

**Annual Report and Accounts
Year Ended 31 March 2020
British Tourist Authority - Trading as VisitBritain and VisitEngland**

**HC 964
SG/2020/243**

BRITISH TOURIST AUTHORITY

TRADING AS

VISITBRITAIN & VISITENGLAND

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

**Presented to Parliament pursuant to Section 6(4)
and Section 6(6) of the Development of Tourism Act 1969.**

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Chairman's Foreword

Tourism is one of Britain's biggest success stories. 2019 was a year when the British Tourist Authority celebrated 50 years of operation, and was looking ahead to ambitious targets and plans for the next 50 years. However, COVID-19 has had a profound impact on a sector based on people connecting. The most profound impact on the sector for a generation halted all trade, and all plans.

The British Tourist Authority (BTA) has been working with and for the industry since COVID-19 struck. Plans have been worked up in the darkest depths of the lockdown to find a route out and back to operation. The 'We're Good to Go' safety mark developed with the national tourist boards brought together the industry, and thousands have signed up since its launch to help give consumers the confidence to return to booking, traveling and enjoying the very best that the UK has to offer. Domestic tourism is, and will remain, the bedrock of the industry with over £100 billion spent last year alone.

International travel has been hit hardest. The most valuable markets have been closed, and planning for the future remains uncertain and volatile. International visitors to the UK are the third largest service export, and the impact is profound. Not only do industries from retail to hospitality suffer as a result of their absence, but Britain's influence overseas is in large part shaped by peoples' experiences on the ground as borne out by the UK's high rankings in the soft power indices.

The BTA has been working with governmental partners, with the industry, and with our customers to ensure that as clear a message as possible is told, and that people understand their options. From the Tourism Industry Emergency Response (TIER) group meetings which have been taking place since February, to many virtual seminars, webinars and impact assessment conversations, the team – both in the UK and around the world – have been redoubling efforts to get back to normal as quickly as possible.

Tourism in the UK remains highly seasonal. This impacts productivity, but in a year when the severity of trade has caused as yet untold damage, a large chunk of the trading year has already gone. Therefore, efforts had been placed into stretching the season for as long as possible in 2020. Beyond leisure, the need to encourage the business events sector to return is an important and significant part of the BTA's work.

In 2019, the tourism industry achieved a sector deal in the UK Government's Industrial Strategy. This saw a collective effort of industry working in partnership, developing ideas and ambitions for place, productivity and people, and work has been underway to continue to develop this important deal and to achieve the targets set. This is now more important than ever, and the partnership, sharing and collaborative working will form an important pillar of our future work. I want to pay tribute in particular to the work carried out by Steve Ridgway CBE in leading the bid and achieving a landmark deal for the industry.

As 2020 is reflected upon in the future, many will rethink and evaluate how tourism operates as a sector. The BTA is at the forefront of working with government and industry to promote Britain, to restore domestic tourism as quickly as possible and to build a more resilient, sustainable and effective industry. All this is being done while we review our own processes and procedures to ensure compliance and good use of public money.



The Right Hon. Sir Patrick
McLoughlin CH
Chair
VisitBritain/VisitEngland

Chairman's Foreword *(Continued)*

I want to thank the BTA board and Denis Wormwell, former Chair of the VisitEngland Advisory Board (VEAB) for their support, and in particular the previous chair of the board, Steve Ridgway for his dedication and commitment to the BTA and the industry as a whole.

Tourism has enormous potential to drive export earnings, domestic employment, local regeneration and the image of Britain overseas in an increasingly competitive world. There is little doubt that tourism has never faced a crisis like this, and everyone involved with the BTA, the wider sector and across the country, needs to do all they can to rebuild this precious and vital industry to its full potential.

1. THE PERFORMANCE REPORT



Performance Report

OVERVIEW

Chief Executive's Report

Making tourism one of the most successful and productive sectors for the UK Economy



At the start of 2019, we launched a new five-year strategy with a clear mission - ***To make tourism one of the most successful and productive sectors for the UK economy***. Britain's tourism sector was strong, generating billions of pounds a year from both domestic and inbound travel. Our ambition was to see spending by overseas visitors reach a record £35 billion by 2025, attracting over 49 million visits.

A year on and our world looks very different. When we set our ambition for inbound visitor spend we could not have known the unprecedented impact that COVID-19 would have on our industry. The global pandemic has hit the tourism industry hard and fast with a collapse in both demand and supply, seeing cash flow dry up overnight and customers cancelling for months ahead and asking for refunds.

Our role now is to ensure that tourism rebounds to once again become one of the most successful sectors of the UK economy. Our efforts are focused on supporting the industry through the toughest of times and making preparations to support UK tourism recovery. We have established five immediate cross organisational priorities for 2020/1, while recognising that we must be flexible and responsive to a constantly changing landscape... The first is to maintain our employee's safety, well-being and effectiveness. Second, our statutory duty to advise government on matters relating to tourism has never been more important and are continuing to provide advice, data and modelling on a range of issues. Third to support the industry, including the events industry. Fourth, to deliver the best recovery campaign in the world, driving visits from the time each market is ready and able to travel. And finally to transform the way we work and continue to embed compliance, ensuring we maintain the level of focus and adherence achieved in 2019/20.

Our work in 2019 has provided us with a good foundation in which we can learn from, build upon and flex to fit with the current climate. We focused on five priority areas that aligned with our strategy for growth. The first being, **to build tourism's value across the nations and regions**.

We continued to tell the story of the nations and regions of Britain through our award-winning, global, '*I Travel For...*' campaign, which inspired international visitors using passions that visitors have to travel. Domestically, we tackled the youth market through our *#MyMicrogap* campaign, which encouraged young Brits to take short breaks in the UK by highlighting experiences and activities typically taken in a gap year, showing that they can be enjoyed in a few days in the UK. With the domestic market expected to be the first to return as people slowly start to venture back outside, we will focus our efforts in 2020 on encouraging travellers to holiday at home and be ready with an international campaign when the time comes.

In a bid to get more families with young children to take short breaks in England, last year we partnered with the much loved British TV programme Peppa Pig. This supported our strategic goal to optimise the sector's productivity – by encouraging off peak travel we are helping to lengthen the season. The campaign outperformed benchmarks - 89% of those surveyed said they took action as a result of the seeing the ad.

Chief Executive's Report *(Continued)*

Sustaining the legacy of the Discover England Fund (DEF) and amplifying England activity was our second priority area for 2019/20. The £40 million Fund has created 66 projects and over 700 bookable products across England, addressing product gaps and establishing routes to international markets through the travel trade and distribution landscape. In its fourth year, we continued to upskill tourism businesses in England to sell themselves internationally, through the trade education-training programme 'Taking England to the World'. And, after a successful pilot, we launched a new platform, Tourism Exchange Great Britain (TXGB), to connect tourism suppliers with international distributors, making it easier for SMEs to access new markets and customers, and global distributors to access a wide range of England's tourism product.

Acting as the voice for England, we proactively supported English tourism businesses through the publication of new guidance and tools on our Business Advice Hub. A new section was also created, in response to the COVID-19 pandemic, which signposts tourism businesses to the latest guidance and support. We will continue to review and update this content in line with the latest Government guidance and as resources become available.

Our role in supporting the industry didn't stop there, with our third area of focus being **to advise on tourism growth, resilience and productivity** – an area that has never been so important for the sector than now. Throughout the pandemic, we have acted as the interface between industry and Government, providing timely and relevant communications, insight and data. Through consultation with industry stakeholders, we have advised, and will continue to advise, Government on the scale of the economic impact and the needs of the industry during the recovery phase.

We continued to work with Government and industry on developing and delivering some of the key proposals laid out in the Tourism Sector Deal including a Tourism Data Hub and Tourism Zones. Additionally, as we approached the UK exit from the European Union, we sent out messages of reassurance to consumers in Europe and fed into the X-Whitehall Travel Campaign and Passenger Communications Group.

Partnerships continued to be a key priority for us in 2019/20 as we worked **to deepen and integrate our partnership activity across our public diplomacy partners, strategic partners, B2B, B2C and brand – to leverage reach, innovation and value.**

Our work with partners, ranging from airlines, carriers, tour operators, Online Travel Agencies (OTAs), Destination Management Organisations (DMOs), strategic partners and influencers, has helped us leverage our government income to reach a broader base of customers with targeted content to drive conversion into visits. Our commercial partners contributed £7.7 million in cash and marketing in-kind support in 2019/20. Going forward, we will look to work with partners to aid the recovery of the industry.

Finally, we worked **to embed business events activity to deliver wins across the UK.** We highlighted to global buyers why the UK is the destination of choice for meetings, incentives, conferences and exhibitions through our MeetGB event, and will be looking at how we can continue to support the events industry in this turbulent time, as it tackles postponements, cancellations and rapid switches to virtual events.

Our Business Events Growth Programme continued to provide support to bid for international events and grow the international attendance and profile of events across the UK. To date, the fund has supported 50 events with a total of £987,889 granted between 2016 and 2020.

Strong governance and delivering value for our stakeholders through clear policy, compliance and monitoring continued to be a top priority in 2019/20. We have been, and will remain, fully committed to resolving the issues and ensuring ongoing adherence. We have set up a compliance taskforce to ensure tighter control and oversight of policies and procedures, overhauled our processes and working practices on procurement, undertaken global staff training and strengthened our procurement and HR functions. We have also worked with DCMS to introduce tighter compliance control measures to ensure that we fulfil our obligations as a publicly-funded body.

To close, I would like to thank the former Chair of the BTA Board, Steve Ridgway CBE, and the former Chair of the VisitEngland Advisory Board, Denis Wormwell, for their support, leadership and guidance throughout 2019/20, along with our Directors and the whole team, past and present, for making VisitBritain/VisitEngland a world-leading tourist board and a positive place to work. I wish Steve and Denis all the best for their future endeavours.

Business Model - Purpose, Objectives and Activities

BTA Purpose

The British Tourist Authority (BTA) is a Non-Departmental Public Body funded by the Department for Digital, Culture, Media and Sport (DCMS). The functions, duties and powers of the BTA are set out in the Development of Tourism Act 1969:

- Encouraging overseas visitors to come to Great Britain.
- Encouraging people who live in Great Britain to take their holidays in Great Britain.
- Promoting the provision and improvement of tourist amenities and facilities in Great Britain.
- Advising ministers and public bodies on tourism matters in Great Britain.

The VisitEngland Advisory Board, known as English Tourist Board, is the dedicated tourist board for England and has similar functions and the same duty under the Act in relation to England. It does not have the power to encourage overseas visitors to come to England unless it is acting on behalf of the BTA.

We are united behind a clear mission: to make tourism one of the most successful and productive sectors of the UK economy.

The Tourism Sector

Industry Value

Tourism is worth £127 billion a year to the UK economy, around 9% of GDP. Tourism spend generates GDP, jobs, tax revenues and brings inward investment – tourism is the UK's 3rd largest service export. Before the COVID-19 crisis, the sector was projected to grow 3.8% a year by 2025, faster than the digital industry. Tourism was one of a select number of industries supported with a tailored sector deal in 2019, recognising its importance to the economy.

Supporting businesses and jobs

Incorporating 200,000 SMEs the tourism sector accounts for 10% of all jobs. Just £50,000 of tourism spend creates one job in the industry.

Tourism plays a critical role in supporting local economies

Tourism delivers economic growth in every city, every local authority and every region in the UK. In many rural and coastal communities where there are few alternative industries tourism is the main driver of the economy and source of employment. As such it plays a critical role in retaining talent, a balanced demographic and preventing deprivation in these communities. Tourism can also drive local regeneration.

Tourism helps to cement Britain's soft power status

Tourism plays a key role in shaping the image of Britain overseas. It influences whether people choose to invest and trade with British companies and positively influences their views on key export, governance and cultural attributes. People who have visited the UK are 14% more positive about the UK than those who haven't and more likely to invest in British company or buy a British product.

Our tourism marketing is a powerful soft power instrument providing a positive, non-contentious narrative about Britain. Our message of welcome, diversity, inclusivity and the expression of UK culture and values has supported the FCO's work to strengthen bi-lateral relations.

Our contribution to soft power value is often overlooked. *The Price of Freedom*, a 2018 report from the British Foreign Policy Group noted that: "Bodies such as VisitBritain, hitherto little recognised as foreign policy actors, play an enormously important role in developing the relationships and understanding of the UK that are prerequisite for the success of traditional diplomacy."

Business Model - Purpose, Objectives and Activities (Continued)

Business Events tourism drives global knowledge transfer and academic excellence

A globally connected Britain can be the world’s meeting place where businesses, academics and associations hold their trade fairs and conferences. Hosting international conferences, events and trade fairs, gives a platform for British businesses, products and destinations, helping to place Britain as a global knowledge hub and a world leader in innovation and academic excellence. Events can play a major role in asserting Britain’s international trading strength, highlighting components of its emerging industrial strategy, its creativity and commercial inventiveness.

As well as the significant economic impacts, there is now wide recognition of the many other benefits to accrue from hosting and staging events. These include research sharing, knowledge transfer, professional development, networking and relationship building, and the attraction of inward investment opportunities. It is also estimated that more than 35% of business visitors return to the UK at a later date with friends and families as leisure visitors

The Tourism Landscape

Inbound trends

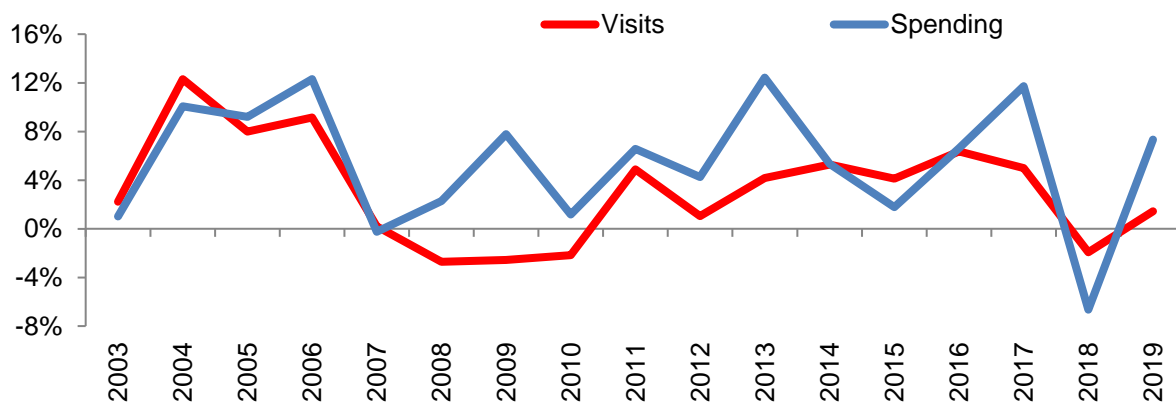
2019 inbound tourism in numbers¹

- Inbound visit numbers to the UK were up 1% in 2019 to 40.9 million, although just short of the record set in 2017.
- 2019 saw £28.4 billion spent by inbound visitors in the UK, up 7% on 2018 and a new record.
- There were 290 million nights spent in the UK by inbound visitors in 2019, down 1% on 2018.

Visits were down in the first half of the year (by 3% in Q1 and 1% in Q2) but were up year-on-year in the second half of 2019 (up 3% in Q3 and 6% in Q4).

Average spend per visit rose to a new record £696. Average length of stay was 7.1 nights.

Year-on-year change in visits and spending



Trip purposes

With 16.9 million visits in 2019, holiday is the most common journey purpose bringing visitors to the UK. The number of holiday visits rose 3% on 2018 to a new record. The number of holiday visits to the UK has risen 21% in the last five years (2014-19).

¹ International Passenger Survey 2019 figures. NB in May 2020 there was a major revision to the International Passenger Survey and revised estimates were released for 2009-19. Numbers in this report will therefore not be consistent with those seen in previous Annual Reports.

Business Model - Purpose, Objectives and Activities (Continued)

Visits to friends and relatives (VFR) rose by 1% to 12.4 million visits in 2019, also setting a new record.

Business visits fell by 1%, the third consecutive year of decline. There were 8.7 million business visits to the UK in 2019.

Visits for miscellaneous purposes rose by 1% to 2.9 million, although that followed a sharp decline in 2018.

2019 Purpose of journey of inbound tourists to the UK¹

Holidays	VFR	Business	Misc.
+3%	+1%	-1%	+1%
16.9 million	12.4 million	8.7 million	2.9 million

Regions and nations²**Inbound visits to the nations and regions of the UK (total figure includes Northern Ireland, although it is not shown separately)**

	Visits (000s)	Growth	Spend (£m)	Growth
Scotland	3,460	-7%	£2,538	7%
Wales	1,023	4%	£515	19%
London	21,713	3%	£15,725	6%
Rest Of England	16,937	4%	£9,055	10%
North East	538	10%	£369	6%
North West	3,449	6%	£1,620	4%
Yorkshire	1,324	-8%	£637	-2%
West Midlands	2,430	11%	£1,048	9%
East Midlands	1,204	-5%	£464	-17%
East Of England	2,267	0%	£1,025	36%
South West	2,595	4%	£1,308	7%
South East	5,394	4%	£2,580	17%
UK TOTAL	40,857	1%	£28,448	7%

While inbound visits to the UK rose by 1% overall, there was variation below this.

Visits to London rose by 3% to 21.7 million and matched the record performance seen in 2017. Spending rose 6% to a record £15.7 billion.

Visits to England outside London rose by a similar degree in total, 4%, to 16.9 million, and set a new record. Spending rose 10% to a record £9.1 billion.

Scotland saw a decline of 7% in visit numbers to 3.5 million, although this followed rapid growth in 2017 and 2018. Visit numbers are 29% higher than five years before (2014-19). Spending increased, however, by 7% to a record £2.5 billion.

Visits to Wales rose 4% to just over 1 million. Spend increased 19% to a record £515 million.

Market view²

² International Passenger Survey 2019 figures

Business Model - Purpose, Objectives and Activities (Continued)

In total, visits to the UK rose 2% from European markets in 2019 to 27.3 million, not quite matching the record set in 2016. European visitors account for 67% of visits to the UK. With £12.3 billion, European visitors accounted for 43% of spending in 2019.

Visits from long haul markets in 2019 were flat on 2018 with 13.6 million. However, the longer term trend has seen rapid growth, with visit numbers up 42% since 2014. Long haul visitors spent £16.1 billion in 2019, 57% of the total.

The United States is, by some distance, the UK's most valuable source market. Visitors from the US spent £4.2 billion in 2019, accounting for more than one in seven pounds spent by inbound tourists in the UK. The US also leads in terms of number of visits, with 4.5 million, although this was 2% down on 2018.

There has been rapid growth from China over the last several years. China is the UK's second most valuable source market, with visitors spending £1.7 billion in the UK in 2019. Visits reached a record 883 million in 2019, up 3% on 2018, and have grown 147% in the last five years in total.

Growth was seen from a number of other markets including Portugal, Switzerland, Poland, Italy, Denmark, Sweden, UAE, Saudi Arabia and Czech Republic. Several major markets were approximately on par with 2018, such as USA, France, Germany, Netherlands, Australia, Norway and India. Markets that saw declines in visits in 2019 included Irish Republic, Spain, Japan, Russia and South Africa.

Visits (000s) to the UK in 2018 and 2019, and growth, by market

Europe	2018	2019	Growth	Long haul	2018	2019	Growth
France	3599	3570	-1%	USA	4571	4499	-2%
Germany	3170	3233	2%	Australia	1039	1063	2%
Irish Rep.	2983	2851	-4%	China	860	883	3%
Spain	2462	2326	-6%	Canada	852	874	3%
Italy	2080	2197	6%	India	680	692	2%
Netherlands	1978	1987	0%	UAE	511	553	8%
Poland	1555	1651	6%	Hong Kong	403	409	2%
Belgium	1097	1135	3%	Japan	429	389	-9%
Switzerland	825	926	12%	Turkey	318	334	5%
Romania	897	902	1%	South Korea	305	301	-1%
Sweden	745	789	6%	Brazil	288	291	1%
Denmark	614	691	13%	Israel	264	265	0%
Norway	648	647	0%	Singapore	259	233	-10%
Portugal	453	613	35%	Saudi Arabia	196	221	12%
Czech Rep.	360	414	15%	South Africa	265	217	-18%
Austria	327	342	5%	Malaysia	239	210	-12%
Hungary	372	334	-10%	Nigeria	203	208	3%
Greece	223	250	12%	New Zealand	232	188	-19%
Bulgaria	233	235	1%	Thailand	189	184	-2%
Finland	188	215	14%	Kuwait	167	181	8%
Russia	229	199	-13%	Qatar	149	175	18%

Direct air capacity from international markets was up 2% in 2019 to 149.6 million seats, and was up 25% in total over the five years from 2014-19. In 2019, capacity rose from markets such as Brazil +15%, China +25%, Japan +10%, Turkey +15%. Capacity fell from several markets including Canada -6%, India -18%, and Malaysia 5%. Capacity was steady from Saudi Arabia 0%, Singapore -1%, UAE -1%, USA 0%.

Business Model - Purpose, Objectives and Activities *(Continued)*

Competitive view

Inbound overnight (the internationally comparable measure) arrivals to the UK rose by 2%. Globally, international overnight tourism arrivals grew by 4%. Arrivals from any country to European destinations in total also grew by 4%; within Europe, arrivals to Western Europe grew by 2%, Northern Europe (which includes the UK) by 2%, Southern Europe by 5%, and Eastern Europe by 5%. Arrivals to Asia-Pacific grew by 4%, Americas by 2% and Middle East by 2%.

Most of the UK's competitor destinations saw growth in overnight visits, including Italy (5%), Germany (2%), France (5%), Netherlands (7%), Australia (2%) and Ireland (2%). However, the USA saw arrivals decline by 1%.

In value terms, inbound spending amongst overnight visitors to the UK rose by 7% in nominal terms; adjusted for inflation, spending rose 5%. Globally, international tourism spending rose by 3% in local currencies and at constant prices. Inbound spending within Europe rose by 4%, Asia-Pacific by 1% and Middle East by 9% although spend in the Americas was flat on the previous year. The UK therefore slightly lost market share in volume terms but slightly gained share in value terms, when keeping exchange rates constant.³

The 2019 Anholt Ipsos Nation Brands Index (NBI) survey ranked Britain as the 4th strongest tourism nation brand overall (the same as in 2018), the 3rd for contemporary culture and the 7th for cultural heritage, and the 6th most aspirational destination to visit, if money was no object.

