group	160,000	361,152	521,152	800,000
United Nations	-	174,570	174,570	131,263
The Waterloo Foundation	-	8,000	8,000	62,000
GIZ	-	16,862	16,862	-
	<u>160,000</u>	<u>560,584</u>	<u>720,584</u>	<u>993,263</u>

£160,000 (2017 - £171,762) of the income was attributable to unrestricted funds and £560,584 (2017 - £821,501) was attributable to restricted funds.

# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 5 Investment income

	Unrestricted funds		
	General	Total 2018	Total 2017
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	4,443	4,443	5,294

All of the above income was attributable to unrestricted funds in 2018 and 2017.

### 6 Other income

	Unrestricted funds		
	General	Total 2018	Total 2017
	£	£	£
Other income	100	100	3,735
Employer's allowance	3,000	3,000	3,000
	3,100	3,100	6,735

All of the above income was attributable to unrestricted funds in 2018 and 2017.

### 7 Expenditure on raising funds

#### Costs of generating donations and legacies

	Unrestricted funds		
	General	Total 2018	Total 2017
Note	£	£	£
Other fundraising costs	2,670	2,670	4,465
Employment costs	72,107	72,107	51,921
	74,777	74,777	56,386

All of the above expenditure related to unrestricted funds in 2018 and 2017.

# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 8 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	General £	£	£	£
Destinations	88,825	559,548	648,373	888,281
Sustainable Practice	184,810	19,826	204,636	173,266
Research & Scoping	178,885	-	178,885	93,107
Other Project Funds	24,693	-	24,693	66,335
Governance Costs	6,230	-	6,230	7,562
	<u>483,443</u>	<u>579,374</u>	<u>1,062,817</u>	<u>1,228,551</u>

	Activity undertaken directly	Activity support costs	Total 2018	Total 2017
	£	£	£	£
Destinations	577,456	70,916	648,372	888,281
Sustainable Practice	161,471	43,167	204,638	173,266
Research & Scoping	137,373	41,512	178,885	93,107
Other Project Funds	24,692	-	24,692	66,335
Governance Costs	-	6,230	6,230	7,562
	<u>900,992</u>	<u>161,825</u>	<u>1,062,817</u>	<u>1,228,551</u>

£483,443 (2017 - £445,167) of the above expenditure was attributable to unrestricted funds and £579,374 (2017 - £783,384) to restricted funds.

# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 9 Analysis of governance and support costs

#### Charitable activities expenditure

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Staff costs	105,668	105,668	90,152
Premises	28,317	28,317	28,518
Communications and IT	1,696	1,696	9,086
General office	8,819	8,819	14,102
Human resources	6,255	6,255	6,105
Depreciation	2,888	2,888	2,948
Disposals and write-offs	1,232	1,232	1,280
Other office costs	720	720	1,766
Governance costs	6,230	6,230	7,562
	<u>161,825</u>	<u>161,825</u>	<u>161,519</u>

#### Governance costs

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Audit fees			
Audit of the financial statements	4,365	4,365	4,200
Other fees paid to auditors	922	922	2,448
Trustees remuneration and expenses	943	943	758
Other governance costs	-	-	156
	<u>6,230</u>	<u>6,230</u>	<u>7,562</u>

## The Travel Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2018 £	2017 £
Audit fees	4,365	4,200
Other non-audit services	922	2,448
Depreciation of fixed assets	<u>2,888</u>	<u>2,948</u>

#### 11 Trustees remuneration and expenses

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

£943 (2017 - £758) of expenses were reimbursed to the Trustees during the year.

During the year the number of Trustees that were paid expenses was 3 (2017 - 2).

Travel and subsistence costs were paid to Trustees in order to attend Trustees meetings. Expenses to facilitate Trustee meetings of £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:

	2018 £	2017 £
<b>Staff costs during the year were:</b>		
Wages and salaries	547,609	511,793
Social security costs	55,385	52,268
Pension costs	25,942	18,215
Other staff costs	<u>4,643</u>	<u>2,367</u>
	<u>633,579</u>	<u>584,643</u>



## The Travel Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 12. Staff costs continued...

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

	<b>2018</b>	<b>2017</b>
	<b>No</b>	<b>No</b>
Charitable activities	13	13
Fundraising	2	1
Support	3	3
	<u>18</u>	<u>17</u>

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

	<b>2018</b>	<b>2017</b>
	<b>No</b>	<b>No</b>
£60,001 - £70,000	<u>1</u>	<u>1</u>

#### 13 Auditors' remuneration

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>4,365</u>	<u>4,200</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>922</u>	<u>2,448</u>