³ UNWTO World Tourism Barometer June 2020 (except for Ireland and France, for which Oxford Economics was the source)

Business Model - Purpose, Objectives and Activities (Continued)

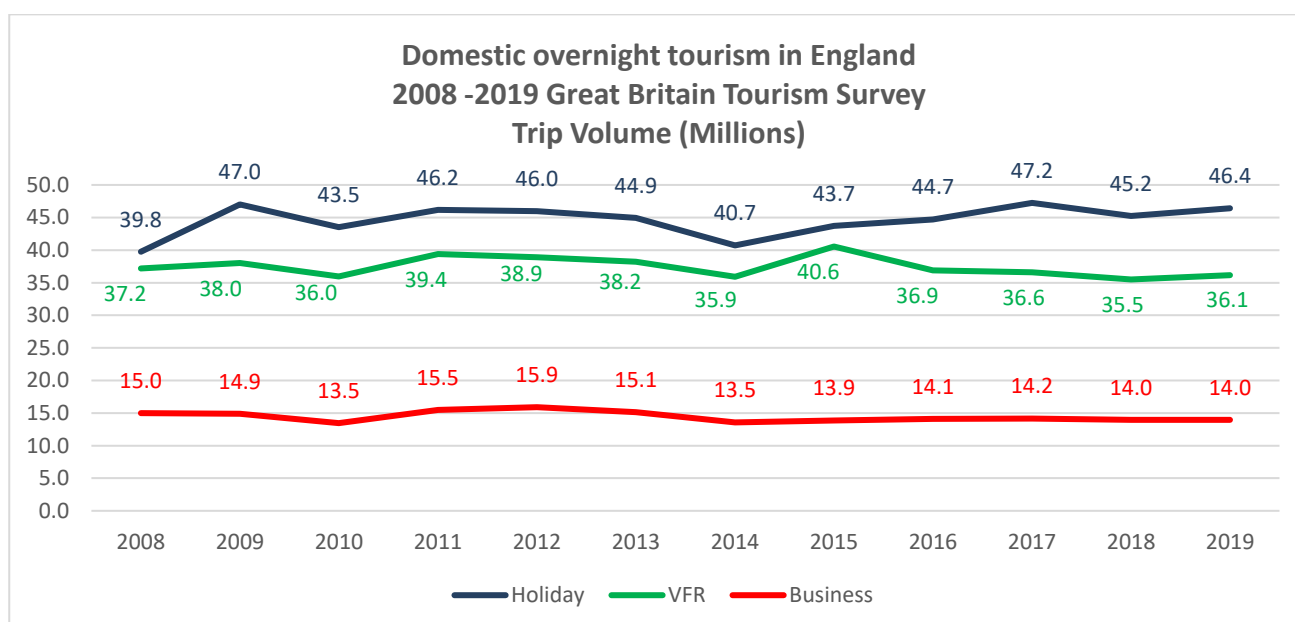
Domestic Trends

Domestic overnight tourism⁴

In 2019, the total number of domestic overnight trips taken in England increased by 1.7% to 99.1 million. The number of holiday trips increased by 2.6% to 46.4 million. 2019 was a return to normal after a weakened 2018 which started the year beset by bad weather that affected the number of holidays.

The volume of business trips was relatively flat with an increase of 0.2%, whilst there was an increase of 1.8% in the number of trips for visiting friends and relatives (VFR).

2019 saw a reversal of the decline in short breaks in 2018, with an increase of 6.2%.

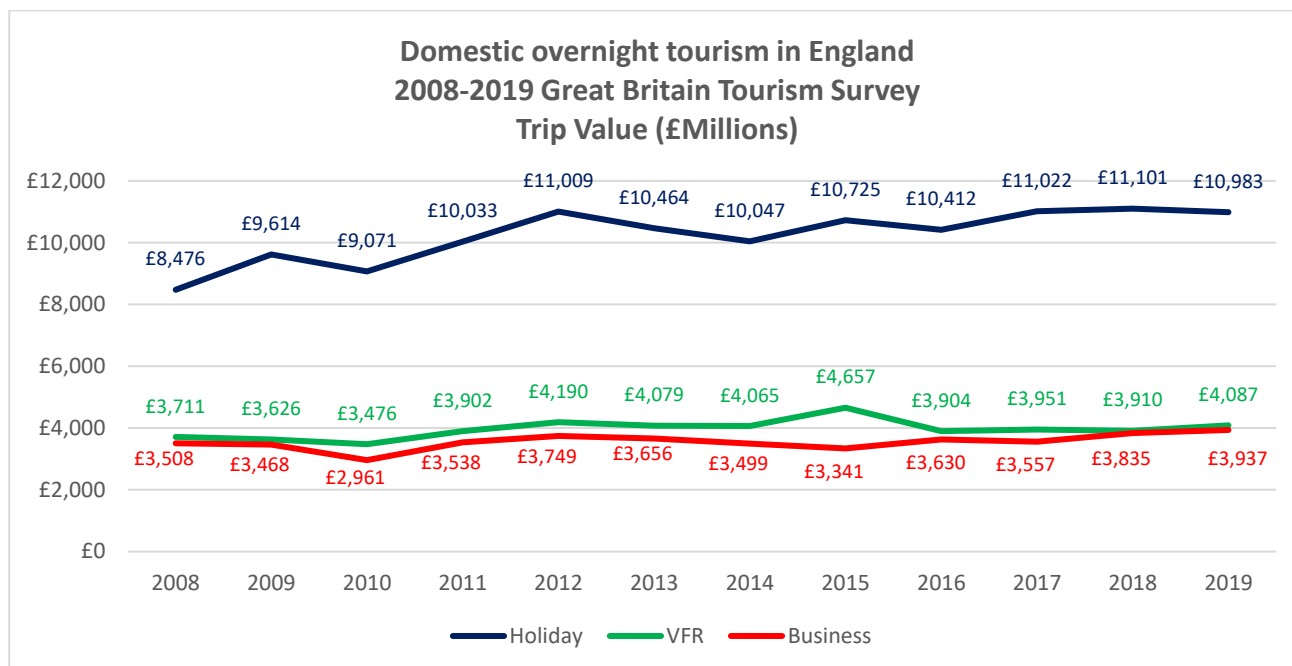


2019 saw an increase of 0.5% in overall expenditure from domestic overnight trips.

The amount of expenditure on holiday trips decreased by -1.1% to £11.0 billion. Visiting friends and relatives (VFR) saw an increase of expenditure of 4.6%, much higher than the increase in volume, and is the main driver behind the overall increase in expenditure. Business trip expenditure increased by 2.7% which is higher than the increase in volume.

⁴ Great Britain Tourism Survey 2019

Business Model - Purpose, Objectives and Activities (Continued)



Domestic day visits⁵

In 2019, the overall volume of tourism day visits declined by 3% to 1.39 billion, in part due to a noticeable decline in general days out to explore new areas and volume of nights out to bars, pubs and clubs.

Expenditure increased by 7% to £56.5 billion bringing record levels of spend on Tourism Day Visits since the survey began in 2011.



⁵ Great Britain Day Visits Survey 2019

Business Model - Purpose, Objectives and Activities (Continued)

Our Five Year Strategy

We launched and began implementing a five year strategy in 2019. Its five pillars set out how we would support the Tourism Sector Deal implementation and grow the value of tourism across Britain over the next five years.

The strategy however was written under different circumstances. Covid-19 has changed the tourism landscape, visitor and industry needs, the macroeconomic environment and government priorities. As detailed later in this report we quickly established five immediate priorities to respond to the crisis (page 49). We are reviewing the longer term strategy to ensure that it remains relevant in this new context and that we continue to add the greatest possible value to the industry and HMG. The strategy as launched in 2019 is summarised below.



Growing the value of tourism



Driving the dispersal of tourism value across Britain



Supporting productivity optimisation



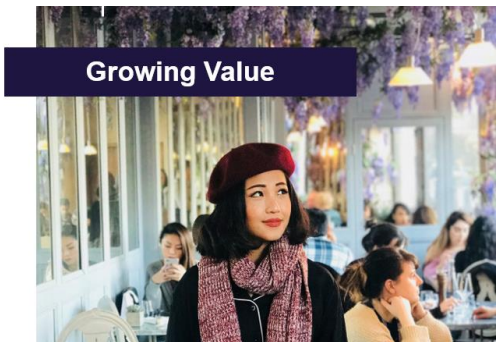
Being the expert body on growing tourism



Delivering a clear strategy for England



Focusing on the most valuable visitors to Britain and those with the highest propensity to travel, we will **grow the value** of both leisure and business tourism to Britain through targeted market strategies and by supporting venues and destinations to win international business events. We will also encourage more people to holiday at home through our domestic marketing.



Working in partnership with Visit Wales, VisitScotland, London & Partners and Destination Management Organisations (DMOs) we will grow the value of tourism across the nations and regions. This will be aided by the building of regional product to address product gaps and proactively supporting route development to regional Britain.



Business Model - Purpose, Objectives and Activities (Continued)



We will support productivity optimisation through the development of product that extends the season and length of stay for both domestic and international visitors, as well as through the distribution of products through platforms such as Tourism Exchange GB (TXGB)..



In line with our statutory role as advisor to Government and industry, we will continue to be the expert body on growing tourism, trusted to provide unique insights and guidance so that the economic importance of tourism is understood by politicians, government departments and the media.



The three year Discover England Fund (DEF) helped stimulate product development in England, but there is still a wealth of opportunity for growth in England's regions. We will deliver a clear strategy for England and continue to be the "Voice for England".



Business Model - Purpose, Objectives and Activities *(Continued)*

Our priorities for 2019/2020

As part of our business planning, we identified six corporate priorities for 2019/20. These were aligned to the new strategy:

1. To build tourism's **value** across the nations and regions and deliver on our targets with **GREAT** funding.
2. To sustain the legacy of the **Discover England Fund** and amplify **England** activity.
3. To **advise** on tourism growth, resilience and productivity.
4. To deepen and integrate our **partnership** activity across our public diplomacy partners, strategic partners, B2B, B2C and brand – to leverage reach, innovation and value.
5. To embed **business events** activity to deliver wins across the UK.
6. To achieve and embed 100% **compliance**, meeting all our obligations as an Arm's-Length Body (ALB)

The above were the priorities set at the beginning of 2019. By the end of 2019/20 due to the fundamental impact of COVID-19 on global tourism our priorities were redirected, in the light of the changing circumstances. These impacts are commented on extensively elsewhere in this report.

The Challenges and Risks we have faced

BTA has a comprehensive risk register which we use to monitor and manage risks. In 2019/20 we faced three major challenges: COVID-19, Pensions and EU Exit.

COVID-19

Tourism became the industry that was hit first and hardest by COVID-19 with cash flow drying up overnight and customers cancelling for months ahead.

The Easter holidays usually mark the start of the peak tourist season, with 63% of tourism spending taking place from April to October. At the time of publication, the quarter from April to June were almost entirely lost to the tourism industry, with continued social distancing limiting the ability of some businesses to open safely and economically for several months more. ONS analysis showed that 80% of hospitality staff have been furloughed during the crisis.

Domestic impact (GB-wide): We are now forecasting a loss of £44.9 billion from domestic tourism in 2020.

International impact: VisitBritain forecast spending by overseas visitors in 2020 would increase by 6.6% on 2019, and that visits would rise by 2.9% on 2019. This would equate to £30.3 billion and 42.1 million in 2020 in the no-COVID counterfactual (given the revisions to the International Passenger Survey made in May 2020). This will not happen. Our forecast run in late May was for a decline in visits of 59% and spending of 63%; a loss of £19.7 billion compared to the no-COVID scenario. This forecast assumed that quarantine restrictions would be lifted in early July for all countries; as this has not happened for many countries, the eventual outcome will be worse than this.

Oxford Economics forecast it will not be until 2024 that inbound tourist volumes will recover to their pre-COVID-19 level.

Industry impact: VisitEngland business surveys paint a bleak picture of the impact on the industry, with 94% of businesses – rising to 98% in the South West – hit by cancellations. 67% of English tourism businesses had no insurance cover for loss of business from COVID-19. Business Visits and Events Partnership member surveys show cancellation levels of 55% so far, with a forecast total loss across the events industry of £58 billion this year. With so much remaining uncertain, many industry representatives told us that if they were not able to reopen for at least part of the peak season, many businesses would wait until 2021 to reopen – if they survive.

Regional impact: The impact will not be spread evenly across the country: Centre for Towns' analysis showed coastal towns had been disproportionately affected, with 56% of employees furloughed in Newquay and 55% in Skegness in sectors which were shut down, with effects that will spread well beyond the closed premises.

Our Risk Management Framework

During 2019/2020, BTA built on the existing risk management structure to develop a more comprehensive framework for identifying and evaluating key risks. Ultimately the goal is to increase the likelihood that the organisation will achieve its strategic objectives and targets, and mitigate against the impact of a risk crystallising.

Our risk management policy encourages the taking of controlled risk designed to maximise new opportunities and to promote the use of innovative approaches, provided the resultant exposures are within our risk appetite.

Maintaining the flexibility to rapidly switch our activities between markets is an important part of our risk management approach.

In VisitBritain's case, the ability to deliver our targets can be affected by changing economic factors such as foreign exchange fluctuations, changing conditions in market, economies and politics, changes in air capacity, or world events such as terrorist attacks and pandemics. Any of these factors can lead to potential visitors deciding not to come to Britain. Risks of this nature also threaten VisitEngland's ability to meet its targets: for instance a strengthening pound or poor weather can lead to UK residents substituting a domestic holiday with an overseas one.

Our corporate risk register is kept under review by the Executive Directors, the Audit & Risk Committee and the Board; the principal risks and uncertainties are reviewed and scrutinised under our Assurance Framework and subsequently within our internal audit work programme.

Challenges and Risks *(Continued)*

Consumer sentiment: Consumers remain extremely nervous about travelling and will need to be persuaded to change the 'lockdown mind set'. VisitEngland surveys showed that most people cancelling domestic or outbound holidays did not intend to replace them at all – meaning that where 21.9 million people were intending to holiday at home in summer 2020, now only 13.6 million people were likely to do so.

The Impact on the BTA's Activities and Performance

We responded swiftly to the crisis, establishing five cross-organisational work streams: staff welfare, government advisory, industry support, recovery planning, business continuity and compliance. Our focus is to ensure that tourism rebounds to become one of the most successful sectors of the UK economy once again. Details are outlined in the section "Our Plans for 2020/1" (pages 49-50).

Despite falling at the end of 2019/20, it is likely that the pandemic will impact our marketing performance for the year, as explained on pages 25-26. The crisis also had a negative impact on our financial end of year position – increasing costs and reducing income. The most notable impacts are summarised below:

Reduced investment

We were on track to exceed £10 million in private sector investment by December 2020. Due to COVID-19, much of our joint marketing activity with partners was paused in Q4. Across the year we secured £7.7 million in cash and in kind from our commercial partners - £2.3 million less than anticipated.

Foreign currency losses have increased by £29,000 and BTA has incurred losses of £711,000 due to cancelled events. Further details can be found in the Parliamentary Accountability Disclosures section on page 83.

Challenges and Risks *(Continued)*

Retail – Gross Profit £1 million less than anticipated at the beginning of 2019/20

- EU Exit created a challenging sales environment from August - December 2019. We subsequently reforecast the gross profit from our retail operation from £1.9 million to £1.4 million.
- In January, sales via the shops began to recover and we saw a large increase in offline orders and sales via VFS Global. This meant January and February finished ahead of expectations, with gross profit sitting at £1.2 million at the end of February.
- Throughout January, average order value (AOV) was ahead of 2018/19 by 3% (£110 vs £107) and in February, despite an increase in refund requests and a drop off in traffic as a result of multiple markets going into lockdown, AOV remained in line with 2018/19 at £113.
- Had we continued to trade in line with January/February numbers then the £1.4 million gross profit would have been comfortably achieved.
- However, March saw a slowdown in traffic to all shops. Revenue dropped significantly (88% on 2018/19) and AOV fell to £108.
- In line with the drop in revenue, the number of refund requests increased substantially up 176% year on year (£80,000 in 2019/20 vs £29,000 in 2018/19). Where possible, we worked to retain revenue, asking people to keep vouchers with extended validity; however as venues closed and holidays were cancelled, refund requests continued to increase and led to a provision of £1.1 million made to ensure that we had enough revenue available to cover refund requests. This provision was necessary due to the continued slowdown in trading but has led to a year-end revenue of £14.9 million and gross profit of £973,000.

Background on the Shop

The VisitBritain Shop has been trading since 2005 and has grown from making no profit to fulfilling an organisational revenue gap.

The VisitBritain Shop is made up of a network of 13 online shops, selling in seven different languages and nine different currencies across 94 countries. Due to state aid restrictions we only sell products that are defined as 'extras' (attractions/sightseeing passes, trips and tours, Oyster Cards and Rail Travel). We do not retail anything that features a flight or includes accommodation.

Despite only retailing 'low value' ticket items, the shop in 2018/19 turned over more than £18 million in revenue and made £1.9 million in gross profit with an average order value of £107. All profit from the shop is reinvested back into the organisation to support marketing spend across the non-GREAT markets.

We are also responsible for marketing Transport for London overseas and driving over £24 million in additional sales via their channel. We work with VFS to sell product via their visa outlets across all of Asia Pacific where the shop acts as an inventory for up sales. We also have a programme of 75 affiliates internationally that use the shop to promote and/or sell product.

Increased Costs

Overseas Currencies

As an international organisation, we trade in several currencies around the world and are therefore exposed to movements in currency markets. A Foreign Currency Policy is in place which complies with the guidance in HM Treasury's Managing Public Money; the BTA operates within this framework to proactively review and manage currency cash flows, bank balances and foreign currency requirements.

Challenges and Risks *(Continued)*

Pension Scheme

Pension liabilities continue to be a key focus for the BTA, its Board and Sponsor.

Having established a pension risk and provision strategy, we held a consultation with our staff on closing the British Tourist Boards' Staff Pension and Life Assurance Scheme (BTBSPLAS) and moving to a defined contribution basis in 2017. The BTA executive, Pension Trustees and Trade Union representatives worked constructively through this period to ensure an open process for staff. Following the consultation, the proposal was approved by the Board, DCMS and HM Treasury. However, VisitScotland was unable to agree the proposals due to wider BTA/VisitScotland considerations in connection with the provision of government support. Discussions with all stakeholders continued and into the summer of 2019. From this time it was agreed to "sectionalise" the pension scheme, with each employer having its own section and with assets and liabilities allocated accordingly. Each section is supported by a guarantee provided by the relevant sponsoring government. Sectionalisation also enabled the triennial actuarial valuation as at 31 March 2018 to be agreed.

In December 2019, BTA recommenced consultation with staff to close the BTA section to future benefit accrual, with a view to providing future pensions via a Group Personal Pension (currently used by staff who have joined since 1 April 2017). Closure of the BTA section of the pension scheme was formally approved on 31 March 2020, with benefit accruals ceasing from the same date. BTA is also in discussions with the Trustees to review the investment strategy.

Challenges and Risks (Continued)

EU Exit

Europe is the bedrock of inbound tourism. European visits made up 71% of all inbound visits to the UK in 2018, and these visitors contributed 49% of all spend made by inbound visitors in the UK.

In 2019/20, we faced the risk that the UK's decision to leave the European Union, the consequent negotiations and media coverage, had a negative impact on sentiment towards Britain and visits from European markets. Our goal was to reassure travellers that Britain remains open and welcoming to EU visitors and to protect our market position. We planned for three waves of activity to mitigate this risk.



Phase I
Pre –EU
Exit
May-July
2020

Our goal was to secure the critical summer 2019 season by inspiring young European visitors to travel to Britain.

We developed a new campaign "Don't miss the British Summer":

- It began with reassurance messaging distributed to consumer and trade publications, followed by the delivery of influencer kits to key travel influencers who visited Britain, creating content to amplify campaign messages.
- This was underpinned by an owned channel social campaign and a paid digital media campaign, which included videos and articles highlighting all of the great British summer activities and locations consumers could visit.
- In parallel to the campaign we worked closely with partners across Europe including EasyJet , P&O Ferries and Expedia to drive incremental visits

Impact - We are awaiting results from our brand tracker.



Phase II
EU Exit
January
2020

Our aim was to provide useful and practical information to reassure potential leisure and business travelers that Britain remained open and welcoming to EU visitors

We worked with industry and coordinated reassurance messaging:

- We created digital assets translated into key European languages for industry to use and reassure their customers from across the EU that nothing would change until at least 2021. The assets were free and included short films, insta-stories and infographics and also featured on our social and digital channels.
- In parallel our teams in Europe engaged with key European media outlets and trade.

Impact - Our PR efforts were well received and the story widely covered. We generated 158 articles in specialist and mainstream media with a reach of 114 million. 100,000 people viewed the video. The high average dwell time (2 minutes 52) demonstrates high quality traffic and consumers engaging with the content.



Phase III
Post EU
Exit
February
2020

Our ambition was to reignite the love of Britain post EU Exit, winning back visitor numbers from Europe.

- We developed a major brand and tactical campaign. The concept was to issue a personal invitation to Europeans to come and explore what makes modern Britain an exciting, vibrant and welcoming destination. It was due to be supported by extensive PR, an SME toolkit, and partnership with major travel players.
- The campaign was not launched due to COVID-19.

Challenges and Risks (Continued)

We continue to monitor customer sentiment in Europe to assess the implications for inbound tourism to the UK and inform decisions, including where uncertainty exists around travel arrangements. Our marketing response has been overtaken by the impact of COVID-19, but recovery plans will build in the implications of the end of the transition period of the UK leaving the EU. Reassurance messaging will continue to be employed to raise awareness amongst European travellers of travel arrangements to the UK.

All you need to know to travel to the UK in 2020

We want to reassure you that you will still be able to visit the UK.

Here's some practical information so that you can book your trips with confidence.

Nothing will change until at least 2021.

We look forward to welcoming you soon.

For more questions and info please visit: visitbritain.com/brexit



You can continue to travel using your ID cards until at least 2021.

Pet owners will be able to travel with their pets using their EU pet passport.

You can still drive in Great Britain using your EU driving licence.

Flights, coaches, ferries and trains will continue to operate.

You won't need a visa for holidays or short-term visits.

Your European Health Insurance Card (EHIC) will still be valid.

Phase II – At EU Exit Reassurance Messaging

Human Rights, Anti-bribery and Anti-corruption

BTA's employees constitute its greatest asset. In order to ensure a high quality workforce it is vital that we provide a work environment that is underpinned by a culture of integrity and equality, while embracing diversity of the communities that we serve. BTA supports the protection of human rights and have policies and processes in place to ensure that all employees act in accordance with the organisation's values which encompass areas such as business conduct, equal opportunities, anti-corruption and whistleblowing.

Following the introduction of the Bribery Act 2010, BTA introduced a policy on bribery and corruption for all employees to comply with strictly. Management ensures that the policy is complied with, and updates the policy and procedures as and when required. All staff are trained on these aspects at the commencement of their employment and staff are reminded of their obligations in this regard as part of their annual compliance declarations.

Further information on our employment practices are discussed in the Staff Report section of the Accountability report.

Basis of Preparation and Going Concern

The financial statements have been prepared on a going concern basis as set out in set out in Note 1 on page 99.

Sally Balcombe
Accounting Officer
BTA
2nd December 2020

PERFORMANCE SUMMARY AND ANALYSIS

Our Year at a Glance

We secured
£7.7 million
in private sector
investment

25 “Taking
England to the
World” workshops
delivered –
96% attendees
rated them as
useful/extremely
useful

1,400 quality
business events
leads generated

The 66 Discover England
Fund Projects have
created **over 700**
bookable products
across regional England

Our new consumer
e-newsletter
strategy saw open
rates increase by
8% and **click**
through triple
year on year

Traffic to our
Events are
GREAT site
doubled –
reaching 23,000
unique page
views

Our English Tourism Week
media coverage had a
reach of
41 million

91% of those who saw
our #MyMicrogap
campaign took action

5,600 one-to-one
meetings between UK
Meetings, Incentives,
Conventions &
Exhibitions suppliers and
buyers facilitated through
MeetGB.

We received a **record**
44 nominations for
Tourism Superstar

ExploreGB brought together 310
UK suppliers, 250 international
buyers and 20 international
media. **25,000 meetings**
took place, providing UK
suppliers with the opportunity to
do business with buyers from 30
markets in one room

Our Year at a Glance *(Continued)*

10.1 million website users on our consumer, trade and corporate sites

2.9 million website users converted to quality visitors on-site **UP 50% YoY**

29% engagement rate



Reach of over **75 million** Instagram users

With approx. **5 million** combined engagements globally

6.81% global average engagement rate



2,902 Facebook posts sent globally

Generating a reach of over **55.5 million** Facebook users

With approx. **2.4 million** combined engaged users globally and an average engagement rate of **4.29%**



Instagram

In Their Words

Here's what some of our stakeholders have had to say about our work:

Tourism Exchange Great Britain

"I have been operating my food tour business for less than two years. TXGB allows me, as a small business, to access platforms and to make links with travel trade which in the past would not have been possible. I am excited to see the platform grow and develop, and can thoroughly recommend it to other tourism businesses."

Rob Kelly, Director, Scrancheater Tours

"This professional booking and payment system, which can dovetail into my existing business model is fantastic. I'm certain that TXGB will become an integral part of my business model and strongly recommend it to other small tourism businesses."

Taking England to the World Training

"Fortuitously, on Tuesday a cruise company got in contact about visiting our attraction once their passengers had docked. We were able to immediately implement what we had learned in the workshop to tailor our experience to suit and appeal to their clients. It led to a very strong lead and we are going to do business together."

Attraction, Bristol

Sue Jerham, Director
National Forest E-Bike Holidays



English Tourism Week

"We are delighted to see such high profile political support from MPs across Oxfordshire as part of VisitEngland's English Tourism Week to highlight the work that Experience Oxfordshire and our partners have been doing to make the city and county a more welcoming place for visitors and residents."

Hayley Beer-Gamage, Chief Executive, Experience Oxfordshire

Business Events Funding

"The BEGP funding that was awarded to VisitBrighton played an absolutely integral role in helping us to promote both Brighton and the wider UK to an international audience of conference planners. Increasing international business events and delegates for our destination is one of our key objectives and this funding allowed us to engage with the conference organiser in a number of helpful and creative ways. The benefits of this funding are already tangible and we look forward to welcoming this high profile international industry event to the city in the coming months. Both VisitBrighton and the organisers are confident that delegate numbers will have increased as a result of the work we have undertaken through the investment made by VisitBritain."

VisitBrighton

How we Measure our Impact

Our marketing targets

Our Core International Marketing Programme

The targets for our core international marketing programme are set by our sponsor government department, DCMS, and agreed annually with the devolved nations.

We are measured on incremental spend – the amount visitors spend in Britain/England that resulted from our activity. In the 2015/2016 Comprehensive Spending Review (CSR) DCMS set a target of growing VisitBritain’s incremental spend from inbound at a forecast International Passenger Survey tourism spend growth +1.5%.

We also have a target to deliver regional spend in the same proportion as the IPS share of tourism spend, based on IPS figures.

Our GREAT Marketing Programme (International and Domestic)

The target for our GREAT marketing is set by the GREAT campaign and is also based on incremental visitor spend. Our target is to generate a return on investment of 25:1.

How we measure incremental spend and our evaluation timeframes

Our evaluation methodology is based upon a combination of models that cover the various activities we undertake, from commercial, marketing and owned channels activity. All our evaluation models are reviewed regularly and have been approved by the National Audit Office and GREAT.

“VisitBritain has a strong methodology for measuring the impact of the GREAT campaign”

National Audit Office

Due to the long lead time between inspiration for a trip and taking a trip (3-12 months dependent on the market) we require a number of months to pass after the activity in order to ensure we collect a clear measurement of impact (taken trips, or bookings made). As a result, we do not release our incremental spend calculation until six months after the financial year end in order to capture all impact resulting from a financial year’s activity.

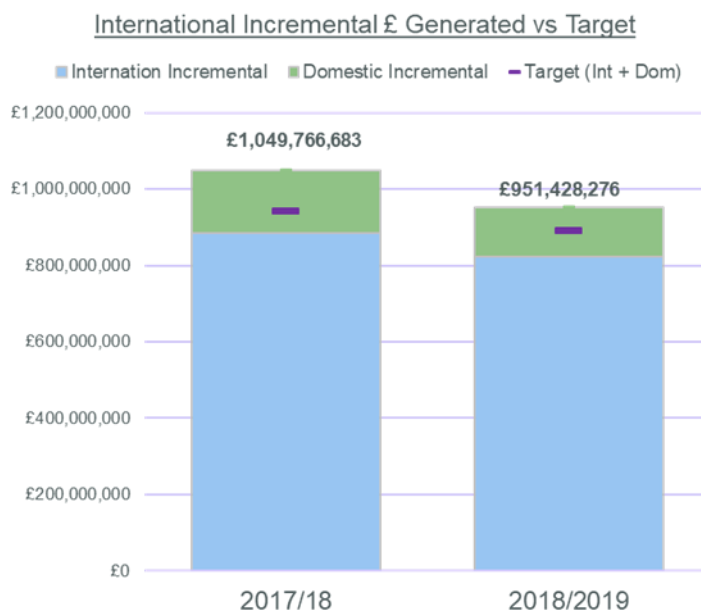
We have a strong performance record, but anticipate 2019/20 results may be impacted by COVID-19

VisitBritain’s GREAT investment has produced a 20:1 ROI per annum on average over the last three years. Our domestic marketing ROI reported an average of 55:1 over the last three years.

In 2018/19 (the most recent full year figures given the long lead times for evaluating travel) we generated £951 million of additional visitor spend across the nations and regions of Britain.

We exceeded our combined international and domestic incremental spend targets by £60 million. It should be noted that our targets are ahead of the market growth rate and incremental.

Overachieving our targets is not a one off: in 2017/18 we exceeded our target by £109 million.



How we Measure our Impact *(Continued)*

Across these two fiscal years our marketing and communications activity delivered over £2 billion in additional visitor spend. Our leisure B2C and B2B marketing efforts delivered an overall ROI of 24:1 over the last two years. In 2018/19 specifically we achieved an ROI of 23:1, exceeding our domestic target and falling just shy of our international target:

	FY 17/18	FY 18/19
International ROI	23:1	21:1
Domestic ROI	66:1	51:1
Total ROI	25	23

We have also consistently over-delivered for Scotland and Wales:

	Target %	17/18 Target	17/18 Achieved	17/18 %	18/19 Target	18/19 Achieved	18/19 %
London	55%	£469m	£383m	43%	£449m	£366m	44%
Rest of England	33%	£287m	£265m	30%	£275m	£247m	30%
England Total	88%	£756m	£648m	73%	£724m	£612m	74%
Scotland	9%	£73m	£178m	20%	£70m	£153m	19%
Wales	2%	£15m	£36m	4%	£14m	£39m	5%

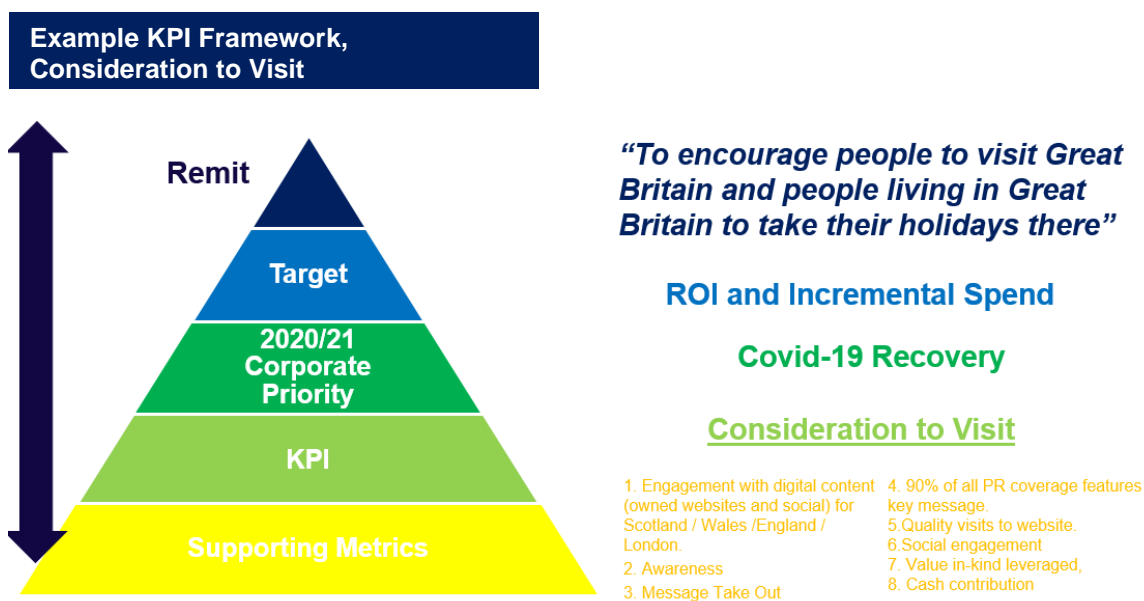
Though COVID-19 lockdown fell at the very end of the financial year 19/20, we anticipate that our marketing results will be impacted. April to September sees 65% of the annual spend by holiday visitors. The majority of VisitBritain's activity therefore occurs in January to March in order to influence decisions to travel over the spring/summer season. The true extent of this impact will not be realised until the evaluation is carried out.

How we Measure our Impact (Continued)

Our Key Performance Indicators

2019/20 was a transformational year for VisitBritain with regards to data measurements. We developed a clear hierarchical measurement structure that enables all colleagues to understand and optimise their contribution to the organisation’s objectives. This is a game-changer for BTA, allowing VisitBritain to be more agile in responding to opportunities and challenges and giving us real insight into our performance.

2019/20 was a ‘test and learn’ year in which the analytics team consulted with key internal stakeholders from across the business, created a measurement framework and developed measurement tools, skills and expertise. Their work in 2019/20 means that VisitBritain is able to start 2020/21 with clear KPIs. Each KPI also has a robust data source and sits in a framework, “laddering up” to a corporate priority, one of our targets and our remit:



The analytics team used a bottom up process to ensure all the measurements used globally were identified, with consultation from all colleagues, and complemented by a top down process which was guided by the VisitBritain corporate priorities. The culmination of which resulted in seven clear KPIs, with a network of tiered measures for each.

In light of the COVID-19 pandemic, these KPIs were adjusted in March 2020, resulting in five KPIs with associated tiered measurements. This was testament to the depth of the work carried out and the flexibility of the new measurement framework.

The KPIs/measurement framework will be reviewed quarterly, ensuring they are continually up-to-date and the most effective measures to deliver VisitBritain’s obligations. Further development for 2020/21 includes: construction of data visualisations to represent each KPI; data visualisation and literacy training; identification of key data gaps; and continued ‘test and learn’ development of the KPIs and measurement framework as a whole.

The education and appropriate sharing of performance data will enable the Board, leadership and operational teams to make robust data-informed decisions at every level of the organisation, cultivating a progressive and positive ‘test and learn’ culture that will drive VisitBritain into a bright data future.

Financial Performance Review for the Year 2019/20

Source of funding

During the period covered by these accounts, BTA was funded from the following sources:

- Core grant-in-aid, (GIA), from DCMS.
- GREAT Programme: once again a significant proportion of funding was provided under the GREAT brand for international image campaigns and a campaign to persuade people to holiday in Britain.
- Discover England Fund (DEF) which is a four-year funding programme to encourage product development in England.
- Additional one-off grants were received for projects.
- Revenue generated through other activities including the VisitBritain online retail shops.

The overall income (both grant-in-aid and non-grant-in-aid income) for 2019/20 totalled £72.4 million (2018/19 £91.4 million) which includes gross revenue from retail operations.

Grant funding

Grant budget allocation for the year amounted to a total of £54.3 million, a decrease of £13.9 million (20%) from 2018/19 (£68.2 million). The funding allocation included the £5 million for the Discover England Fund, a decrease of £13 million from 2018/19 (£18 million). The funding period ended during the year.

The table below shows GIA Budget per DCMS Funding Agreement.

BTA Funding 2019/20

	VisitBritain £'000	VisitEngland £'000	BTA Total £'000
GIA Original Management Agreement	19,454	6,978	26,432
Capital GIA	286		286
GREAT Funding	19,600	2,500	22,100
Discover England Fund (DEF)		5,450	5,450
Total Grant-in-aid (Budget) Allocation per the DCMS Funding Agreement	39,340	14,928	54,268

Financial Performance Review of the Year 2019/20 (Continued)

Other income (non-GIA income)

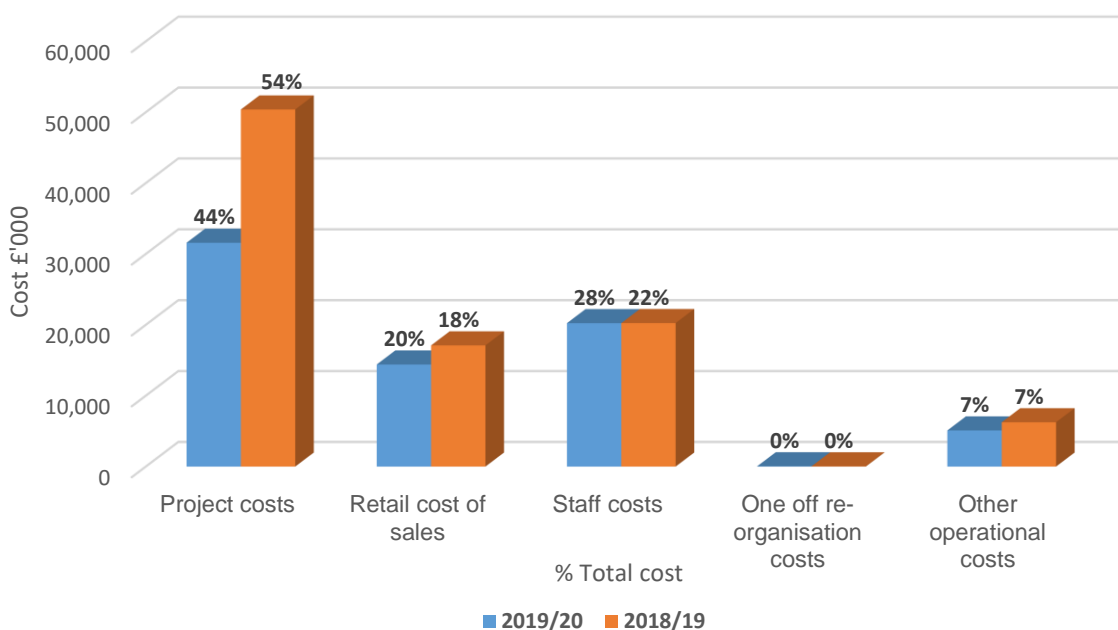
Income from non-GIA funded activities decreased by £5.1 million, in 2019/20 compared with 2018/19; from £23.3 million to £18.2 million (see Notes 6 and 7 to the Accounts). The main variances were:

- Income from commercial activities (note 6) decreased by £3.2 million (or 18%) primarily as a result of the COVID-19 pandemic. March saw a slowdown in traffic to all shops. Revenue dropped significantly (88% on 2018/19) and the number of refund requests increased substantially, up 79% year on year. Refund requests continued to increase and this led to a provision of £1.1 million.
- Income from partnerships activities (note 6) decreased by £1.2 million (or 56%). Due to COVID-19 much of our joint marketing activity with partners was paused in Quarter 4 and cash and in kind contributions from commercial partners were £2.3 million less than anticipated.
- Income from exhibitions, workshops and fairs was broadly unchanged (£1.6 million).
- Other income (note 7) decreased to £567,000 from £992,000, reflecting reduced activity linked to COVID-19 and the reclassification of £225,000 of rental income due to IFRS16.

Expenditure

Overall expenditure (excluding employee benefit costs) in 2019/20 decreased by £22.6 million to £51.1 million due to a number of factors. This decrease is primarily attributable to reduced funding (and thereby grant payments to English regions) from the Discover England Fund compared to 2018/19 and the COVID-19-related reduction in retail sales (and thereby cost of sales).

Analysis of total expenditure (%)



Financial Performance Review of the Year 2019/20 (Continued)

The main changes in operating costs were (see note 8, 9, 11, 12 and 33):

- A £2.7 million decrease in commercial cost of sales, reflecting the decrease in online retail sales due to the impact of COVID-19 (note 9).
- Decrease of £6.4 million in partnership marketing, media and publication costs, in line with reduced and cancelled marketing, media and publicity activity due to the impact of COVID-19 (note 9).
- UK Property and support costs decreased by £1.9 million as a result of IFRS16 reallocation of rent payments to lease liabilities (note 9).
- Decrease of grant payments to Destination Organisations by £9.5 million was mainly due to reduced funding allocation in 2019/20 from the Discover England Fund (note 11).
- Decrease in the irrecoverable VAT by £362,000 to £4.0 million which is due to reduced activity in 2019/20, resulting in lower vatable costs (note 9).
- An increase in foreign exchange losses to £91,000, up from £43,000 in 2018/19 (note 9).
- Whilst the mix of staff (between permanent and other) has changed, total headcount and staff costs were materially unchanged from 2018/19 (note 8).
- A £602,000 decrease in provisions reflecting the reversal of onerous lease provisions due to the implementation of IFRS16 (note 9).
- Increase of £385,000 in depreciation and amortisation due to right-of-use assets created following the implementation of IFRS16 (note 10).

Pension schemes

Employee benefits, including pensions and other post-retirement benefits, form part of the people strategy; the pay and reward strategy is a means to attract and retain staff. Benefits such as pensions have annual cost implications but also longer term financial commitments that require close and ongoing attention.

Following the last full valuation of the scheme in 2015, the employers agreed a deficit recovery plan with the trustees. The plan required BTA to pay in a proportion to its share of the deficit. BTA's pension deficit recovery contributions for 2019/20 were £226,000 (2018/19:£1,448k). Last year's contributions included an additional one-off payment of £850,000. The BTA section of the scheme closed to future benefit accrual on 31 March 2020. BTA also has an additional unfunded pension liability of £120,000 (2018/19: £148,000) for pension payments to former chairmen which is included in the Statement of Financial Position. Further details are presented in these financial statements in accordance with the amended IAS 19 'Employee Benefits' - see note 27.

Working capital

Net working capital increased from £2,533k to £5,286k. The main contributors to this increase were higher year-end inventory (£3,167k) and decreased payables (£3,236k) partially offset by decreased cash balances (£3,740k).

Financial Performance Review of the Year 2019/20 (Continued)

Creditor payments policy

BTA is a signatory to the Confederation of British Industry, (CBI), code of practice on supplier payment and is committed to the payment of its suppliers to agreed terms or within 30 days. From 1 November 1998, the organisation has incorporated into this policy the regulations contained in the Late Payment of Commercial Debts (Interest) Act 1998. There were no claims for interest payment under the terms of this Act in this financial year. Since January 2013, BTA has committed to the government pledge to pay its suppliers, wherever possible, to the agreed terms or within 10 days and is monitoring progress against this target. During 2019/20, 65% (2018/19: 68%) of suppliers' invoices not in dispute were settled within these parameters. Whilst 90% of invoices were paid within 30 days (2018/19: 92%). Metrics were adversely impacted by COVID-19 and we have made improvements to our financial systems which will help to support faster payment of suppliers.

A handwritten signature in black ink that reads "Sally Balcombe". The signature is written in a cursive style. Below the signature, there is a long, thin horizontal line that starts under the 'e' and extends to the right, ending with a small arrowhead.

Sally Balcombe
Accounting Officer
BTA
2nd December 2020

Performance against the 2019/20 Corporate Priorities

(1) To build tourism’s value across the nations and regions and deliver on our targets with GREAT funding

International Marketing Campaigns

VisitBritain continued year three of the ‘I Travel For...’ campaign which was rolled out across global markets through paid, earned and owned activity. A new suite of pan-Britain content and assets was developed using in-depth customer insights to identify passions for travel, and highlighting unexpected experiences, as well as Britain’s iconic landmarks.

Our global PR activity supported our brand and partnership campaigns, exceeding all our strategic PR targets:



- 67% of editorial features including a call to action (50% target)
- 98% of features including a VB key message (90% target, up 8% on the previous year)
- 87% of press visits from within target media publications (75% target)
- Alignment of PR coverage to VisitBritain’s organisational regional dispersal targets met.

As well as business to consumer marketing, we undertook significant business to business activity. The highlight was our flagship trade events, including ExploreGB (EGB) and Destination Britain China:

- EGB brought together 310 UK suppliers, 250 international buyers and 20 international media. 25,000 meetings took place, providing UK suppliers the opportunity to do business with buyers from 30 markets in one room. International buyers also experienced the best in Britain with educational trips around the country pre- or post-event.



- Destination Britain China connected 90 UK travel trade with over 85 Chinese, Korean and Japanese buyers and 10 media. 5,000 business meetings took place alongside industry seminars and networking opportunities. The trade mission provided UK suppliers with a unique opportunity to access the world’s most valuable outbound market.

Performance against the 2019/20 Corporate Priorities (Continued)

Encouraging Brits to holiday at home

#MyMicrogap

In 2019 we built on our #MyMicrogap campaign which encourages young people to take short breaks in the UK, building a habit to holiday at home that will last a lifetime and generating long term economic benefits. The campaign aims to inspire young people by challenging perceptions and showcasing experiences and activities typically taken in a gap year, showing that they can be enjoyed in a few days in the UK. The campaign was born from research which showed that 16-to-34 year olds had the lowest growth across all age groups for taking holidays at home over the last decade – as such it addresses a systemic challenge facing the sector.

VisitEngland delivered the campaign with, and on behalf of, VisitScotland, Visit Wales, Tourism Northern Ireland and London & Partners. This is the second year of the campaign and we used data from 2018/19 to optimise performance. Changes included

- Creating a bright distinctive campaign design and defining four reasons millennials want to travel: *Learn More, Switch Off, Go Wild & Give Back.*
- Creating a new tone of voice and content strategy on our social channels.
- Working with partners Expedia and Lastminute.com to extend the campaign's reach and drive action through dedicated microsites with bookable UK product



Performance against the 2019/20 Corporate Priorities (Continued)

The campaign performed strongly:

- **91% of those who saw the campaign took action (vs. 70% benchmark)⁶**
- Brand tracker data for 2019/20 shows that the MyMicrogap campaign achieved **very strong results for key messages** such as “There's more to the UK than I thought” - 66% vs 50% benchmark, and positive perceptions such as the campaign being “exciting” - 31% vs 23% benchmark.
- **Expedia’s** onsite digital adverts performed strongly with many formats **driving clicks above benchmark** (1% CTR vs 0.21%).
- **Lastminute.com** results showed an average click through rate (CTR) of 0.73%, **4 times the performance of 2018/19** and a 38% increase of dwell time compared to 2018/19.
- PR activity achieved high engagement and awareness through a new Microgap Weekender event series for 80 influencers generating over 800 Instagram stories, as well as six Microgaps for five influencer ambassadors which saw over **30,000 user engagements**
- We saw solid social media engagement – between 0.73% and 1.98%. Specially-created #MyMicrogap GIFs were **viewed over 2.4 million times**.

Peppa Pig

VisitEngland also launched a new campaign targeting the family audience with eOne’s much-loved British children’s TV programme, Peppa Pig, to target pre-school families. This demographic was chosen to align with our strategic aim to optimise productivity by extending the season – pre-school families are the most flexible and can take short breaks throughout the year, including the shoulder season.

The aim of the campaign was to encourage families to take an additional domestic break, and activity centred on a paid partnership and editorial-led promotion with Global Radio on Heart FM’s breakfast show, with on-air competitions giving away breaks across England and content-based adverts voiced by Peppa Pig characters.

A Peppa Pig campaign hub on VisitEngland.com was created alongside PR and influencer marketing activity to engage and inspire via podcast takeovers, long-form video and blogs, as well the opportunity to leverage highly-engaged audiences through eOne’s own consumer channels and partners. This ran alongside a targeted digital paid media campaign live from Feb 24 to March 16 2020 using interactive formats that linked back to the campaign hub. VisitEngland developed new mobile interactive display formats that allowed targeted families to scroll within the display to see characters move along the interactive map and seaside creatives.

Initial results suggest the campaign was extremely successful. Brand tracker results show it drove action and outperformed benchmarks. Despite being paused earlier than the campaign end date due to the pandemic, the click through rate for both display and programmatic was also almost double the target benchmark and the radio partnership also outperformed in terms of reach at 37.5%.



Results Snapshot

I did something as a result of the advert 89%

England is a great place to make memories on a break with my family **81%**
Up +12% on the benchmark

It's easy to take a short break in England **82%**
Up +8% on the benchmark

⁶ All brand tracker results refer to the 18 – 34-year-old UK target audience.