#### 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.

# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 15 Tangible fixed assets

	Office equipment £	Total £
<b>Cost</b>		
At 1 January 2018	27,208	27,208
Additions	3,505	3,505
Disposals	<u>(2,806)</u>	<u>(2,806)</u>
At 31 December 2018	<u>27,907</u>	<u>27,907</u>
<b>Depreciation</b>		
At 1 January 2018	13,223	13,223
Charge for the year	2,888	2,888
Eliminated on disposals	<u>(1,574)</u>	<u>(1,574)</u>
At 31 December 2018	<u>14,537</u>	<u>14,537</u>
<b>Net book value</b>		
At 31 December 2018	<u>13,370</u>	<u>13,370</u>
At 31 December 2017	<u>13,985</u>	<u>13,985</u>

### 16 Debtors

	2018 £	2017 £
Trade debtors	887	47,125
Accrued income	<u>109,089</u>	<u>93,881</u>
	<u>109,976</u>	<u>141,006</u>

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

	2018 £	2017 £
Trade creditors	18,282	70,637
Other taxation and social security	13,180	13,838
Other creditors	<u>34,844</u>	<u>60,975</u>
	<u>66,306</u>	<u>145,450</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 £6,800 (2017 - £6,736).

# The Travel Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 19 Funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2018 £
<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 Jamaica	15,073	173,207	(170,695)	-	17,585
TCF Cape Verde	27,031	132,825	(159,856)	-	-
TCF Croatia	485	-	(485)	-	-
TCF 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 2018

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2017 £
<b>Unrestricted funds</b>					
<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)	-
<b>Total unrestricted funds</b>	<u>1,156,670</u>	<u>399,994</u>	<u>(501,553)</u>	<u>-</u>	<u>1,055,111</u>
<b>Restricted funds</b>					
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)	-	-
<b>Total restricted funds</b>	<u>-</u>	<u>825,807</u>	<u>(783,384)</u>	<u>-</u>	<u>42,423</u>
<b>Total funds</b>	<u><u>1,156,670</u></u>	<u><u>1,225,801</u></u>	<u><u>(1,284,937)</u></u>	<u><u>-</u></u>	<u><u>1,097,534</u></u>

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **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.

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

As part of our partnership with TUI Care Foundation in Jamaica we worked 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 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 Cape Verde (*Destinations*)**

In Cape Verde we 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 delivered 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 2018

We worked on two main initiatives. Firstly, Greener Hotels aiming 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 aiming 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 delivered a project to ensure that large hotel re-developments bring benefits for local people and that local heritage is promoted. Our aim was to demonstrate that resort development can take place in a collaborative way, so it maximises the value of tourism for local communities. There were two core areas of focus, the first was 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 was 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**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>General</b>		
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	13,370	-	13,370
Current assets	853,471	31,597	885,068
Current liabilities	(66,306)	-	(66,306)
Total net assets	<u>800,535</u>	<u>31,597</u>	<u>832,132</u>

## **The Travel Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **21 Related party transactions**

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

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

(Chair of the Advisory Committee for TUI Care Foundation Jane Ashton is a Trustee of The Travel Foundation and Director of TUI Group, Director Garry Wilson is a former Trustee of the Travel Foundation (retired 25 May 2018))

During the year, the TUI Care Foundation made available £521,152 (2017 - £800,000) in grant funding for the Foundation. At the balance sheet date the amount due to/from TUI Care Foundation was £Nil (2017 - £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, Director Garry Wilson is a former Trustee of The Travel Foundation (retired 25 May 2018))

During the year, TUI Group provided in-kind support valued at £2,651 (2017 - £12,224). At the balance sheet date the amount due to/from TUI Group was £Nil (2017 - £Nil).

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

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

During the year, this company and its subsidiaries collected £24,186 (2017 - £11,165) in customer donations for The Travel Foundation. At the balance sheet date the amount due from The Midcounties Co-operative was £24,186 (2017 - £11,165).

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

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

During the year, this company and its subsidiaries collected £14,555 (2017 - £12,493) in customer donations for the Foundation. At the balance sheet date the amount due from Sunvil International Sales Limited was £14,555 (2017 - £12,493).

##### **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 £2,250 (2017 - £1,000). At the balance sheet date the amount due to/from ABTA Ltd was £Nil (2017 - £Nil).

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

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

During the year this company provided in-kind support valued at £1,000 (2017 - £2,000). At the balance sheet date the amount due to/from Four Communications Limited was £Nil (2017 - £Nil).