Performance against the 2019/20 Corporate Priorities *(Continued)*

Digital & Content Improvements

Our content and digital portfolio underpins our domestic and international marketing campaigns. During 2019/2020 the VisitBritain content team introduced and developed key editorial and creative processes including the development of the Global Content Calendar, the curation versus creation approach (repurposing and optimising existing content), a clear editing system, search engine optimisation (SEO) led projects and the DMO editorial pilot and DMO workshops, all of which have ensured:

- The development and delivery of excellent, SEO, quality-assured editorial content to all markets
- Maximised resource
- Increased visibility of centrally-led market support
- Increased user engagement
- The building of strong relationships with markets and all central teams, including leading the integration with the social and PR teams in editorial collaboration and development
- Improved relationships and collaboration with DMOs, including sharing and advising on best practice

VisitBritain's content and digital team developed a new template for VisitBritain.com destination pages this year, resulting in a 22% increase in quality sessions (59+ seconds on site) versus the original template. In addition, our consumer email strategy has seen recent open rates increasing by 8% and click-through almost tripling year-on-year.

Performance against the 2019/20 Corporate Priorities (Continued)

(2) To sustain the legacy of the Discover England Fund and amplify England activity

Through the £40 million [Discover England Fund](#), 66 projects have created over 700 bookable products across regional England, addressing product gaps and establishing routes to international markets through the travel trade and distribution landscape.

Year 4 (2019/20) of the Fund was focused on amplifying the large-scale projects and associated products created in key target markets. Product amplified includes brand new bookable experiences available in England's National Parks; new touring routes such as the Great West Way between London and Bristol, connected through a new Discoverer combined rail and bus ticket led by GWR; packaging up and clustering of cultural product across the Northern Cities through a TransPennine multi-day/multi-destination rover ticket; and outdoor experience development, including itineraries and packages that are now on offer internationally such as Walking Trails, Cycling and Waterways.

Outcomes included:

- Tourism businesses in England upskilled to start selling themselves internationally through the roll out of the **trade education training programme 'Taking England to the World'** – covering topics such as know your market, understanding the distribution landscape, product pricing and digital and marketing skills. 1,120 tourism businesses received training to date through 25 Taking England to the World workshops held across England. Evaluation shows that **96% overall found the session useful**.
- Product amplified in key markets of Europe and US through VisitBritain/VisitEngland's **distribution and B2B/B2C marketing**. This has included campaigns with TripAdvisor and Travelzoo in the US and a dedicated DEF product-focused supplement in Die Zeit newspaper in Germany, plus work with five Destination Marketing Companies (DMCs) to contract and promote DEF product in a wide range of international markets.
- On-boarding suppliers, distributors and booking systems to the [TXGB digital platform](#) (Tourism Exchange Great Britain) to enable tourism suppliers to connect with multiple international distributors and for distributors to have access to a wide range of bookable product in one place.
- **New products supported** through inclusion on VisitBritain's trade website, supplier directory and the VisitBritain Shop, and promoted at trade events including World Travel Market and ITB Berlin. Furthermore, 380 products were showcased to international buyers through educational trips at ExploreGB, and were also regularly featured in international and domestic marketing campaigns such as #MyMicroGap.



Performance against the 2019/20 Corporate Priorities *(Continued)*

Broader VisitEngland Activity

VisitEngland's activity in 2019/20 was not limited to securing the legacy of the Discover England Fund. We ran two major marketing campaigns (details on pages 32-33) and proactively supported the English industry, acting as the 'voice for England'. Highlights include:

Accessibility

VisitEngland spearheaded a partnership comprising VisitScotland, England's Inclusive Tourism Action Group, National Trust and Alzheimer's Society to produce a new guide to help tourism businesses become more dementia-friendly.

[The Dementia-Friendly Tourism Guide](#) was launched on 30 September 2019 and is thought to be the first of its kind worldwide. The guide supports tourism businesses in accommodating visitors living with dementia through top tips, case studies and signposts to resources. It lists the benefits that businesses will experience alongside the huge impact that these can have on the lives of 850,000 people living with dementia in the UK. The development of the guide forms work to help deliver the Tourism Sector Deal ambition to "Make the UK the most accessible tourism industry in Europe by 2025".

Business Support

From the very beginning of the pandemic we have been regularly communicating with and supporting businesses. In February 2020 we launched a new "Manage a Crisis" section on the Business Advice Hub. The content included advice to help businesses communicate with their customers and signposted them to the latest government guidance and regulations. The page, which is reviewed and updated regularly, quickly established itself as one of the most visited pages on the industry website. This was complimented by a programme of webinars.

VisitEngland Awards for Excellence

Following the launch of the modernised VisitEngland Awards for Excellence in March 2019, 18 local competitions from across England signed up to the new Awards framework bringing greater consistency to the competition.

A new section for the Awards was created on the Business Advice Hub pages on the industry website (<https://www.visitbritain.org/business-advice/visitengland-awards-excellence>) and a PR toolkit was developed for winning businesses. A survey of applicants revealed that the vast majority (87%+) of respondents agree or strongly agree that the amount of information requested was manageable, the online application process was straightforward and the eligibility criteria was easy to understand (92%).


Performance against the 2019/20 Corporate Priorities (Continued)


Dealing with floods toolkit

Assessing the flood situation An overview of factors to assess when determining the impact of flooding on your business.	Working with others during a flood event Who you should contact locally and what you need to find out.	Communicating with customers during a flood A six-step guide to keeping in touch with your customers and being proactive in your communications.
Cancellations and refunds due to flooding Your legal rights if you have to cancel bookings due to flooding.	Addressing the future impact of flooding Guidance on mitigating the future impact of flooding on your business.	Returning to normal after flooding It is important to keep your website and customers up to date.


Floods Crisis Toolkit

Actions to take when dealing with flooding A summary of what you should do during and after a flood event.	Further support for dealing with flooding Where to go for further help, including any funding schemes available.
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 DOCX, 83.1KB
Download the full Dealing with floods toolkit
Download the complete Dealing with floods toolkit.



VisitBritain/Adam Burton



A Worldwide First Dementia Friendly Guide



Business Support Guides

Dementia-friendly tourism

A practical guide for businesses

Performance against the 2019/20 Corporate Priorities (Continued)

Case Study: English Tourism Week 2019

English Tourism Week (ETW) took place in the first week of April 2019 to kick-start the season for destinations and tourism businesses. Our primary aim was to raise the profile of English tourism and build awareness of the value tourism brings to the economy through job creation and income generation, and to the nation's quality of life with decision-makers and influencers, so we engaged with politicians at national and local levels as well as the media.

We also involved the public by encouraging local residents to discover the tourism products on their doorstep. Kent, Essex, Hertfordshire, Wiltshire, Cheshire and Windsor organised ETW resident's festivals, with attractions and other tourism businesses in these destinations offering free tickets for local residents to use throughout the week or on the last weekend of ETW.

The VisitEngland Tourism Affairs team invited all English MPs to take part in ETW Constituency Day on Friday, 5 April. On that day, English MPs were encouraged to visit an attraction or accommodation business in their constituency to find out more about the value of tourism to their local area and highlight it on social media and to local press.

In partnership with VisitEngland, Michael Ellis MP, the Tourism Minister, ran an ETW drop-in session at his offices on 2 April, inviting MPs to find out more about the importance of tourism to the economy and take part in a photo opportunity.

39 MPs celebrated English Tourism Week and showed support for the visitor economy by visiting local attractions or accommodation businesses or attended the ministerial drop-in session.

As part of ETW we ran our Tourism Superstar campaign in partnership with the Daily Mirror. The competition champions careers in tourism and promote excellence and customer service. We received a record 44 nominations. Tourism Superstar generated 53 items of broadcast coverage including regional radio clips across 17 BBC channels; 10 commercial radio interviews with VisitEngland(VE) Director Andrew Stokes (equivalent to 4 hours of total airtime), and 70 articles across print, trade and online, with a total of 123 stories, a reach of 41 million and an AVE of £223,000.

In 2019 we used social media to amplify ETW. We ran microgap-themed PR activities during ETW as well as 13 Instameets in 11 locations, where 306 local Instagrammers and influencers posted about microgap experiences during ETW from across the country. The #MyMicrogap hashtag reached 2.1 million1m people, through 1,506 posts to the hashtag. The #EnglishTourismWeek19 hashtag reached 1.8 million8m people, through 1,517 posts to the hashtag.

The 2019 Instameets caught the attention of regional media. BBC East of England conducted live interviews with Visit Norwich on the morning of the Instameet and shared content from the Instameet across the BBC social channels including Facebook. Other coverage included the Eastern Daily Press and Radio Norfolk.



Performance against the 2019/20 Corporate Priorities *(Continued)*

(3) To advise on tourism growth, resilience and productivity

2019/20 has seen changes which have impacted VisitBritain and the tourism sector, including the UK's exit from the EU and planning for post-COVID-19. VisitBritain has played its part as the expert voice on tourism policy through its statutory duty to advise Government.

COVID-19

We have and will continue to act as the interface between industry and Government, providing timely and relevant communications, insight and data. Throughout the crisis we have been consulting with industry stakeholders in order to best advise Government on the scale of the economic impact, and the needs of the industry during the recovery phase. Specific activity to date includes:

- VisitBritain has convened weekly Tourism Industry Emergency Response Group (TIER) meetings to facilitate a communication channel between Government and industry since the crises began. We will continue to do so for as long as required.
- We have been exchanging best practice on COVID-19 policy responses with international partners through the OECD Tourism Committee.
- VisitBritain Chairman Steve Ridgway CBE led a rapid and extensive consultation with major industry players including representatives of DMOs, businesses and trade bodies. On behalf of the tourism industry and following talks with Number 10 we sent a paper to the Cabinet Office detailing how Government can help the tourism industry recover from COVID-19.
- Providing oral evidence to the DCMS Select Committee's enquiry into the impact of COVID-19 on the sector.

Tourism Sector Deal

Since the announcement of the Tourism Sector Deal in June 2019, VisitBritain has been working with Government and industry on developing and delivering some of the key proposals in it, such as a Tourism Data Hub and Tourism Zones.

EU Exit Communications

Approaching the UK exit from the European Union, VisitBritain has been engaging with Government on sending out a message of reassurance to consumers in Europe and feeding into the X-Whitehall Travel Campaign and Passenger Communications Group.

Consultations

VisitBritain/VisitEngland have been advising Government through consultation responses such as the Environmental Audit Committee's inquiry into sustainable tourism and the Government's Aviation 2050 Strategy.

Our Letter to Cabinet Office on Behalf of Industry

After setting out the impact so far and our current economic modelling on the likely impact of continued lockdown or social distancing, the paper proposed actions and recommendations across four work streams:

1. Timelines – Understanding the lead-in times needed for businesses to get up and running, helping to accurately phase the lockdown withdrawal.
2. People – Considering what policies need to be in place to best protect jobs, retain skills, and keep our colleagues and customers safe, as restrictions are lifted.
3. Regulation – Establishing what pressures can be lifted to aid the recovery of business, and adapt to new ways of working and travelling.
4. Long Term Future – Using the Sector Deal outcomes to prepare the sector for a new era of travel and to support in the levelling up of communities across the UK through data sharing, product development and reducing the outbound deficit.

Performance against the 2019/20 Corporate Priorities *(Continued)*

(4) To deepen and integrate our partnership activity across our public diplomacy partners, strategic partners, B2B, B2C and brand – to leverage reach, innovation and value

Commercial Partnerships

We use our government funding to leverage investment by major international partners, which means our message goes further, reaching more people and converting into more visits.

Our commercial partners contributed £7.7 million in cash and marketing in kind support in 2019/20.

In 2019 we focused on building deeper, longer term strategic commercial partners. The major shift has been to work with them on a wider range of activities across the full breadth of the customer journey.

- In Europe, we addressed regional and seasonal spread with key European partner's EasyJet, Expedia and P&O.
- In the USA, we continued to support our regional gateway strategy via our Global DMO Partnership Agreement with Marketing Manchester.
- In India and the Gulf, our regional partnership with metasearch engine Wego continued, ramping up our offline sponsorships to capitalize on the opening up of Saudi Arabia with the first ever Taste of Riyadh food festival and the first Jeddah Colour Run.
- In the UAE, VisitBritain took over the branding of the Dubai tram for six weeks, reaching over one million people per day.
- In Australia, we extended the global Expedia partnership to market for the first time and launched a bespoke and personalised itinerary builder tool.
- In China, our work with Ctrip extended to include tailored messaging with Marketing Manchester and Heathrow Airport, as well as continuing our key food and drink theme with Department for Environment, Food and Rural Affairs (DEFRA) around Chinese New Year.
- In support of British Airways' centenary anniversary in 2019, we partnered to develop a complementary consideration campaign that targeted US, Indian, Chinese and Japanese leisure travellers to visit Britain.

Performance against the 2019/20 Corporate Priorities (Continued)

Content & Brand Partnerships

Key content partnerships this year promoted compelling and inspirational British content through the likes of Matador, VICE and GEO, providing target consumers with a mix of aspirational and practical information.

In 2019, VisitBritain renewed our existing non-commercial agreement with the Premier League, taking us into our 12th season in partnership. This renewed relationship enables VisitBritain to unlock relationships with clubs, brands, stakeholders, and gives us access to their IP, giving us gravitas when celebrating Britain as the Home of Football.

In 2019/20 we also developed a campaign to showcase the adventurous and luxurious sides of Britain by partnering with Universal Pictures and MGM to celebrate the release of the 25th Bond movie in the franchise, *No Time To Die*. We invited 25 influencers from across the globe to visit and experience to Britain through the lens of Bond. The influencers were sent off around the country to five different locations to take on a series of Bond-esque 'missions'. The content created from these missions was made into a compilation video to be distributed worldwide to inspire an audience of millennials to visit and experience for themselves. Due to COVID-19, the campaign will be released in autumn to align with the new release date of the film.

Strategic Partnerships

We have continued to build our relationships with our strategic partners – London & Partners, VisitScotland and Visit Wales - and English destinations, trade associations and public diplomacy partners, to deliver sustainable growth in the volume and value of inbound leisure tourism and business events across the nations and regions of Britain. We collaborated closely in areas such as research and marketing:

- VisitEngland, VisitScotland and Visit Wales jointly sponsor and deliver three official statistics (GBTS⁷, GBDVS⁸, and UKOS⁹) as well as the GB domestic brand and communications tracking survey.
- During the critical content planning phase of the *Don't Miss the British Summer* campaign a member of the London & Partners team was seconded to VisitBritain to facilitate collaborative working.

⁷ The Great Britain Tourism Survey (GBTS) is a national consumer survey measuring the volume and value of domestic overnight tourism trips taken by residents in Great Britain, and provides detailed information about trip and visitor characteristics.

⁸ The Great Britain Day Visits Survey (GBDVS) measures the volume, value and trip characteristics of tourism day visits in Britain. The survey was launched in 2011 and uses an online methodology, with weekly interviews and an annual sample of c. 35,000 adults, to provide a detailed understanding of this key market.

⁹ In the UK each of the national tourist boards undertakes its own serviced accommodation occupancy survey. The results from these surveys are combined to deliver the UK Occupancy Survey (UKOS).

Case Study – Men in Blazers

For a second year in a row, VisitBritain partnered with US-based sports personalities Men in Blazers to create a content series that showcased a football themed weekend in Liverpool and Manchester, unlocking behind the scenes access to clubs through our existing non-commercial partnership with the Premier League. The campaign generated 7 million impressions via paid media as well as being broadcast on NBCSN to almost 10 million viewers at no additional cost to VisitBritain.



Performance against the 2019/20 Corporate Priorities *(Continued)*

We have also strengthened our relationships with UK airports. This work included attending World Routes in Adelaide in September 2019 with Heathrow, Gatwick, Bristol and Birmingham, providing an umbrella Britain presence.

Public Diplomacy Partnerships

Government departments and agencies working overseas such as the Foreign & Commonwealth Office (FCO), Department for International Trade (DIT, British Council and UK Visas and Immigration (UKVI) are also key partners:

- Representatives from our London team sit on the GREAT Challenge Fund Board, feed into Global Britain Communications and are members of the new Soft Power Board. We bring valuable data and unique consumer and travel perspectives to these groups.
- Our teams' overseas work with our public diplomacy partners at a strategic level, collaborate on common challenges and opportunities such as diversity in the Americas (see case study below) and route development in China. We also provide public diplomacy support for Her Majesty's Government through hosting trade events and providing content for UK Embassy and diplomats' social media platforms.

Case Study – Love is GREAT

We collaborated with the FCO and DIT on a Love is GREAT Britain campaign. Diversity is an important topic for all government partners – for VisitBritain it is about driving visits and positioning the UK as an inclusive and welcoming destination, for the FCO it's an opportunity for UK Mission (UKMis) to highlight UN human rights work and for DIT to show that the UK is forward-thinking, inclusive and open for business.

VB, FCO & DIT participated in local Pride events in 24 cities across the USA, Canada and in Latin America. This activity helped position the UK as an open, accepting, safe and welcoming place to visit and do business, highlighting the UK's commitment to and leadership in LGBTQ+ rights, and was supported by our marketing campaign to welcome LGBTQ+ travellers. In some of these countries the UK has been the galvanizing force to encourage other foreign governments to participate in Pride events, positioning us as a global leader in LGBTQ+ rights and advocacy.

Aside from Pride events, the past year has seen us participate in LGBTQ community events such as Market Days in Chicago and Castro Fair Day in San Francisco & NewFest LGBTQ Film Festival in New York. British LGBTQ+ film screenings were also held in Ottawa, Calgary and Brasilia and sporting events like Aspen Gay Ski Week with British Airways. These smaller, targeted events have raised the profile of Britain and our commitment to equality. In Brazil, we partnered with the Sao-Paulo based Unicorns Brazil LGBT sports club, supporting their football team at the True Colours Cup and LiGay champions national LGBTQ+ league tournaments. This provided excellent exposure for the Love is GREAT brand and its values.

Content partnerships with major LGBTQ media outlets across the Americas have supported Love is GREAT Britain's key messages and showcased the diversity and welcome of the country and its people.

In addition, we created a high quality tool kit/content package which government agencies across the world could use for free.



Performance against the 2019/20 Corporate Priorities *(Continued)*

(5) To embed business events activity to deliver wins across the UK

Generating demand/creating connectivity for future business for Britain

In-market activity has significantly increased year on year leading to more opportunities for engagement with buyers and planners across Europe and North America. Attendance at new events such as M&I Forum and Global Leaders' Summit has created an increase in leads and extended VisitBritain's Business Event global reach and profile. Through a variety of activity, over 1,100 quality leads were generated through the GREAT campaign and over 3,000 through MeetEngland campaign activity.

In addition to leads generated, the Business Events team received 96 requests for proposals. The team supported the client, engaged with destinations and helped to secure conversions from 33%. This results in a delegate spend in the region of £18 million.

Educational visits to highlight the UK's diverse events offer took place in Birmingham, Bristol, Leeds, Newcastle, Wales and Northern Ireland. 33 buyers were hosted who had events with a combined delegate attendance of 37,800 and a value of more than £35 million in delegate spend. In-market educational lunches hosted over 50 buyers with event spend of over £34 million.

MeetEngland, along with destination and industry partners, attended key industry international trade shows IMEX America, IMEX Frankfurt and IBTM World creating the opportunity for industry partners to meet with thousands of international buyers and global senior decision makers. In excess of 1,150 business event leads were achieved for UK events in future years.

Partnership development with key international industry organisations – Northstar Meetings Group, LGBT MPA, Martiz, PCMA, The Meeting Show and Helms Briscoe – created a diverse range of opportunities to engage with and raise awareness of the UK as a meetings destination including digital platforms, research and insights, campaign activity and event attendance. The Meetings Show, the only UK based event, gave the opportunity to engage with over 450 international event planners in an Events Are GREAT buyers' lounge.

MeetGB (8-12 April 2019) Windsor

VisitBritain held its flagship event, highlighting to global buyers why the UK is the destination of choice for meetings, incentives, conferences and exhibitions. Hosting 90 senior event planners from Europe and North America (who combined organise more than 1,775 events annually) and seven international journalists. All attended educational trips to 10 UK destinations.

The Twitter campaign generated 1,221 uses of #MeetGB, 3.5 million potential impressions and 850 thousand potential reach. On LinkedIn, the campaign resulted in 1,000% increase in engagement and 14% organic growth in followers. The B2B workshop attended by 85 UK suppliers and hosted buyers had over 5,600 one-to-one meetings which took place over two days.

The gala dinner at Hampton Court Palace celebrated the MeetGB Royal theme of 'walking in the footsteps of Royalty, and seeing how your own event can go down in history'. The evening showcased the UK's iconic venues and ability to host outstanding events.

Performance against the 2019/20 Corporate Priorities (*Continued*)



MeetGB Gala Dinner

Deliver business events wins across the UK

The Business Events Growth Programme has provided support to bid for international events and grow the international attendance and profile of events across the UK. To date the fund has supported 50 events with a total of £988,000 granted between 2016 and 2020.

The total fund available in 2019/20 was £390,000. A total of 39 applications were received and 14 events were supported in year to the value of £283,302, 74% of the fund. This would have been higher but due to COVID-19 five events claimed only part of the full approved value.

Event Pipeline

The Business Events pipeline has identified 512 events that are a good fit for the UK in terms of sector, aligning with DIT key sectors and representing a potential delegate spend value of £675 million. Of the 512 events, 125 have been identified as 'open to bid' worth an estimated £124 million in delegate spend. Significant opportunity has been identified within Health and Life Sciences with over 30% of the pipeline from this sector.

Developing new capacity for England

Bespoke workshops were developed and delivered to support destinations across England and the UK. These were designed to deliver and enhance key skills to the industry and included: The Sales Journey; Research & Bidding masterclass; Ambassador Programmes and Legacy of Events; Internationalisation of your Destination; Incentive Market; and Selling to the USA MICE Market (Meetings, Incentives, Conventions and Exhibitions). All workshops were well attended and delivered learnings for attendees. Selling to the USA MICE Market was created due to the significant opportunity for the UK from North America and attracted the largest audience.

Brand, PR and Social Media

PR has seen significant growth year on year with 61 pieces of international coverage (+24% YOY), 12.5 million online readership (+14%) and 129,000 (+60%) estimated coverage views. Social media has also seen strong growth in Business Events social channels with an overall 24% increase in followers.

Performance against the 2019/20 Corporate Priorities (Continued)



A new [eventsaregreat.com](https://www.eventsaregreat.com) website was launched with new, destination-led content on sector strengths, venues, incentives and dining. Traffic has doubled year on year with over 23,000 unique page views (+100% increase) and strong engagement from international users spending almost two minutes on the site (+15%)



A compelling new brand was launched for Business Events, promoting the UK as a leading destination for international business events. Showcasing the country's business events offer with the events industry's passions for events - world renowned research and expertise, one-of-a-kind incentive experiences, high quality venues and infrastructure, and creativity and inspiration. The brand was activated across high profile campaigns in events industry media.

Performance against the 2019/20 Corporate Priorities *(Continued)*

(6) Achieve and embed 100% compliance, meeting all our obligations as an Arm's-Length Body (ALB).

Although compliance was not identified as a corporate priority at the beginning of the year, it became a clear focus during the year on the back of a GIAA audit report that identified various shortcomings, specifically around procurement compliance. Compliance issues raised by our internal auditors were also included. Consequently the Board prioritised a strong culture of compliance and established a Compliance Action Team led by the CEO and the ARC was reinvigorated to provide a further layer of scrutiny. The Compliance Committee, a BTA Board subgroup, was set up to develop and lead a programme of compliance-related work focused around the following areas:

- **Procurement process**
A new procurement policy was drafted and supplier due diligence instructions agreed to clarify VisitBritain's position. These were supported by updates to the standard operating procedures (SOPs) and frequently asked questions (FAQs), published on the VisitBritain Intranet to guide staff members as they went through procurements. Records for the first six months of the year were analysed and areas of confusion and ambiguity were identified and clarified through updates to SOPs and FAQs. Changes were also made to the purchase order approval system to ensure appropriate checks were made and supporting documents were stored on the purchase order record.
- **Single tender actions (STA)**
A new STA form was produced which clarifies acceptable reasons for STAs, and SOPs were revisited to clarify the process. All non-competitive procurements are now identified via the purchase order record, and STAs are reported to the Audit and Risk Committee on a quarterly basis.
- **Contract management**
A review was conducted of all contracts stored in the contract management database to create an up to date single source for contracts. Missing and irregular contracts were identified and actions initiated to regularise them through re-procurement or STAs. Contract owners and managers were identified for each contract and extensive training has been provided.
- **Grant processing**
Process maps and accompanying guidance were drafted and published on the Intranet to ensure clarity for staff processing grants.
- **Travel and expenses**
An updated Travel and Expenses Policy was drafted to bring VisitBritain in line with other ALBs. The policy was integrated into the rules set up in a new travel and expense system which is ready for implementation. A Travel Management Company is being procured through a government framework to provide cost savings and improve control over travel expenses.
- **IR35**
VisitBritain's policy and processes were updated to allow contractors only through VisitBritain or an agency payroll. All existing contractors' situations were analysed and, where appropriate, changes were made to meet the policy requirements.
- **HR policies and procedures**
The Remuneration & People Performance Committee has had its brief extended and now provides governance over all people related issues. All HR policies have been reviewed and updated and operating procedures are being updated to reflect changes. HR recording and filing processes have been reviewed and records consolidated and updated with correct up to date information.

Performance against the 2019/20 Corporate Priorities *(Continued)*

- **Recruitment and on boarding**

The authority to recruit process has been tightened up ensuring HR and Finance approval before recruitment commences. Support is being provided to recruiting managers through shortlisting and interview templates and associated guidance. A new induction process has been developed supported by manager and new employee induction checklists and mandatory online compliance training. The new employee probation process has also been reviewed to ensure the completion of the probation review prior to the end of the probation period.

- **Strengthening controls**

An assurance map has been developed which maps VisitBritain's level of comfort with control mechanisms against key organisational processes. Control gaps have been identified and a programme to close these gaps is being developed. The assurance map will be reviewed regularly to ensure controls are improving and any new gaps are identified early.

All of the above were supported by management cascades to all teams, continuous staff communications via the Intranet, inclusion in new staff induction process and additional training where appropriate.

We have made strong progress in a range of areas but recognise the importance of continuing to embed these changes and make improvements. For example, training and messaging to reinforce the culture change and the improvement of processes and controls continues to be a top priority for BTA.

Where are we going next? Our Plans for 2020/21

2020/21 will be a year like no other. Responding to COVID-19 is the Government and tourism industry's top priority and therefore ours.

The timing of the pandemic remains uncertain. Our business is global – that means that even as the initial UK peak passes we need to be responsive and sensitive to the situation around the world. It is likely that the coronavirus will dominate our work for at least the rest of 2020.

The BTA has a vital role to play to support the sector in these challenging and unprecedented times. Our objective is to ensure that tourism rebounds to become one of the most successful sectors of the UK economy once again.



Looking after our people

- Our number one priority is supporting our staff, ensuring everyone feels a valued contributor of one global team. Maintaining our employees' safety and wellbeing, both physical and mental, is critical.
- We are reviewing our policies in the light of COVID-19, taking proactive steps to make working from home work for everyone, and exploring how we can best keep up connectivity and community spirit. This includes launching a wellbeing hub and a comprehensive learning and development programme.
- We recognise that post-crisis "business as usual" will not be "business as before". We will adapt to ensure our staff continue to be safe and effective as lockdown eases, and develop a new long term people strategy.

Advising government

- Our statutory duty to advise Government on matters relating to tourism has never been more important. We are providing the Government with advice on a range of issues – from what policies could spur the industry to recover to changing consumer trends.
- We will continue to closely monitor the COVID-19 outbreak, feeding in industry concerns and ideas to Government via the convening of Tourism Industry Emergency Response Group (TIER).
- We have developed sophisticated modelling to forecast economic impact and are providing Government with in-depth data and analysis. We are also conducting industry impact surveys to understand the impact on individual businesses and monitoring consumer sentiment and attitudes towards domestic and international travel.

Where are we going next? Our Plans for 2020/21 *(Continued)*

Supporting Industry

- We will continue to share regular situation updates and practical advice to the industry and DMOs.
- We will deliver a “business ready” package for UK businesses.
- We will secure the adoption of consistent messaging and experience commitments by UK businesses through an industry standard.
- We will support the business events industry. Business events decision-making operates to a long lead time – up to five years into the future, so safeguarding the future pipeline of bookings is essential.

Delivering the best recovery campaign in the world

- All marketing efforts are being re-scoped to respond to COVID-19 to support the UK tourism industry, protect Britain’s tourism market share globally, and contribute to jobs and growth for Britain.
- We will help recover the value of UK staycations and extend the season past the usual July-August peak into the autumn, encouraging people to explore less visited parts of the country and promoting the mental and physical health benefits of travel. Currently, British citizens spend £34 billion a year more overseas than international visitors spend in the UK - there is an opportunity to use this year to lay the groundwork to address this deficit and build a more resilient domestic market for the future.
- We will fight to maintain market share from international markets. We are working to maintain interest in visiting Britain through the crisis – working with key intermediaries, partners and international media to ensure Britain product features competitively in their programmes, content and inspiration stories for 2021 travel.
- We will deliver the best recovery campaign in the world, driving visits from the time each market is ready and able to travel.

Transforming the way we work

- Embed strong governance, compliance and ensure business continuity. Through this period, we need to ensure we continue to run the business in an effective and efficient manner and spend public money wisely. We want to embed the compliance improvements made in the 2019/20 year and provide assurance to ourselves and our sponsors that the changes have become part of the way we work.
- We want to continue to build our culture and team – making progress towards becoming a more inclusive, collaborative, learning organisation and driving a compliance culture.
- We are working to professionalise the support service functions, moving to a more professional business model for the HR, Finance and Procurement functions.
- We are initiating a digital transformation programme to renew our digital marketing estate and adapt our ways of working to the future digital environment.

2. ACCOUNTABILITY REPORT



Accountability Report

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CORPORATE GOVERNANCE

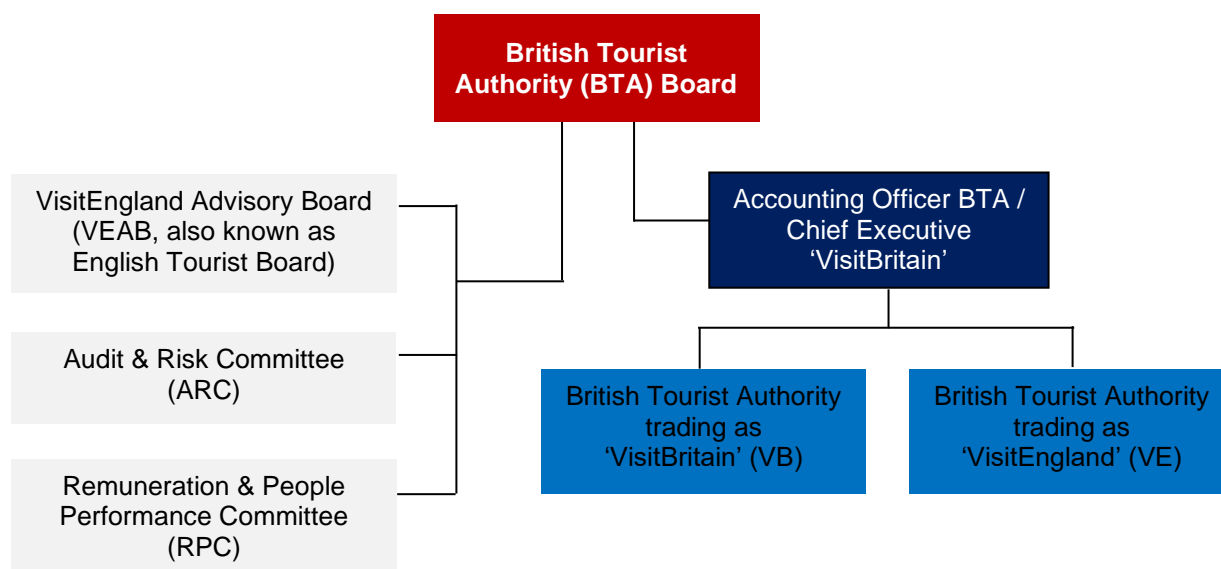
The Directors' Report for the Year 2019/20

Scope of responsibilities

The British Tourist Authority (BTA) was established by the Development of Tourism Act 1969. It undertakes Britain-wide and England-specific activity respectively under the brands "VisitBritain" and "VisitEngland" in accordance with the governance structure established as a result of the 2015 Spending Review.

VisitBritain and VisitEngland were brought structurally closer together in 2015. Therefore, we have consolidated the accountability for delivery of England and Britain into the remit of a single body under the BTA.

BTA's Governance Structure



Organisation

The DCMS appointed Chairs for the BTA Board and the VisitEngland Advisory Board in 2019/20. They were:

- Steve Ridgway CBE as BTA Chairman;
- Denis Wormwell as Chairman of the VisitEngland Advisory Board.

The BTA Board

Role: The BTA Board is responsible for ensuring that VisitBritain and VisitEngland operate within the terms of the Development of Tourism Act 1969 and for overseeing the delivery of planned results. In carrying out its responsibilities in relation to VisitEngland, the BTA Board is advised by the VisitEngland Advisory Board which I attend in my capacity as BTA Accounting Officer/Chief Executive Officer.

The Directors' Report for the Year 2019/20 (Continued)

The roles of the BTA Chairman and BTA Board are set out in full in BTA's Code of Practice for Board Members and the Management Agreement with DCMS. In broad terms, the BTA Board is responsible for:

- Maintaining accountability for delivery of all activity on British and English tourism.
- Maintaining both VisitBritain and VisitEngland brands.
- Establishing the overall strategic direction of VisitBritain and VisitEngland and subsequently monitoring performance against the targets set out in the Business Plans, Management Agreement or which are attached to any other sources of Government funding.
- Consulting with the VisitEngland Advisory Board as appropriate for advice on English tourism matters (but not delegating final decision-making to the VisitEngland Advisory Board).
- Ensuring that it fulfils its role under the Development of Tourism Act 1969 and meets the aims and objectives established by the Secretary of State for DCMS as set out in the Management Agreement.
- Ensuring it takes account of any guidance received from DCMS in reaching its decisions; and complies with statutory and administrative requirements for the use of public funds.
- Ensuring that high standards of corporate governance are observed at all times.

Membership: The BTA Board comprised the Chairman, Steve Ridgway CBE, and up to ten other members during the year, five of whom are appointed by the Secretary of State for DCMS and one by the Welsh Assembly. The Chairman of VEAB and of VisitScotland sit on the Board in an ex-officio capacity. In addition, during the year, Katy Best, Giles Smith and Mark Taylor attended Board meetings by invitation as observers in their capacity as members of the boards of the Northern Ireland Tourist Board and London & Partners.

The Directors' Report for the Year 2019/20 (Continued)

BTA BOARD



Steve Ridgway CBE
BTA Chairman

Steve Ridgway took up his post as BTA (VisitBritain/VisitEngland) Chairman on 1 April 2017. He provides strategic leadership to our work to boost tourism to and within Britain, leading the delivery of a new era of greater coherence and partnership for the visitor economy.



Denis Wormwell
Chair of VisitEngland
Advisory Board /
Board Member



Carol Hui
Audit & Risk Committee
Chair / Board Member



Dame Judith Macgregor
Remuneration & People
Performance Committee
Chair / Board Member



Ian Edwards
Wales Representative /
Board Member



Lord John Thurso
Chair of VisitScotland /
Board Member



Robin Frewer
Board Member



Peter Gowers
Board Member



Karin Sheppard
Board Member



Katy Best
Board Member



Giles Smith
Observer



Mark Taylor
Observer

The Directors' Report for the Year 2019/20 (Continued)

Three sub-committees report to the Board; the VisitEngland Advisory Board, the Audit & Risk Committee and the Remuneration & People Performance Committee. Members of these three Committees during the year are identified below.

British Tourist Authority Board Members	Appointed	Appointment Expiry
Stephen Ridgway CBE (Chairman) ^{(1) (2)}	11-Jul-13	31-May-20
Lord John Thurso ⁽³⁾	01-Apr-16	31-Mar-22
Denis Wormwell ^{(1) (3) (4) (6)}	01-Apr-17	31-Mar-20
Ian Edwards ⁽³⁾	17-Dec-18	16-Dec-21
Ian McCaig ^{(1) (6)}	13-Feb-14	12-Feb-22
Dame Judith Macgregor ⁽¹⁾	01-Dec-17	30-Nov-20
John Lindquist ^{(4) (6)}	15-Mar-10	29-Nov-19
Carol Hui ⁽⁴⁾	06-Jan-20	05-Jan-25
Peter Gowers ⁽⁴⁾	06-Jan-20	05-Jan-25
Karin Sheppard ⁽¹⁾	06-Jan-20	05-Jan-25
Robin Frewer	06-Jan-20	05-Jan-25
Fiona Pollard ⁽⁵⁾	01-Apr-20	01-Jun-20

British Tourist Authority Board Observers	Position, Organisation
Giles Smith	DCMS
Katy Best	Board Member, Northern Ireland Tourist Board and Commercial Director, Belfast City Airport
Mark Taylor	Board Member, London & Partners (appointed 22 May 2018)
Patricia Yates	Executive Director, Strategy & Communications, BTA
Peter Mills	Executive Director, Finance and Business Services, BTA (started January 2020)
Hazel Cunningham	Executive Director, Finance & Business Services, BTA (left in January 2020)

- (1) Members of the British Tourist Authority's Remuneration & People Performance Committee
- (2) On the completion of his term Stephen Ridgeway was replaced as chair by The Right Hon. Sir Patrick McLoughlin CH
- (3) Rt. Hon. Viscount Thurso and Denis Wormwell sit on the Board in an ex-officio capacity in their roles as Chairman of VisitScotland and VisitEngland respectively. Ian Edwards was appointed by the Welsh Assembly.
- (4) Members of the British Tourist Authority's Audit & Risk Committee
- (5) Fiona Pollard, current member of the VisitEngland Advisory Board (VEAB), has been appointed on an interim basis as the Chair of the VEAB; she will also sit on the BTA Board in an ex-officio capacity during the interim appointment.
- (6) Denis Wormwell and John Lindquist have finished their terms of office. Ian McCaig stepped down as a Board Member on 03-Dec-19.

The Directors' Report for the Year 2019/20 (Continued)**VisitEngland Advisory Board (VEAB, also known as English Tourist Board)**

The BTA Board receives advice on English tourism matters from the VisitEngland Advisory Board (VEAB, also known as the English Tourist Board). This is the advisory board responsible for advising the Executive and Board of the BTA on the development and implementation of the VisitEngland Action Plan. It also advised on the preparation of criteria for assessing Discover England Fund bids and its comments and advice were communicated to the BTA Board to inform the BTA Board's decisions.

Given its advisory function, the VisitEngland Advisory Board continues to convene board meetings, no less than four times a year with additional meetings where appropriate.

VisitEngland is legally accountable to the BTA Board and Accounting Officer of BTA who exercise their responsibilities through a Governance framework put in place in 2016 which details the corporate governance arrangements. VEAB does not receive any income directly from the Exchequer or from any other source. All costs and expenses incurred by VisitEngland connected to VEAB's work are met from BTA's resources.

Membership: The VEAB Board comprises the Chairman and five other members, all of whom are appointed by the Secretary of State for Digital, Culture, Media and Sport. In addition, observers can attend the Board meetings by invitation.

VisitEngland Advisory Board Members	Appointed	Appointment Expiry
Denis Wormwell (Chairman) ^{(1) (2) (4)}	22-Jun-09	31-Mar-20
Fiona Pollard (Interim Chair) ⁽³⁾	05-Mar-18	04-Mar-22
Nigel Halkes ⁽¹⁾	13-Jan-14	12-Jan-22
John Hoy ⁽⁴⁾	30-May-11	31-Oct-19
Sarah Stewart OBE ⁽⁴⁾	30-May-11	31-Oct-19
Allan Lambert	05-Mar-18	04-Mar-22
Andy Wood OBE	06-Jan-20	05-Jan-25
Nadine Thomson	06-Jan-20	05-Jan-25
Sarah Fowler	06-Jan-20	05-Jan-25

VisitEngland Advisory Board Observers	Position, Organisation
Stephen Darke	DCMS
Patricia Yates	Executive Director, Strategy and Communications, BTA
Andrew Stokes	Executive Director, England, BTA
Peter Mills	Executive Director, Finance & Business Services, BTA (started January 2020)
Hazel Cunningham	Executive Director, Finance & Business Services, BTA (left in January 2020)

(1) Members of the British Tourist Authority's Audit & Risk Committee

(2) Members of the British Tourist Authority's Remuneration & People Performance Committee

(3) Fiona Pollard was appointed on an interim basis as Chair of the VisitEngland Advisory Board from 01-Apr-20 to 01-Jun-20, following the departure of Denis Wormwell and pending the appointment of a substantive Chair. Nick de Bois has been appointed as the new Chair of the VisitEngland Advisory Board from 01-Jun-20 to 31-May-23. Fiona Pollard left the Audit and risk Committee after its meeting on 15-Sep-20 and will be replaced by Nick de Bois.

(4) Term of office finished

The Directors' Report for the Year 2019/20 *(Continued)*

Sally Balcombe attends VisitEngland Advisory Board meetings in her capacity as BTA Accounting Officer/Chief Executive Officer, BTA

BTA and VEAB both maintain Register of Interests of Board Members. A copy of the Register is available on our corporate website: [\[https://www.visitbritain.org/board-meetings-committees\]](https://www.visitbritain.org/board-meetings-committees)

The biographies of the Members of both Boards are available on our corporate website: <https://www.visitbritain.org/our-team>

The Directors' Report for the Year 2019/20 (Continued)

OUR SENIOR TEAM



Sally Balcombe
Chief Executive

Sally joined our team as CEO in September 2014. Prior to that, from 2013, she was a member of the VisitBritain board, having held the position of Chief Marketing Officer for Travelport GDS from 2008-2011, where she was responsible for marketing, the product portfolio, strategy, pricing and global communications.



Manuel Alvarez
Director of China and North East Asia



Robin Johnson
Director Europe



Gavin Landry
Director Americas



Clare Mullin
Marketing Director



Andrew Stokes
England Director



Tricia Warwick
Director Asia Pacific, Middle East and Africa (APMEA)



Patricia Yates
Director Strategy and Communications



Peter Mills
Finance & Business Services Director



Debra Lang
HR and Transformation Director

The Directors' Report for the Year 2019/20 (Continued)

Audit arrangements

The audit of the British Tourist Authority's financial statements by the National Audit Office, (NAO), enables the Comptroller and Auditor General to fulfil his statutory duty under the Development of Tourism Act 1969, to lay before Parliament certified copies of the annual accounts and his report.

The fees paid to the NAO for audit services amount to £86,000 (2018/19: £90,000), and there are no other services provided by the NAO.

So far as the Accounting Officer is aware, there is no relevant audit information of which the BTA auditors are unaware. The Accounting Officer has taken all necessary steps to make herself aware of any relevant audit information and to establish that the BTA's auditors are aware of that information.

A handwritten signature in cursive script that reads "Sally Balcombe". A long horizontal line is drawn below the signature, starting from the end of the word "Balcombe" and extending to the right.

Sally Balcombe
Accounting Officer
BTA
2nd December 2020

Statement of Corporate Governance by the Accounting Officer

The British Tourist Authority responsibilities under the Act and its wider governance arrangements are explained in detail in the Directors' Report on pages 52-59. BTA is sponsored, and part funded, by the Department for Digital, Culture, Media, and Sport, (DCMS), which was confirmed through the funding letter of the 3 March 2016 for the financial year 2019/20.

During 2019/20, BTA continued work to develop high standards of governance and ethical behaviour and adopt systems which are appropriate for its business. As documented below, a number of compliance issues arose in both 2017/18 and 2018/19, and also in 2019/20.

The Governance Framework

The Chairman of the BTA is accountable to the Secretary of State for DCMS for the performance of the BTA in its Britain and England activities.

As Accounting Officer, I have responsibility for accounting to Parliament, DCMS, the BTA's Board and other stakeholders. I am personally responsible for safeguarding the public funds for which I am in charge; for ensuring propriety and regularity in the handling of those public funds; and, reporting to the Board of the BTA, for the day-to-day operations and management of the BTA and the achievement of its strategic aims.

In addition, I ensure that the BTA as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in HM Treasury's "Managing Public Money".

As Accounting Officer, I am responsible for the day-to-day operations and management of BTA and remain accountable to DCMS and to Parliament for the income and expenditure of all BTA work carried out under the VisitBritain and VisitEngland brands.

I am supported by a team of operational Executive Directors, including the Director of Finance and Business Services who has responsibility for financial and compliance matters, and the Secretary to the Boards who supports both Boards and is a member of the Executive Team.

Information and reporting systems are in place to assist in monitoring progress against financial and non-financial targets and to provide access to detailed management and transactional information.

Compliance with HM Treasury and Cabinet Office's Code of Good Practice 2017

BTA complies with HM Treasury and Cabinet Office's Code of Good Practice 2017 in relation to Corporate Governance to the extent that it is relevant and appropriate to BTA. Mazars, the internal auditors, have not been invited to attend any Board meetings during the year, although they attend all Audit & Risk Committee meetings.

The effectiveness of the Governance Framework

As Accounting Officer, I have responsibility for reviewing the effectiveness of BTA's corporate governance arrangements. In carrying out this duty, I am advised and supported by the BTA Board, the VEAB (VisitEngland Advisory Board), and the Audit & Risk Committee, the internal and external auditors as well as by the Executive Directors and Secretary to the Boards.

BTA has governance policies and procedures in place which are subject to regular testing and review, however, various audits have identified a number of areas requiring improvement. This is a corporate priority and details of our progress in addressing the issues identified in previous years is set out on pages 47, 48, 67 and 68.

We have to operate within other Government Governance Frameworks, such as the communications spend controls (Cross Government Professional Assurance), which related to marketing and advertising expenditure to ensure value for the taxpayer. Activity and expenditure in respect of GREAT funding is scrutinised by the GREAT Programme Board.

Statement of Corporate Governance by the Accounting Officer *(Continued)*

The Discover England Fund is implemented by an established governance model. This includes a comprehensive programme board for assessment and decision-making followed by an independent awards panel. This process enables the BTA Board to make informed decisions when approving bids.

The BTA (VisitBritain and VisitEngland) Management Accounts are produced on a monthly basis and available for all budget holders to monitor their budget. The Executive Directors review the Management Accounts and performance report quarterly to check performances are on target against planned results.

The BTA Board review the latest quarterly Management Accounts at each of their meetings, as does the Audit & Risk Committee. We also meet with and report to our Government Sponsor Department throughout the year, in compliance with our Management Agreement. In particular, we conduct a quarterly review process with DCMS officers through which we highlight performance achievements against targets, as well as risks and respective mitigation strategies.

Board Governance

The composition and membership of the BTA Board is reported in the Directors Report. I attend every meeting as does the Director of Finance & Business Services.

The recruitment and appointment process for those Board Members appointed by the Secretary of State for DCMS is carried out in accordance with the Office of the Commissioner of Public Appointments' Code of Practice, and takes full account of the Chairman and Board's assessment of any gaps in the skills and competencies required to ensure a well-rounded Board equipped to carry out its responsibilities for BTA. Board Members are normally appointed for their ability to add to the Board's collective wisdom.

Appointments or re-appointments are normally for periods ranging from a minimum of three years to a maximum of five. The maximum term any BTA Board member can serve continuously is 10 years.

The Chairman ensures that all Members of the BTA Board, when taking up office, are fully briefed on the terms of their appointment and on their duties and responsibilities.

All new Board Members receive a comprehensive induction pack, which includes copies of all relevant governance material, and attend an induction session with the Chief Executive Officer and Directors.

The BTA Board normally meets at least six times during each calendar year. BTA Board Members receive timely, regular and appropriate management and other information to enable them to fulfil their duties. They also have direct access to the advice and services of the Secretary to the BTA Board and have regular informal contact between meetings with the Chairman, Chief Executive, and Senior Management Team as appropriate; particularly in relation to any discrete areas of activity which individual Members sponsor. This helps to foster an open relationship and regular exchange of knowledge and experience between the Management Team and Board Members.

BTA Board Meetings held between April 2019 and March 2020 took place on following dates:

1. 18 June 2019
2. 17 September 2019
3. 15 October 2019 (Joint Board Strategy Day)
4. 3 December 2019
5. 28 January 2020
6. 31 March 2020

Statement of Corporate Governance by the Accounting Officer (Continued)

The attendance by individual Board Members, Observers and Committee Members at meetings during 2019/20 was as follows:

	Board Member / Observer / Independent Seconded	Meetings attended (eligible to attend)	BTA Board	Audit & Risk Committee (ARC)	Remuneration & People Performance Committee (RPC)	Visit England Advisory Board (VEAB)
Steve Ridgway CBE	Chairman of the BTA Board	6(6)			4(4)	
Denis Wormwell	VEAB Chairman and member of the ARC and RPC	5(6)		4(5)	4(4)	5(5)
Rt. Hon. Viscount Thurso	Board Member	6(6)				
Dame Judith Macgregor	Board Member	6(6)			4(4)	
Ian Edwards	Board Member	6(6)				
Carol Hui	Board Member and Current Chair of the ARC	2(2)		2(2)		
Peter Gowers	Board Member	2(2)		1(1)		
Karin Sheppard	Board Member	2(2)				
Robin Frewer	Board Member	2(2)				
Fiona Pollard ⁽¹⁾	BTA Board Member, VEAB Interim Chair and ARC member			1(1)		5(5)
John Lindquist	Board Member and Immediate Past Chairman of the ARC	4(4)		3(3)		
Ian McCaig	Board Member and RPC Member	3(4)			2(2)	
Nigel Halkes	Member of the ARC and VEAB Member			5(5)		5(5)
Giles Smith	DCMS	6(6)				
Mark Taylor	Observer	5(6)				
Katy Best	Observer	5(6)				
Allan Lambert	VEAB Member					4(5)
John Hoy	VEAB Member					3(3)
Sarah Stewart	VEAB Member					2(3)
Sarah Fowler	VEAB Member					1(1)
Nadine Thomson	VEAB Member					1(1)
Dr Andy Wood OBE DL	VEAB Member					1(1)
Jason Thomas ⁽²⁾	Board Member	1(1)				
Hugh Green ⁽³⁾	Independent Member of the ARC			5(5)		

⁽¹⁾ Fiona Pollard left the ARC after the meeting on 15-Sep-20 and will be replaced by Nick de Bois.

⁽²⁾ Jason Thomas attended one Board meeting on 18-Jun-19 as representative for the Welsh Government.

⁽³⁾ Hugh Green left the ARC after the meeting on 15-Sep-20 and will be replaced by Tim Hurdle.

Statement of Corporate Governance by the Accounting Officer (Continued)

BTA Senior Team Attendance					
Board Member / Observer / Independent Seconded	BTA Board	Meetings attended (eligible to attend)			Visit England Advisory Board (VEAB)
		Audit & Risk Committee (ARC)	Remuneration & People Performance Committee (RPC)		
Sally Balcombe	Chief Executive Officer and attendee to the ARC & RPC	5(6)	4(5)	4(4)	5(5)
Patricia Yates	Executive Director, Strategy & Communications	6(6)			
Peter Mills	Executive Director, Finance & Business Services	2(2)	2(2)		
Hazel Cunningham	Executive Director, Finance and Business Services	4(4)	3(3)	3(3)	

Arrangements are in place through which potential conflicts of interests are recorded and managed. The purpose is to avoid any danger of Board Members being influenced, or appearing to be influenced, by their private or other interests in the exercise of their public duties for BTA.

The Register of Interests of our Board Members is available on our corporate website:

<https://www.visitbritain.org/board-meetings-committees>

Employees are also asked to declare potential conflicts of interest and a separate register is maintained to record these. In addition, at all Board and Committee meetings Members are required to declare an interest if they or their close family have an interest, financial or otherwise, in any matter being considered at the meeting. The Board or Committee will then decide whether or not it is appropriate for the Member to participate in the discussion on the item in question. In 2019/20 there were no withdrawals from Board or Committee discussions.

Whistleblowing

The BTA is committed to providing a fair and open culture and has a Whistleblowing policy in place documenting the procedures to allow employees to raise any issues, freely and without concern, with their line manager. The policy is available to all staff via the corporate intranet. The policy explains how employees or others may make a disclosure or “blow the whistle” on any element of the organisation’s activity, which they perceive is contrary to its policies and the Standards of Conduct Policy, and falls within the category of malpractice.

Statement of Corporate Governance by the Accounting Officer *(Continued)*

The Work of the Board in 2019/20

During 2019/20 the Board reviewed progress against the agreed corporate priorities and also considered a number of key programmes and change management initiatives, as below:

- Continued to market Britain overseas to drive growth in international leisure and business tourism.
- Maintained distinct activities to develop and market English tourism.
- Launched the Tourism Sector Deal, which puts tourism in a prime position as a leading industry for the Government's future economic planning.
- Developed and launched the Tourism Exchange Great Britain (TXGB) platform, a business-to-business digital platform that connects tourism suppliers in England to distributors around the world.
- Continued to build the commercial partnership strategy.
- Continued to manage the Discover England Fund.
- Monitored the impact of the COVID-19 pandemic on Britain's tourism economy, and provided advice and guidance to both government and industry on disaster management and recovery.
- Considered the initial roadmap for building sustainability into British tourism.
- Continued to review the options for the current pension arrangements to ensure future compliance with HM Treasury requirements for public sector pension reform.

The Quality of Data used by the Board

The data and information used by the Board include assessments and statistics relating to both industry performance and BTA's financial performance and progress in meeting its corporate targets and performance measures; reports on the progress of major programme activities, reviews of the competitive landscape and reports from VisitEngland.

- Industry performance is assessed using data from independent third party sources such as the ONS International Passenger Survey and insights and market intelligence gathered on territory by our managers. Relevant data is presented to the Board at each meeting.
- Financial data is provided by our Financial Information System from which the management accounts and comparisons to budget are produced. Summary details with commentary, are provided to the Audit and Risk Committee and Board at each meeting. The performance for the financial year is also monitored monthly and reported to the Board.
- A range of human resources data and metrics are reported on a quarterly basis including, but not limited to, diversity, off payroll and pay remit. The Remuneration Committee considers and approves, on behalf of the Board, performance pay proposals and payroll benchmarking data.
- Non-financial performance reports, including separate reports on our retail activity, enable the Board to monitor progress against corporate and business plan targets. These include measures of campaign performance and PR reach and effectiveness. Evaluation is based on tourism industry standards for campaign performance, compiled by internal experts. Measures also exist for digital, including social media, and marketing in-kind.
- Progress reports on major areas of programme activity and reviews of the competitive landscape and the issues which impact on Britain's performance as a global destination in each of the territories in which VisitBritain operates are presented to the Board on a regular basis.
- Reports on VisitEngland's financial and non-financial performance are presented quarterly to allow the Board to track progress on business plan objectives and budgetary compliance.

The Board considers the standard of this data and information in terms of quality, accuracy and timeliness commensurate with its responsibilities but if it considers it necessary, requests additional information or clarification.

The Board's understanding and scrutiny of the quality of data are also informed by the work of the Audit and Risk Committee and that of the internal and external Auditors.

Statement of Corporate Governance by the Accounting Officer *(Continued)*

BTA Board Sub Committees

BTA does not have Nominations or Governance Committees. The Audit and Risk Committee and the Remuneration Committee reviews and considers any governance matters referred to it by the Board.

VisitEngland Advisory Board

During 2019/20 the VisitEngland Board reviewed progress against VisitEngland's agreed corporate priorities and considered a number of key programmes and change management initiatives, including the following:

- Strategic oversight of the Discover England Fund (DEF), the annual England tourism awards, and ensuring the development of English tourism products launched in market.
- Maintained distinct activities to develop and market English tourism, such as the delivery of the annual English Tourism Week campaign.
- Consumer campaigns and digital content delivered.
- Continued to develop the Business Events strategy for England.
- Maintained and developed strategic partnerships.
- Development and launch of the Tourism Exchange Great Britain (TXGB) platform, a B2B digital platform connecting tourism suppliers in England to distributors around the world.

The Remuneration & People Performance Committee

The Remuneration Committee consists of four members: the Chairmen of BTA and VEAB and two other members of the Boards of BTA. The Chief Executive Officer, Director of Finance & Business Services and the Director of HR & Transformation attend meetings as required but no member of staff, including the Chief Executive, is present when their remuneration is being discussed.

In common with other government departments and agencies, BTA must operate within public sector pay policy pay remit. The Committee reviews the pay remit prior to its submission to DCMS and, subsequently, reviews the final consolidated and non-consolidated payment ranges to be awarded to staff which are both based on performance during the year.

The Audit and Risk Committee

In January 2020 the Audit Committee was renamed the Audit & Risk Committee (ARC). The ARC meets at least four times a year and its remit reflects the good practice principles for Audit and Risk Assurance Committees in central government as set out in HM Treasury's Audit and Risk Assurance Committee Handbook (April 2016).

A new Audit and Risk Committee Chair (Carol Hui) was appointed in January 2020 and she commissioned a review of the ARC terms of reference for the Committee. The review was completed during the year and the terms of reference were updated. Soon after the appointment of the new Chair the Committee received an update on public sector accounting, in order facilitate effective oversight.

The Committee consists of five members: four are drawn from the Boards of BTA and VEAB and the fifth is an external member, who is a Partner at KPMG LLP. I also attend meetings together with the Director of Finance & Business Services and the Secretary to the Board. The Internal and External Auditors are also invited to attend meetings, in particular to discuss the results of internal audit activity and the annual audit respectively. During the year, the Committee Chairman met privately with both the internal auditors, Mazars and NAO.

In 2020 I have also appointed a Finance & Business Services Director, and enhanced the executive team with a new HR Director, both Directors are on secondment from DCMS. They bring with them a wealth of experience from central government and an excellent appreciation of the control regime that should exist in an Arm's Length Body.

Statement of Corporate Governance by the Accounting Officer *(Continued)*

An annual programme of internal audit work is agreed with the Audit and Risk Committee on those areas which are considered to be of higher risk or which may be of an innovative nature or where it is appropriate to carry out a review of existing systems. The Committee reviews this programme during the year to re-allocate resources to areas of risk which come to its attention.

BTA has developed an assurance map and supporting framework. This will be a useful tool for BTA in understanding where there may be gaps in assurance and support the BTA in ensuring there is an effective and efficient framework in place to give sufficient, continuous and reliable assurance on organisational stewardship and the management of the major risks to organisational success.

During the year, the Audit and Risk Committee has continued to scrutinise the internal controls and risk management. For 2019/20 a new template for Director's Assurance Statements was created to more closely align with budget delegation letters. An updated risk register was produced to align with the new Assurance Statements.

The Committee added the review of corporate policies to its standing agenda. Specific policies introduced in 2020 include

- A revised foreign currency policy including hedging arrangements.
- A new procurement policy to strengthen and ensure compliance (May 2020).

Mazars appointment as internal auditor was extended to 31 March 2021. A procurement process for the audit from 1 April 2021 is underway.

The Internal Audit Annual Report for the year ended 31 March 2020 produced by Mazars states:

'On the basis of our internal audit work, our opinion on the framework of governance, risk management, and control is limited in its overall adequacy and effectiveness. Certain weaknesses and exceptions were highlighted by our audit work. In particular we provided limited assurance in our Governance and Assurance review and raised one recommendation that was Priority 1 (Fundamental). We also identified further work is to be done to address previously raised recommendations, specifically within HR – Recruitment. We have recommended that these previously raised recommendations should be addressed as a matter of priority. These and all other matters have been discussed with management, to whom we have made a number of recommendations'.

Executive

The Board appoints and employs the Chief Executive, who leads an Executive Director team. The Executive team are responsible for the management and performance of the organisation and the delivery of the strategy on behalf of the Board under the Financial Control Framework and procedures approved by the Board. Executive appointments are filled through open recruitment. Executive Directors who served during 2019/20 are listed on page 73.

Overall Control Environment

The Audit and Risk Committee has:

- Reviewed all internal audit reports and management responses and monitors progress on the implementation of any agreed recommendations.
- Followed an annual work programme.
- Reviewed the corporate risk registers to satisfy itself that risks are being well managed and that all new emerging risks have been identified.
- Reviewed the Annual Report and Accounts prior to submission to the Board and any matters arising from the audit of the Accounts by the National Audit Office.

BTA has suffered no protected personal data incidents during 2019/20 and has therefore made no report to the Information Commissioners office.

Statement of Corporate Governance by the Accounting Officer *(Continued)*

BTA had two incidents of cyber fraud in 2020, both of which were identified after the financial year end, although one occurred prior to the year end and has been reported under losses on page 83.

We have not received any Ministerial Directions during the year.

Risk assessment and new risks

Challenges and risks faced in 2019/20 are described in the Performance Report (pages 16-18) and the risk management framework is outlined on page 16.

Key Governance Issues

We are committed to strong governance and working towards a comprehensive multi-year programme of improvements.

Whilst the Comptroller and Auditor General (CAAG) has issued an unqualified audit opinion, a report is included on pages 93 and 94 explaining the background to the Single Tender Actions (STAs) that led the CAAG to qualify his regularity opinion on the 2018-19 BTA financial statements, and the improvements in the control environment since then.

This is a legacy issue from the previous financial year, where DCMS were not able to provide retrospective approval for certain 2018-19 STA's. The actions taken to successfully resolve it are described in more detail below.

We have identified the primary governance issue as lack of compliance of which the key elements were:

- Clarity of procurement processes and Single Tender Actions.
- Adequacy of contract management and completeness of contract records.
- Oversight and review of HR policies and procedures including recruitment.
- Clarity of HR processes and completeness of HR records.
- Identification and resolution of internal control gaps.

This remains a corporate priority, and actions taken to ensure compliance are outlined below:

The issues which led to the regularity qualification (last year) related to procurement and to resolve them it has been necessary to:

- Investigate and clean up all historic ongoing contractual arrangements to identify missing or irregular contracts and regularise them through re-procurement or STA's.
- Develop processes and forms to provide greater clarity and appropriate checking including addressing ambiguities and common errors.
- Embed strong procurement compliance, its importance has been emphasised by senior management and mandatory procurement training is required for all staff. For staff whose duties include procurement this requires them to complete comprehensive online training, and to pass a test to demonstrate that this knowledge is understood to the level required.

Historically HR has been an area with relatively weak, processes, controls and compliance. Progress has been made through improved and clarified processes, together with mandatory training.

Further details of our progress in addressing the compliance issues identified in previous years are set out on pages 47 and 48.

In addition to embedding compliance, BTA has also strengthened financial controls.

Statement of Corporate Governance by the Accounting Officer *(Continued)*

In order to combat fraud, BTA has revised its processes so that in order to create or change supplier bank details, a separate form must to be completed and signed by the supplier and sent directly by the supplier to the payments team for set-up and checking. Staff have also been reminded to be vigilant and examples of (unsuccessful) cyber-fraud attempts have been circulated.

Budgetary controls have been enhanced and clarified so that as budgetary authority is delegated to Directors a letter, setting out details of associated responsibilities and compliance requirements, accompanies the delegated budgets, which Directors must accept in order to spend the funds allocated to them.

A handwritten signature in cursive script that reads "Sally Balcombe". A long, thin horizontal line is drawn below the signature, extending from the end of the name towards the right.

Sally Balcombe
Accounting Officer
BTA
2nd December 2020

REMUNERATION AND STAFF REPORT

Remuneration Report

Remuneration Report Policy for Staff

Under the terms of the Development of Tourism Act 1969 and the Management Agreement issued by DCMS, the conditions of service that BTA offers to its staff, and its pay award scheme, must be approved by the DCMS. DCMS must, in turn, obtain HM Treasury approval before agreeing the pay award framework each year. The arrangements for the Chief Executives of VisitBritain and VisitEngland are slightly different but the same principles apply.

During the year, BTA implemented pay increases, in line with DCMS guidelines, of 1% plus up to a further 1%, to 1.5% of the annual consolidated salary bill and one-off non-consolidated annual performance bonus payments limited to 2.66% of the annual salary bill. The payment of both consolidated pay (pensionable) and non-consolidated bonus payments (non-pensionable) is performance-related and depends on the outcome of annual performance review of objectives and competencies and on staff being in post on 1 September 2019. The maximum consolidated payment made was 1.5% of basic pay and the maximum non-consolidated payment was 5.16%. Payments to Directors were made in line with the Director's remuneration policy.

Remuneration Report (Continued)**Remuneration of Boards**

New board members have been appointed in accordance with the thresholds set by DCMS.

The information in pages 70 - 77 falls within the scope of the Comptroller and Auditor General's audit opinion on the accounts and is audited.

BTA Board members' remuneration:

	Remuneration 2019/20 £	Remuneration 2018/19 £
Steve Ridgway CBE ⁽¹⁾	40,000	40,000
Angela Bray ⁽²⁾	-	7,076
Ian Edwards ⁽³⁾	3,840	-
Robin Frewer ⁽⁴⁾	960	
Peter Gowers ⁽⁴⁾	960	
Carol Hui ⁽⁴⁾	960	
John Lindquist ⁽⁵⁾	6,290	9,435
Dame Judith Macgregor	7,680	7,680
Ian McCaig ⁽⁵⁾	7,076	9,435
Karin Sheppard ⁽⁴⁾	960	
Rt. Hon. Viscount Thurso ⁽⁶⁾	-	-
Denis Wormwell ^{(5) (6)}	-	-
	68,726	73,626
Pensions to former Chairmen	10,358	14,454
Total Remuneration	79,084	88,080

British Tourist Authority Board

Observers ⁽⁷⁾	Position, Organisation
Katy Best	Board Member, Northern Ireland Tourist Board and Commercial Director, Belfast City Airport
Hazel Cunningham	Executive Director, Finance and Business Services, BTA to 10 January 2020.
Peter Mills	Executive Director, Finance and Business Services, BTA from 1 January 2020.
Giles Smith	DCMS
Mark Taylor	Board Member, London & Partners
Jason Thomas	Board representative for the Welsh Government.(Last meeting in June 2019 and replaced by Ian Edwards who was appointed as a substantive Board member to represent Wales)
Patricia Yates	Executive Director, Strategy & Communications, BTA

(1) Steve Ridgway's term as Chair ended on 31st May 2020, and The Right Hon. Sir Patrick McLoughlin CH was appointed as Chair from 1 June.

(2) The appointment term of Angela Bray expired on 31 December 2018

(3) In 2018/19 Ian Edwards attended two board meetings in his capacity as Chair of the Welsh Government's Tourist Board and received no remuneration.

(4) Carol Hui, Robin Frewer, Peter Gowers and Karin Sheppard attended their first board meeting in January 2020. Their FTE remuneration was £3,840.

(5) The appointment terms of Denis Wormwell, John Linquist and Ian McCaig expired during the year.

(6) Rt. Hon. Viscount Thurso and Denis Wormwell sit on the Board in an ex-officio capacity in their roles as Chairmen of VisitScotland and VisitEngland respectively, and do not receive any remuneration from VisitBritain.

(7) Observers receive no remuneration but Peter Mills and Hazel Cunningham were remunerated by VisitBritain as Director of Finance and Business Services of VisitBritain. Peter Mills replaced Hazel Cunningham in January 2020 and attended his first Board meeting in the same month.

Remuneration Report *(Continued)*

Board Members' remuneration is the amount payable per annum/12 month period. Where a Member's term of office commences or expires during the year they receive a pro-rata payment.

VisitEngland Advisory Board (also known as English Tourist Board) members remuneration

	Remuneration 2019/20 £	Remuneration 2018/19 £
Denis Wormwell (Chairman) ⁽¹⁾	16,560	16,560
Fiona Pollard (Interim Chair) ⁽¹⁾	3,300	3,300
Sarah Fowler ⁽²⁾	825	-
Nigel Halkes	9,435	9,435
John Hoy ⁽³⁾	5,897	9,435
Allan Lambert	550	-
Sarah Stewart OBE ⁽³⁾	5,897	9,435
Nadine Thomson ⁽²⁾	825	-
Dr Andy Wood OBE ⁽²⁾	825	-
Total remuneration	44,114	48,165

VisitEngland Advisory Board (also known as the English Tourist Board)

Observers ⁽⁴⁾	Position, Organisation
Hazel Cunningham	Executive Director, Finance and Business Services, BTA to 10 January 2020
Peter Mills	Executive Director, Finance and Business Services, BTA from 1 January 2020
Stephen Darke	DCMS
Patricia Yates	Executive Director, Strategy and Communications, BTA
Andrew Stokes	Director, England, BTA

Board Members' remuneration is the amount payable per annum/12 month period. Where a Member's term of office commences or expires during the year they receive a pro-rata payment.

⁽¹⁾ Denis Wormwell's term as Chair ended on 31 March 2020, Fiona Pollard was appointed as Interim Chair to 31 May 2020 and Nick de Bois was appointed as Chair from 1 June.

⁽²⁾ Sarah Fowler, Nadine Thomson and Dr Andy Wood were appointed on 6 January 2020. Their FTE remuneration was £3,300.

⁽³⁾ The terms of John Hoy and Sarah Stewart ended on 31 October 2019.

⁽⁴⁾ Observers receive no remuneration but Peter Mills and Hazel Cunningham were remunerated by VisitBritain as Director of Finance and Business Services of VisitBritain. Peter Mills replaced Hazel Cunningham in January 2020 and attended his first Board meeting in the same month.

Remuneration Report *(Continued)*

Remuneration of CEOs and Executive Directors

Remuneration of CEOs

The basis of the Chief Executive Remuneration packages is set out in the contract of employment and stipulates that they are eligible to be considered for an annual performance bonus of up to 12.3%, capped at £17,500 for the current VisitBritain CEO subject to the approval of the Remuneration Committee.

The Remuneration Committee approved the Chairman's recommendation to award the Chief Executive a bonus of 5% for 2018/19 performance. The bonus was non-consolidated and a consolidated increase of 4% was also awarded.

Remuneration of Executive Directors

Each Director is set personal objectives linked to the Business Plan which are assessed at the end of the business year taking into account the results achieved. Assessments are used to determine increases to base pay and annual performance bonus payments. Bonus payments are based on performance levels attained. They are made as part of the appraisal process and contractually limited to 12%.

For Directors, one-off non-consolidated annual performance payments are limited to 3.66% of the annual salary bill. Bonus payments for the Directors for 2018/19 performance were between 1% and 3.5%. All payments are based entirely on performance, no discretion was exercised. Payments were discussed at length and approved by the Remuneration Committee.

Remuneration Report (Continued)

The information below relates to the Accounting Officer/Chief Executive of VisitBritain, and the Senior Executives of VisitBritain and VisitEngland.

2019/20	Salary & allowances (£'000) ¹	Bonus Payments (£'000) ²	Accrued pension benefits during the year ³ (£'000)	Total Remuneration Figure (£'000)	Employer pension contributions (£'000)	Real Increase in pension at Retirement Age (£'000)	Total accrued pension at Retirement Age as at 31.03.2020 (£'000)	Cash equivalent transfer value as at 31.03.2020 (£'000)	Cash equivalent transfer value as at 31.03.2019 (£'000)	Real increase cash equivalent transfer value less Director Contribution (£'000) ⁴
Sally Balcombe (Accounting Officer BTA/CEO VB) ⁵	175-180	5-10	52	235-240	30-35	2.5-5	15-20	378	332	34
Hazel Cunningham (Director, Business Services) ^{5,6}	100-105	0-5	28	130-135	15-20	0-2.5	10-15	192	190	0
Patricia Yates (Director, Strategy and Communications) ⁵	120-125	5-10	32	155-160	15-20	0-2.5	25-30	823	881	0
Robin Johnson (Director, Europe) ⁵	110-115	5-10	30	145-150	25-30	0-2.5	25-30	492	574	0
Carol Dray (Director, Commercial) ^{5,7}	85-90	0-5	17	105-110	15-20	0-2.5	5-10	174	168	0
Clare Mullin (Director, Britain Marketing) ¹	120-125	5-10	35	160-165	25-30	0-2.5	5-10	115	95	12
Andrew Stokes (Director, England) ¹	110-115	0-5	32	145-150	20-25	0-2.5	5-10	168	146	14
Tricia Warwick (Director, APMEA Region) ⁸	145-150	5-10	0	150-155	0	0	0	0	0	0
Gavin Landry (Director, Americas) ^{5,9}	120-125	5-10	14	140-145	5-10	0	0	9	0	9
Manuel Alvarez (Director, China and North East Asia) ⁸	110-115	0-5	0	115-120	0	0	0	0	0	0
Peter Mills (Director, Business Services) ^{6,10}	25-30	0	0	25-30	5-10	0	0	0	0	0
Debra Lang (Director, Human Resources) ¹⁰	20-25	0	0	20-25	5-10	0	0	0	0	0

¹ Benefits in kind were paid to two overseas based Directors in 2019/20, Tricia Warwick allowances and medical insurance £23k, and Manuel Alvarez allowances £6k.

² Bonus payments relate to performance in the previous year (2018/19)

³ Accrued pension benefits is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less the contributions paid by the individual

⁴ The Real increase cash equivalents takes into account an assumed rate of revaluations of 1.7% in line with the Government's statutory revaluation order for 2019/20.

⁵ All Directors have a retirement age of 65, except Robin Johnson and Patricia Yates who have a retirement age of 60. Patricia Yates started to draw a pension, and ceased further pension contributions, from 1 November 2019

⁶ Hazel Cunningham left on 10th January 2020 and Peter Mills was appointed on 1 January 2020.

⁷ Carol Dray left on 13 December 2019.

⁸ No pension contribution of Tricia Warwick or Manuel Alvarez as there are no pension arrangements for staff not based in UK or USA.

⁹ US pension scheme is non-contributory scheme and members need three years continuous service to accrue benefits.

¹⁰ Peter Mills and Debra Lang (appointed on 27 January 2020), each at an FTE of £115K to £120K, are on secondment from DCMS and are not members of the BTA Pension Scheme.

Remuneration Report (Continued)

The information below relates to the Accounting Officer/Chief Executive of VisitBritain, and the Senior Executives of VisitBritain and VisitEngland.

2018/19	Salary & allowances (£'000) ¹	Bonus Payments (£'000) ²	Accrued pension benefits during the year ³ (£'000)	Total Remuneration Figure (£'000)	Employer pension contributions (£'000)	Real Increase in pension at Retirement Age (£'000)	Total accrued pension at Retirement Age as at 31.03.2019 (£'000)	Cash equivalent transfer value as at 31.03.2019 (£'000)	Cash equivalent transfer value as at 31.03.2018 (£'000)	Real increase cash equivalent transfer value less Director Contribution (£'000) ⁴
Sally Balcombe (Accounting Officer BTA/CEO VB) ⁵	170-175	15-20	49	235-240	20-25	2.5-5	10-15	332	234	85
Hazel Cunningham (Director, Business Services) ⁵	120-125	5-10	33	160-165	15-20	0-2.5	5-10	190	130	50
Patricia Yates (Director, Strategy and Communications) ⁵	115-120	5-10	25	145-150	25-30	0-2.5	25-30	881	816	40
Robin Johnson (Director, Europe) ⁵	105-110	5-10	25	140-145	25-30	0-2.5	20-25	574	474	83
Carol Dray (Director, Commercial) ⁵	120-125	5-10	33	160-165	15-20	0-2.5	5-10	168	106	53
Clare Mullin (Director, Britain Marketing) ⁵	120-125	5-10	33	160-165	15-20	0-2.5	0-5	95	47	41
Andrew Stokes (Director, England) ⁵	110-115	5-10	30	150-155	10-15	0-2.5	5-10	146	89	49
Tricia Warwick (Director, APMEA Region) ⁶	135-140	0	0	135-140	0	0	0	0	0	0
Gavin Landry (Director, Americas) ^{5 7}	115-120	0-5	0	120-125	0	0	0	0	0	0
Manuel Alvarez (Director, China and North East Asia) ⁸	75-80	0	0	75-80	0	0	0	0	0	0

¹ No benefit in kind was paid in 2018/19

² Bonus payments relate to performance in the previous year (2017/18)

³ Accrued pension benefits is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less the contributions paid by the individual.

⁴ The Real increase cash equivalents takes into account an assumed rate of revaluations of 2.4% in line with the Government's statutory revaluation order for 2018/19

⁵ All directors have a retirement age of 65, except Robin Johnson and Patricia Yates who have a normal retirement age of 60.

⁶ No pension contribution of Tricia Warwick as there are no pension arrangements for staff based in Dubai.

⁷ US pension scheme is non-contributory scheme and members need three years continuous service to accrue benefits.

⁸ Manuel Alvarez was appointed in July 2018 with an FTE of £110k-£115k. There are no pension arrangements for staff in China.

Remuneration Report *(Continued)*

'Salary' includes gross salary, consolidated performance pay and any other allowances. Bonuses paid are accounted for separately. The pension benefits for the executives are provided through the British Tourist Boards' Pension Scheme (see Note 27 to the Accounts).

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest-paid Director in BTA in the financial year 2019/20 was £180,000-£185,000- CEO (2018/19 - £190,000-£195,000 - CEO). This was 4.5 times (2018/19: 4.7) the median remuneration of the workforce, which was £40,195 (2018/19: £40,946). The median remuneration is based on all UK and overseas staff only; it excludes agency workers and contractors.

No employees were paid more than the highest paid director. Remuneration ranged from £7,064 to £185,000 (2018/19: £10,000 - £195,000). Total remuneration includes salary, non-consolidated performance-related pay, bonuses and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

A handwritten signature in cursive script that reads "Sally Balcombe". A long, thin horizontal line is drawn below the signature, starting from the end of the word "Balcombe" and extending to the right.

Sally Balcombe
Accounting Officer
BTA
2nd December 2020

Staff Report



VisitBritain and VisitEngland staff are employed by BTA and all employment matters are managed jointly.

Staff costs

Staff costs comprise:

	2020			2019		
	Permanent Staff	Others	Total	Permanent Staff	Others	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs (including Directors) comprise:						
Salaries	9,532	4,822	14,354	8,939	5,061	14,000
Social Security costs	1,058	670	1,728	1,006	659	1,665
Other pension costs	4,046	108	4,154	4,501	81	4,582
Administration operating staff costs	14,636	5,600	20,236	14,446	5,801	20,247

Consultancy and Contingent labour

There were no consultancy cost included within staff costs, Contingent labour costs were £545,000 (2018/19 £1.1 million).

Staff Report (Continued)*Average number of persons employed*

The average number of whole-time equivalent persons employed during the year was as follows:

	2020	2019
Permanent (UK) staff	203	188
Other Staff	99	114
Total staff numbers	302	302

Exit packages

Redundancy and other departure costs have been paid in accordance with the provisions of BTA's Premature Retirement and Redundancy policy. Exit costs, (which includes pension enhancement costs), are accounted for in full in the year of departure. Where BTA has agreed early retirements, the additional costs are met by BTA and not the British Tourist Board Pension Scheme.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2019/20	(2018/19)	2019/20	(2018/19)	2019/20	(2018/19)
<£10,000	-	-	1	1	1	1
£10,000 - £25,000	-	2	-	-	-	2
£25,000 - £50,000	-	-	1	-	1	-
£50,000 - £100,000	-	-	-	-	-	-
£100,000- £150,000	-	-	-	-	-	-
£150,000- £200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
Total number of exit packages by type (total cost)	-	2	2	1	2	3
Total resource cost	£0	£30,577	£39,250	£3,451	£39,250	£34,028

Staff Report (Continued)*Consultancy Expenditure*

Included within support costs is £109,000 of consultancy expenditure for the year ending 31 March 2020 (£131,600 -2018/19).

Tax policy for off-payroll appointees

The Government's review of the tax arrangements of public sector appointees highlighted the possibility of artificial arrangements to enable tax avoidance, such as the use of personal service companies. The results and recommendations of this review were published on 23 May 2012, including measures for organisations to implement from 2013/14.

All new VisitBritain and VisitEngland contracts and contract renewals have been amended to include a clause which allows us to obtain assurance that individuals are paying the correct amount of tax and national insurance contributions.

The tables below show the number of off-payroll engagements.

Table 1: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months.

No. of existing engagements as of 31 March 2020	15
Of which...	
No. that have existed for less than one year at time of reporting.	10
No. that have existed for between one and two years at time of reporting.	1
No. that have existed for between two and three years at time of reporting.	1
No. that have existed for between three and four years at time of reporting.	1
No. that have existed for four or more years at time of reporting.	2
Confirmation that all existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.	Confirmed

Staff Report (Continued)

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months.

No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	1
Of which...	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	1
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	2
No. of engagements reassessed for consistency / assurance purposes during the year.	0
No. of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020.

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	25

Note: table 3 shows the number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", between 1 April 2019 and 31 March 2020. This is a wider definition than is used for determining which individuals should be included in the Remuneration Report.

Employment

The number of employees at 31 March 2020 classified by gender is as follows:

	Male	Female
Senior Executives	5	5
Total number of employees	97	202
	<hr/> 102	<hr/> 207

Staff Report (Continued)*Internal Communications and trade union relationships*

BTA recognises the Public and Commercial Services Union (PCS) as representing the interests of staff in official negotiations. During the year PCS was consulted on a range of issues, including contractual terms and conditions, organisational changes, pay and grading issues, and proposed future pension scheme changes. The PCS Union represents staff in grievance and disciplinary cases.

BTA ensures that information is provided to employees in a timely manner and they are consulted on significant matters. This is achieved through the use of a range of communication channels including the staff Intranet (incorporating up-to-date news and information, as well as networking forums), staff surveys, regular presentations on initiatives and developments within the organisation and industry, as well as meetings with senior management.

BTA's trade union facility time information is presented below:

Table 1	
Relevant union officials	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	4
Table 2	
Percentage of time spent on facility time	Full Time equivalent employee number
0%	-
1%-50%	4
51%-99%	-
100%	-
Number of Employees	4
Table 3	
Percentage of bill spent on facility time	
Provide the total cost of facility time £'s	33,139
Provide the total pay bill £'s	17,321,469
(Total cost of facility time / total pay bill) X 100	0.2%
Table 4	
Paid Trade Union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) X 100	44%

Staff Report (Continued)

Human Capital Management

BTA's aim is to attract and retain a quality workforce by investing in training, development and rewards. The focus is on keeping staff challenged and engaged through numerous learning opportunities and programmes offered, and developing talent in-house to ensure that the necessary skills and expertise are available within the organisation to continue to deliver a quality service. As part of the performance management process, training and development needs are identified and all staff are encouraged to take ownership of their own development through Personal Development Plans.

In addition, remuneration and benefits packages are closely monitored to ensure employee benefits are market-related and retention measures are effective.

Pay

BTA operates a performance management system and individual objectives are aligned to the Corporate Business Plans. Performance is assessed against targets and demonstration of corporate competencies with payments made based on achievements in both areas. All employees are rewarded purely on the basis of performance. There are no automatic annual increments.

Pension

The UK BTA currently offers a defined benefit (final salary) pension for all employees employed before 1 April 2017. As stated on page 19, VisitScotland was unable to agree to close the scheme to future defined benefit accrual, and the scheme has been sectionalised. The BTA section of the scheme was closed to future benefit accrual on 31 March 2020. BTA introduced a new defined contribution scheme, in agreement with the BTB Pension Trustees, for new starters from 1 April 2017 and all new staff in the UK are auto-enrolled into this scheme. BTA also offers a defined benefit (final salary) pension for its employees in the USA and defined contribution schemes in other parts of the world

Contracts of employment

Contracts are open-ended rolling contracts; notice periods for staff are between one and six months. Termination payments are limited to the notice period unless redundancy is applied in which case a formula is used to calculate the amount of compensation (approximately equating to a lump sum compensation of one month's pay for each complete year of service). Fixed-term contracts are used to employ staff for short project based assignments as appropriate.

Sickness absence

The average sickness absence per full time employee in 2019/20 was 4.6 days compared with 2.1 days in 2018/19. We believe this is due to improved recording rather than a significant change in the rate of sickness absence and remains within best practice tolerance.

Health and safety of our people

Despite a predominantly administrative and office-based workforce, BTA is firmly committed on working towards zero accidents at work. BTA maintains stringent safety standards that helps to deliver good health and safety practices in the business. These are regularly reviewed and all staff receive training on this aspect to ensure a safe and healthy work environment for all.

Staff Report (Continued)

Inclusion and Fair Treatment

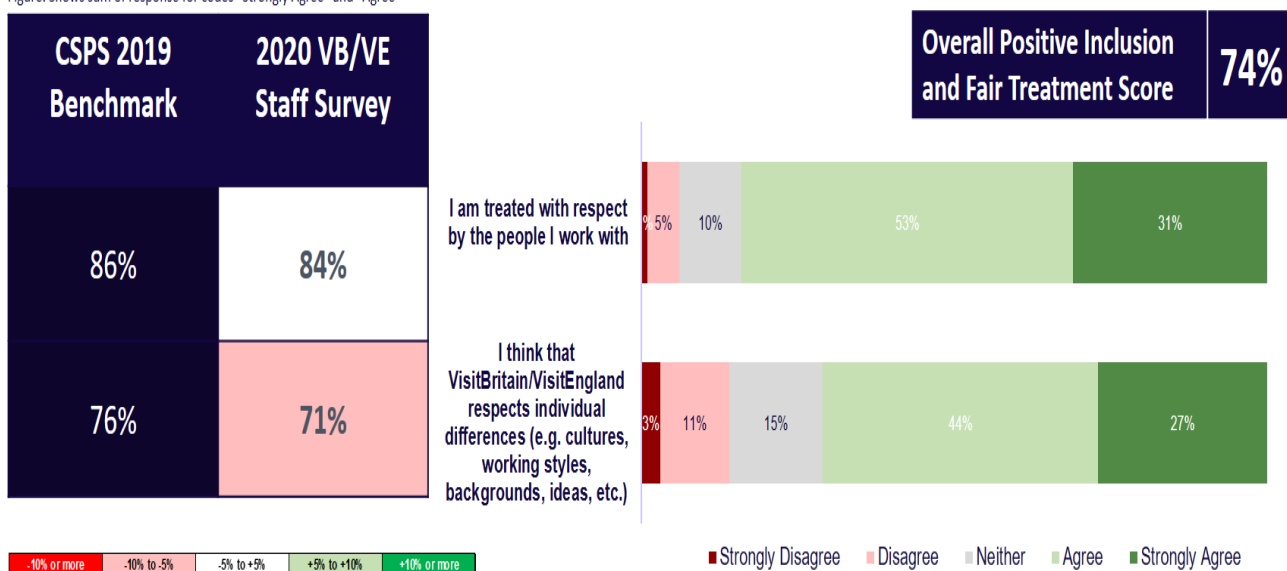
BTA strives to offer an inclusive working environment across all of our offices. Embedding Diversity and Inclusion in everything we do is a key pillar of the People Strategy that will be developed and launched in 2020/1. In 2019/20 we already:

- Proactively sought to recruit a diverse workforce.
- Reinforced the importance of this area through the introduction of a Diversity and Inclusion (D&I) E-learning module and proactively talking about fair opportunities for all.
- Report on D&I to DCMS annually and to ONS quarterly. We are starting to publish D&I statistics internally to raise awareness within our teams.

In our 2019/20 staff survey satisfaction with inclusion and fair treatment was felt by around three-quarters of respondents. ¹ 84% of staff said they felt they were treated with respect by colleagues – this is one of the top scores in the survey and comparable with benchmarks

BTA are committed to an environment where there is no discrimination in any respect. The number of staff reporting

Figure. Shows sum of response for codes "Strongly Agree" and "Agree"



*Key Comparing Question score against CSPA 2019 Benchmark

Source – VisitBritain/VisitEngland Employee Survey 2020. Sample: N= 271
 Note overall score not comparable to CSPA benchmark.

bullying and harassment in our latest staff survey is comparable with the CSPA benchmark.

Investor in People

VisitBritain was recognised as an ‘Investor in People’ (IIP) from 1994 until October 2018, with the Silver status. We have not sought renewal of investors in people at this time. We are evaluating our training and development programme and made the decision to use the money it would have cost for IIP, to invest directly into staff training and development activities.

¹ The CSPA 2019 Survey was the eleventh annual survey of employees’ attitudes and experiences of working in the Civil Service, covering responses from **308,556** civil servants, across **106** Civil Service organisations. As such it is a robust benchmark for BTA.

PARLIAMENTARY ACCOUNTABILITY DISCLOSURES

Fees and charges

BTA is required in accordance with HM Treasury's Managing Public Money to disclose results for the areas of its activities where statutory fees and charges are levied. BTA does not levy statutory fees and charges.

Losses and special payments and other disclosures

In 2019/20 there were foreign exchange losses of £104K (2018/19: £75K). By the nature of its operations and overseas activities, BTA is naturally exposed to foreign currency risk. The weakening of the Pound Sterling during the current year has resulted in the loss recognised during the year. BTA's foreign currency risk management policy is discussed further in note 3 of the notes to the financial statements.

During 2019/20, BTA incurred a loss of £496K in relation to cancellation charges for media services contracted through OMD, a worldwide media agency. As the COVID-19 pandemic developed, it became increasingly clear that the disruption the travel sector was facing with increased travel restrictions and changing consumer attitudes, required us to adjust our existing paid media activity, as encouraging people to travel to Britain was no longer appropriate. As the pandemic spread globally, BTA made a series of decisions to instruct OMD to cancel or pause any current or future paid media. OMD were instructed to try and negotiate us out of any cancellation charges with the media owners. OMD managed to negotiate us out of all but three cancellation charges, (in USA, UK and Gulf Cooperation Council Countries). This expenditure has been recognised in 2019/20 as we were contractually obliged by media owners to pay 100% cancellation charges.

BTA incurred a loss of £215K in relation to the cancellation of the International Tourism Business event, a major tourism and trade event that was scheduled to take place in Berlin on 4-6 March 2020. BTA had a contract with a supplier to design and build the UK stand. Given that the cancellation took place so close to the start of the event and the reason given amounted to Force Majeure, (COVID-19), legal advice received was that BTA was obliged to pay the supplier.

BTA incurred a loss of £5k due to an incident of cyber fraud.

BTA paid £30K to settle an employment tribunal case and £16K to settle a personal injury claim.

BTA paid £11K for services that were not delivered due to the partner going into administration with no funds available to reimburse payments made.

BTA made no gifts during the year that need to be reported in accordance with HM Treasury's Managing Public Money guidance.

BTA is not aware of the existence of any remote contingent liabilities that need to be reported.

The Parliamentary accountability disclosures fall within the scope of the Comptroller and Auditor General's audit opinion on the accounts and is audited.

SUSTAINABILITY REPORT

Our role - leading and convening the sector and advising government

As a growing sector, there are many opportunities for tourism to sustainably support economic growth and regeneration across Britain – supporting local communities, facilitating skilled jobs and boosting productivity.

VisitBritain and VisitEngland have a responsibility to ensure international visitors make more sustainable choices whilst they are in Britain. Our work includes the promotion of regional and seasonal spread, the development of products which encourage low carbon transport alternatives and 'giving back' during visitors' trips.

Sustainability was the key theme at 2019 BTA Board strategy day. The Board explored what sustainability means in a tourism context and what the UK's sustainable tourism ambition should be.

They also discussed our sustainability role, recognising that, much like the Tourism Sector Deal, there will be areas where the BTA has a role to play in leading or enabling progress on sustainable tourism; there will be other areas where Government and industry will need to be play a more prominent role. It was agreed we have a role to play in leading and convening the sector.

Due to the COVID-19 crisis this work has been paused – it will be re-prioritised as we move into recovery. Sustainability will also be considered as part of our strategy review.

In 2019, the Environmental Audit Committee, (a House of Commons Select Committee), launched an inquiry into sustainable tourism, looking at both the impacts of tourism and travel on the environment and how these can be reduced. BTA responded making the following recommendations:

Defining Sustainability in a Tourism Context

- Tourism destinations have different perspectives on sustainability – for some there is a strong focus on impact on the country's infrastructure; others look at regional dispersal; others take more of an environmental view.
- Sustainability can be understood in terms of, (but not limited to), factors such as:
 - Carbon footprint (using, for example, data from the International Civil Aviation Organization's carbon emissions calculator)
 - Wider environmental impacts
 - Impact on infrastructure
 - Regional dispersal – either in the sense of spreading visitors around the country or in avoiding over-tourism in specific hotspots and avoiding a mismatch between demand and supply
 - Inclusivity / accessibility
 - Seasonality / productivity
 - Economic sustainability

Sustainability Report *(Continued)*

Destination Management	Environmental Sustainability
<ul style="list-style-type: none"> ▪ The Government should allocate funding for Discover England Fund (DEF) 2, in order to support the development of sustainable tourism product by extending the season, and encouraging visits to lesser known destinations. ▪ Following the announcement of the Tourism Sector Deal, the Government should use Tourism Zones to facilitate localised fixes that support the UK’s sustainable tourism offer. ▪ The Government must continue to support VisitBritain and VisitEngland’s core activity, enabling us to lead the sector to a more sustainable future. The Government must continue to deliver on its commitments to the Business Events sector, as set out in the International Business Events Action Plan. 	<ul style="list-style-type: none"> ▪ The tourism industry and Government have the ability to work together through groups, such as the Tourism Industry Council, in order to agree sustainability guidance for visitors that could be used for both inbound and outbound visitors. ▪ VisitBritain believes that in order to mitigate the environmental impact of outbound tourism, there should be more emphasis on encouraging British tourists to holiday at home and reduce the outbound tourism deficit. ▪ Government should also consider how best to utilise the income from Air Passenger Duty to carbon offset flights, ring fencing funding to support green initiatives. ▪ Air travel is the most popular way for international visitors to travel to Britain. VisitBritain welcomes the work the aviation sector is doing to improve its efficiency, but encourages Government to support the airlines in going further. ▪ Use of sustainable travel alternatives within Britain, such as rail, can be encouraged and incentivised through easy to book integrated ticketing products. ▪ VisitBritain and VisitEngland can play a role in facilitating the sharing sustainable best practice within the industry.

Our Environmental Footprint

BTA takes its responsibilities towards the environment seriously and remains committed to promoting sustainability in the workplace. We are conscious of the need to use scarce resources as efficiently as possible, to minimise waste and to acknowledge our responsibility to limit harmful emissions wherever possible. Our key sustainability performance indicators are summarised below:

Sustainability Report (Continued)

Sustainability area	Units	Performance		
		2019/2020	2018/2019	% Difference
Non-financial indicators				
Total CO ₂ emissions	Tonnes	612	462	32%
Energy consumption	KWh	588,971	568,873	4%
Total waste	Tonnes	38	38	-1%
Water consumption	Metre ³	3,000	2,591	16%
Financial indicators				
Energy consumption costs	£'000	£84.5	£65.7	29%
Official business travel costs	£'000	£358.7	£389.3	-8%
Waste disposal costs	£'000	£3.83	£5.70	-33%
Water supply costs	£'000	£2.98	£2.92	2%

In 2019/20 we continued with initiatives to improve energy efficiency and our overall impact on the environment:

- **Co-locating our offices:** Around the world we have a policy of co-locating with our public diplomacy partners wherever possible. 16 of our 20 overseas offices are located within FCO or British Council premises. Our London head office is also based within another government department building. This shared arrangement of energy usage and waste disposal significantly reduces our carbon footprint.
- **Reducing business travel:** Business travel costs fell by £30,600 in 2019/20. There was a dedicated effort by all the employees in the organisation to enhance the use of information technology, such as video conferencing and webinars to hold meetings and communicate with staff in different locations, as opposed to travelling to the relevant destinations.
- **Encouraging flexible working:** We have continually promoted flexible working conditions – this has many benefits including reducing our environmental impact. Since the COVID-19 lockdown in March most London based staff have successfully worked primarily from home and this may set a platform for future flexible working arrangements.
- **Encouraging more environmentally friendly commuting:** We operate a Cycle Loan Scheme offering staff an interest-free loan to purchase bicycles and are a member of the Evans' Cycles Ride2Work scheme. This takes advantage of the Government's Green Transport Plan by allowing BTA employees to lease a new bike and receive tax savings while doing so.
- **Factoring the environment into our procurement:** We employ Government Buying Standards when procuring affected goods and services. Where sustainability issues are critical to the performance of a product or service, we will ensure that they are included in our selection process.
- **A sustainable printing policy:** Our print buying policy recommends using Forest Stewardship Council certified or recycled paper for our marketing materials, leaflets and books. We avoid using materials and print finishes that are non-recyclable and regularly review print volumes and stock levels to minimise wastage.

Our New Travel Policy

In 2019/20 we developed a new travel policy with sustainability at its heart. It will be launched post lockdown.

The policy states that staff must consider VB/VEs carbon footprint both in deciding whether travel is necessary and in exploring public transport before other means of travel. Air travel should only be chosen over surface travel if there are significant savings of money or staff time.

To ensure these considerations are demonstrated all staff must agree their travel plans in advance with their manager.

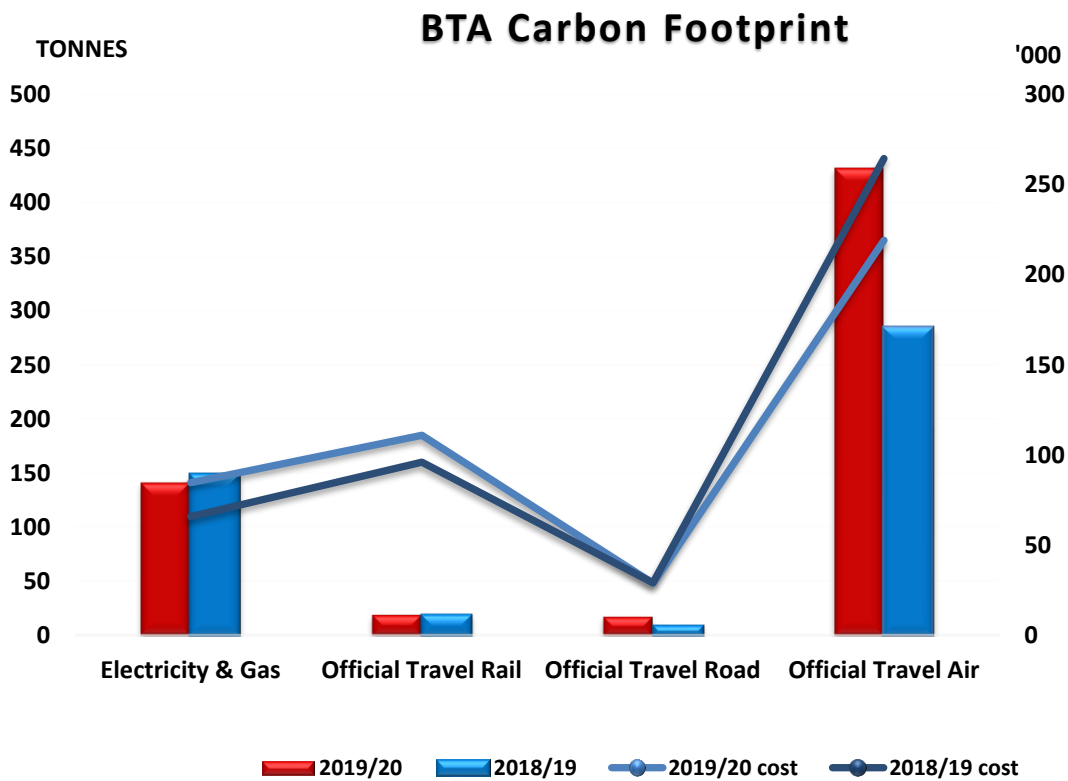
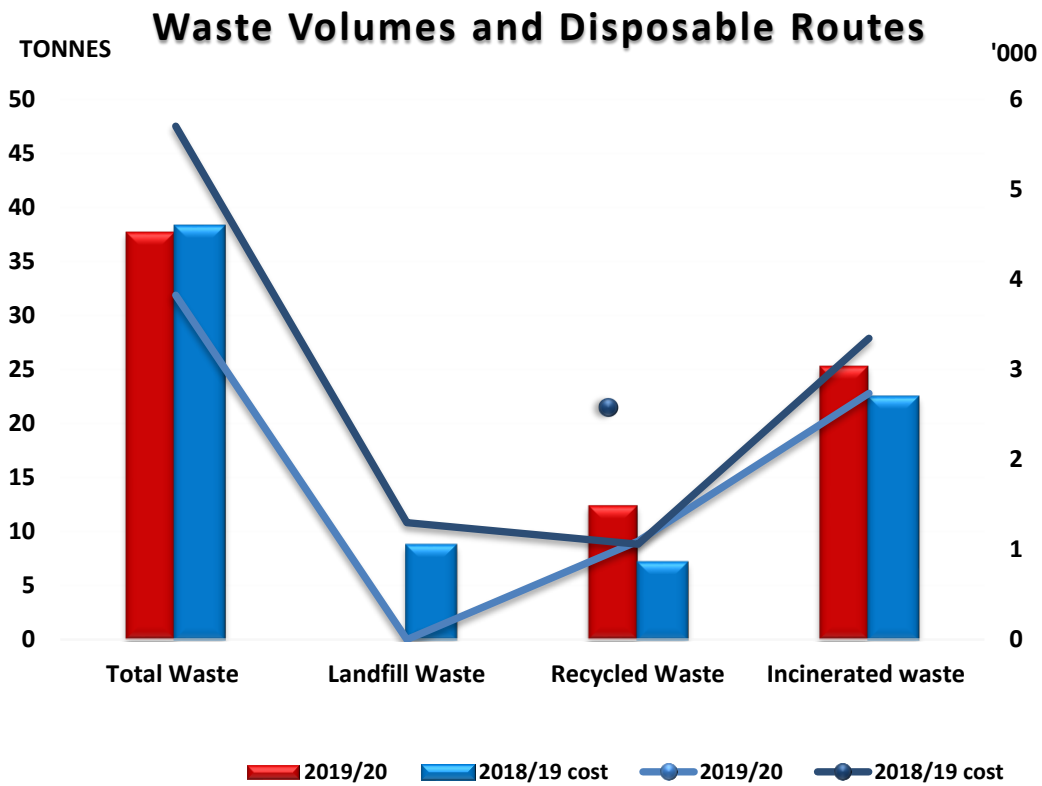
Sustainability Report *(Continued)**Further information on our carbon footprint and waste disposal*

As per the agreement for our London premises, BTA is responsible for 13.01% of the building and is not responsible for building management.

This year sees an increase in total electricity and natural gas usage and therefore the total cost of energy consumption has increased (£19,000). Total water consumption also increased in 19/20. The proportion of the total waste disposed of that is attributable to BTA has decreased slightly in 19/20. The changes reflect the first full year at new London premises and the intrinsic sustainability costs of the building.

			2019/2020	2018/2019
Non-Financial Indicators (Tonnes)	Total Waste		25.35	22.45
	Hazardous waste	Total	-	-
		Landfill	-	8.71
		Reused/Recycled	12.41	7.10
		Incinerated/Energy from Waste	25.35	22.45
Financial Indicators £'000	Total disposal cost		£0.00	£0.00
	Hazardous waste - Total Disposal cost		-	-
	Non-hazardous waste - Total disposal cost	Landfill	-	-
		Reused/Recycled	-	-
		Incinerated/Energy from waste	-	-

Sustainability Report (Continued)



STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES

Under Section 6(1) of the Development of Tourism Act 1969, the Secretary of State for Digital, Culture, Media and Sport, with the consent of HM Treasury, has directed the British Tourist Authority to prepare for each financial year a statement of accounts in the form, and on the basis, set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the British Tourist Authority and of its comprehensive net expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis.

The Accounting Officer of the Department for Digital, Culture, Media and Sport has appointed me as the Accounting Officer of the British Tourist Authority. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the BTA's assets, are set out in Managing Public Money published by the HM Treasury.

As Accounting Officer, I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

A handwritten signature in cursive script that reads "Sally Balcombe". A long horizontal line is drawn below the signature, extending to the right.

Sally Balcombe
Accounting Officer
BTA
2nd December 2020

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the British Tourist Authority for the year ended 31 March 2020 under the Development of Tourism Act 1969. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the British Tourist Authority's affairs as at 31 March 2020 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Development of Tourism Act 1969 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the British Tourist Authority in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

- the British Tourist Authority's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the British Tourist Authority have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the British Tourist Authority'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.

Responsibilities of the British Tourist Authority and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the British Tourist Authority and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Development of Tourism Act 1969.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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), I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 British Tourist Authority's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- Conclude on the appropriateness of the British Tourist Authority's 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 British Tourist Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the British Tourist Authority to cease to continue as a going concern.

I 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 I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Other Information

The Board and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Development of Tourism Act 1969;
- in the light of the knowledge and understanding of the British Tourist Authority and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Gareth Davies

7th December 2020

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

Introduction

The British Tourist Authority (BTA) was established by the Development of Tourism Act 1969 to encourage: overseas visitors to come to Great Britain; people living in Great Britain to take their holidays there; and the provision and improvement of tourist amenities and facilities in Great Britain. BTA is an arm's length body of the Department for Digital Culture Media & Sport (DCMS).

The purpose of my report

This report explains the background to the Single Tender Actions (STAs) that led me to qualify my regularity opinion on the 2018-19 BTA financial statements, and the improvements in the control environment since then.

Previous qualifications of the regularity opinion.

BTA operates under a Management Agreement with DCMS in which the Accounting Officer's Delegated Financial Limits are outlined in accordance with Managing Public Money (A2.2.11). The Management Agreement states:

"The delegation for single tender contracts is set at £50,000 for each contract. Proposals for awarding single tender contracts outside this delegated limit must have the prior approval of DCMS before any contract is awarded."

Our audit of BTA's 2018-19 financial statements identified irregular expenditure against unapproved STAs to the value of £1.115m.

Previously in the years 2016-17 and 2017-18, BTA had made non-contractual severance payments without obtaining the necessary approval from DCMS and HM Treasury. My predecessor concluded that BTA's repeated contravention of the approval regulations for severance payments were symptomatic of failures in BTA's internal control environment. The procurement irregularities identified by my audit of the 2018-19 financial statements demonstrated that significant improvement in controls was still needed. I therefore judged that this expenditure was material in the context of failures in the control environment and qualified my regularity opinion on the 2018-19 accounts.

Action taken by the Department for Digital, Culture Media and Sport and the British Tourist Authority

In my report on the 2018-19 accounts, which was published in May 2020, I noted a number of actions that had been taken in response to our findings on procurement activities, including greater oversight and intervention by DCMS, a Compliance Sub-Committee of the BTA Board and a Compliance Taskforce that meets weekly and is led by the Accounting Officer and attended by DCMS.

To further address the key areas of non-compliance, a new Finance Director and a new HR Director have been appointed (January 2020). There is also a new Head of Procurement. A new Chair of the Audit Committee has also been appointed (from January 2020). These steps appear to be having an impact. The business plan for 2020-21 has identified compliance as a key business priority. This is clearly set out in the Annual Report for 2019-20 (pages 47 and 48).

BTA has undertaken a review of all contracts, and where it has identified contracts requiring DCMS approval, it has submitted these to the Department. This exercise took place from January 2020 to June 2020. The Department approved expenditure against these contracts for financial year 2020-21 but did not grant retrospective approval for expenditure incurred in 2019-20. Future expenditure against these contracts would therefore be regular. The DCMS Accounting Officer wrote to the Chair of the BTA on 6th July 2020 confirming that she was satisfied with progress being made to address the weaknesses in the control environment which led to the qualification of my regularity opinion in 2018-19.

BTA has made full disclosure of the issues and identified compliance as a key corporate priority in its Annual Report and Accounts. The Key Governance Issues section of the Statement of Corporate Governance by the

Accounting Officer provides some explanatory information which should be read alongside my report (pages 67 and 68).

Irregular expenditure in 2019-20

BTA made payments of £756k in 2019-20 under contracts that had been awarded as single tenders in prior years without the required approvals. As disclosed by BTA in the Governance Statement on page 67 these payments were irregular. I have tested a sample of new contracts to confirm that there are no procurement issues in respect of these. This testing confirmed that there were no new instances of non-compliance. I am therefore satisfied that there have been sufficient improvements in the control environment. Having considered the value of these payments and the improvements in the control environment, I have not qualified my regularity opinion for 2019-20.

Gareth Davies

Comptroller and Auditor General

7th December 2020

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

3. FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

	Note	2020 £'000	2019 £'000
Revenue from contracts with customers	6	17,574	22,260
Other income	7	567	992
		18,141	23,252
Employee benefits costs	8	(20,236)	(20,247)
Depreciation and amortisation	17,18,19	(1,161)	(777)
Other operating charges	9	(47,683)	(61,246)
Grants paid	11	(2,242)	(11,711)
Re-organisation costs	12	(39)	(34)
		(71,361)	(94,015)
Net Expenditure before finance income	13	(53,220)	(70,763)
Finance income	15	45	28
Finance expense	15	(447)	(832)
Net Expenditure for the year		(53,622)	(71,567)
Other Comprehensive Income / (Expenditure)			
<i>Items that will not be reclassified to net expenditure</i>			
Decrease in UK pension liability on unfunded schemes	27	28	20
Remeasurements of defined benefit pension obligations	27	16,369	18,197
Other Comprehensive Expenditure		16,397	18,217
Total Comprehensive Net Expenditure for the year		(37,225)	(53,350)


All income and expenditure derived from continuing activities.

The Notes on pages 99 to 148 form part of these financial statements.

Statement of Financial Position

	Note	2020 £'000	2019 £'000
Assets			
Non-current assets			
Property, plant and equipment	17	317	470
Right-of-useRight-of-use assets	18	652	-
Intangible assets	19	189	174
Investment in subsidiary	20	1	1
Trade and other receivables	22	648	-
Retirement benefit assets	27	-	363
Total non-current assets		1,807	1,008
Current assets			
Inventories	21	8,292	5,125
Trade and other receivables	22	2,416	2,988
Contract assets	25	120	102
Cash and cash equivalents	23	4,650	8,390
Total current assets		15,478	16,605
Total assets		17,285	17,613
Liabilities			
Current liabilities			
Trade and other payables	24	(9,871)	(13,107)
Contract liabilities	25	(321)	(895)
Provisions	26	-	(70)
Total current liabilities		(10,192)	(14,072)
Total assets less current liabilities		7,093	3,541
Non-current liabilities			
Trade and other payables	24	(1,139)	-
Provisions	26	(162)	(694)
Retirement benefit liabilities	27	(1,984)	(16,032)
Total non-current liabilities		(3,285)	(16,726)
Total liabilities		(13,477)	(30,798)
Total net assets/(liabilities)		3,808	(13,185)
Taxpayers' Equity			
Income and expenditure reserve		3,808	(13,185)
		3,808	(13,185)

The financial statements were approved by the Board on 9th November 2020 and were signed on its behalf by:



Sally Balcombe
Accounting Officer BTA
2nd December 2020

The Notes on pages 99 to 148 form part of these financial statements.

Statement of Cash Flows

	<i>Note</i>	2020 £'000	2019 £'000
Cash flows from operating activities			
Net expenditure for the year		(53,622)	(71,567)
Adjustments for:			
Depreciation and amortisation	17,18,19	1,161	777
Defined benefit pension cost	27	3,112	4,260
Net finance costs – UK & US pension scheme	15	383	832
Unrealised foreign exchange difference on US pensions scheme	27	(11)	(8)
Defined benefit employer pension contribution	27	(772)	(2,297)
Fair value adjustment on financial assets		-	-
Cash flows from operating activities before changes in working capital and provisions		(49,749)	(68,003)
(Increase)/Decrease in trade and other receivables	22	798	(115)
(Increase)/Decrease in inventories	21	(3,167)	983
Increase/(Decrease) in trade and other payables	24	(4,282)	(1307)
(Increase)/Decrease in contract assets	25	(18)	39
Increase/(Decrease) in contract liabilities	25	(574)	458
Increase in provisions	26	162	764
Net cash flows from operating activities		(56,830)	(67,181)
Investing activities			
Purchases of property, plant and equipment	17	(213)	(424)
Purchases of intangible assets	19	(152)	(261)
Lease payments received from finance leases		203	-
Net cash (outflows) from investing activities		(162)	(685)
Financing activities			
Grant-in-aid received from the DCMS	5	54,268	68,193
Payment of lease liabilities		(1,016)	-
Net cash flows from financing activities		53,252	68,193
Net increase in cash and cash equivalents		(3,740)	327
Cash and cash equivalents at beginning of the year	23	8,390	8,063
Cash and cash equivalents at end of the year	28	4,650	8,390

The Notes on pages 99 to 148 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

	Total Taxpayer's deficit £'000
Balance as at 1 April 2018	(28,028)
Changes in reserves 2018/19	
Total comprehensive net expenditure for the year	(53,350)
Grant-in-aid - Resource (see note 5)	67,557
Grant-in-aid - Capital (see note 5)	636
	<hr/>
Balance as at 31 March 2019	(13,185)
Changes in reserves 2019/20	
IFRS16 adjustment	(50)
Total comprehensive net expenditure for the year	(37,225)
Grant-in-aid - Resource (see note 5)	53,982
Grant-in-aid - Capital (see note 5)	286
	<hr/>
Balance as at 31 March 2020	<u><u>3,808</u></u>

The Notes on pages 99 to 148 form part of these financial statements.

NOTES TO THE ACCOUNTS

1 Accounting Policies

These financial statements have been prepared in accordance with the 2019/20 Government Financial Reporting Manual (FReM) issued by HM Treasury and the Accounts Direction issued by the Secretary of State under the Development of Tourism Act 1969. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of BTA, for the purpose of giving a true and fair view, has been selected. The particular accounting policies adopted by BTA are described below. They have been applied consistently in dealing with items that are considered material to the accounts, unless otherwise stated.

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

1.1 Basis of Preparation and Going Concern

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and inventories.

The financial statements have been prepared on a going concern basis, which assumes that BTA will continue in operational existence for the foreseeable future. At the year-end 31 March 2020, BTA had net assets of £3,808,000, compared to a taxpayers' deficit of £13,185,000 in 2018/19.

The Board has considered the position of BTA, with respect to its obligations to ensure the business can continue in operational existence for the foreseeable future and confirms its approval to adopt the going concern basis for preparing these accounts.

The main factors the Board of BTA has considered in reaching this conclusion are summarised as follows:

- BTA is a non-departmental public body that is funded by the Department for Digital, Culture, Media and Sport (DCMS) through the Comprehensive Spending Review (CSR) process.
- BTA operating cash flows, taking into consideration grant-in-aid funding, remains positive and based on current forecasts and budgets it will continue to do so for the foreseeable future.
- There is no longer a taxpayer's deficit due to the net retirement benefit obligation reducing from £15,669,000 to £1,984,000.
- Retail income dropped significantly due to COVID-19 and this impact has continued into 2020/21. In 2019/20 the gross profit was £973K and net profit £179K, as such the net contribution to funding is relatively small and is not expected to impact the financial viability of the organisation.

On this basis, the Board considers it appropriate to prepare the financial statements on a going concern basis.

1.2 New Accounting standards

There have been no applicable new standards, amendments to standards and interpretations effective from 1 April 2019 that have been applied by BTA which have resulted in a significant impact on its results or financial position, other than in relation to IFRS16 'Leases'.

Accounting Policies (Continued)

IFRS16 'Leases' is effective from 1 April 2019 and replaces IAS 17 Accounting for Leases, SIC-15 Operating Leases—Incentives, SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and IFRIC 4 Determining whether an Arrangement contains a Lease. The financial statements for the year ending 31 March 2020 are the first financial statements presented under IFRS16.

BTA has adopted IFRS16 Leases, and in accordance with the FReM requirements, applied the modified retrospective method. Under this method the cumulative effect of initially applying IFRS16 is recognised in equity at the date of initial application, being 1 April 2019. BTA has applied IFRS16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. For this reason, current year revenue and results may not be comparable to those reported in the comparative information. The cumulative effect of adopting IFRS16 is included as an adjustment to equity at the beginning of the current year.

BTA applied the practical expedient that an entity should not reassess whether a contract is, or contains, a lease at the date of initial application, however contracts identified as leases in 2018/19 were reviewed to consider the appropriate application of IFRS16, in particular whether:

- Fulfilment of the arrangement was dependent on the use of a specific asset or assets.
- The arrangement had conveyed a right to use the asset, based on whether the purchaser had the ability or right to operate the asset or whether the purchaser had the ability or right to control physical access to the asset.

As a lessee, BTA previously classified leases as operating or finance leases based upon whether the lease transferred significantly all of the risks and rewards of ownership to BTA. Under IFRS16 BTA recognises right-of-use assets and lease liabilities for most leases.

BTA decided to apply recognition exemptions to low value leases of machinery, IT equipment and office space. For leases of other assets, which were classified as operating under IAS17, BTA recognised right-of-use assets and lease liabilities.

BTA used the following practical expedients when applying IFRS16 to leases previously classified as operating leases.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

On transition, lease liabilities and right-of-use assets were measured at the present value of the remaining lease payments discounted at the rate set by Government at the transition date.

As a lessor, BTA is not required to make any adjustments on transition to IFRS16 for leases in which it acts as a lessor except for a sub-lease. Under IFRS16 BTA is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset.

Details of the accounting policy in respect of leases are presented in this note. An explanation of the impact on current period financial statements and related matters consequent upon the adoption of IFRS 16 are set out in note 33.

Accounting Policies (Continued)

1.3 Government Grants

Grant-in-aid received for revenue purposes from the sponsoring body is treated as financing by crediting it to the income and expenditure reserve per FReM 8.1.13. Grant-in-aid received for the purchase of fixed assets in general is credited to the income and expenditure reserve.

1.4 Property, Plant and Equipment and Right-of-use Assets

Items of property, plant and equipment and right-of-use assets are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Property, plant and equipment and right-of-use assets are subsequently carried at current value in existing use and are subject to revaluation under Modified Historic Cost Accounting, (MHCA), when material. Changes in current value in existing use are recognised in the revaluation reserve. An appropriate transfer is made from the revaluation reserve to the income and expenditure reserve when property, plant and equipment are expensed through the Statement of Comprehensive Net Expenditure, (e.g. through depreciation, impairment or sale).

BTA has a policy of capitalisation of all property, plant and equipment over £1,000.

1.5 Depreciation

Depreciation is provided on all items of property, plant and equipment and right-of-use assets to write off the carrying value of items evenly over their expected useful economic lives or to their estimated residual values. It is applied at the following rates:

Right-of-use assets – the lease term
Improvement to leasehold land and building - the lease term
Fixtures and fittings - six years*
Computer equipment - three years*

* For these categories of assets, depreciation is charged for a full year in the year of purchase and no charge is made in the year of disposal.

1.6 Intangible assets

Acquired intangible assets are initially recognised at cost. Costs are capitalised on the basis of the costs incurred to acquire and bring into use the specific software.

Intangible assets are subsequently carried at current value in existing use. Where no active market exists of the intangible assets, current value in existing use is determined with reference to the lower of depreciated replacement cost and value in use (if the asset is income generating). Changes in current value in existing use are recognised in the revaluation reserve. An appropriate transfer is made from the revaluation reserve to the income and expenditure reserve when intangible assets are expensed through the Statement of Comprehensive Net Expenditure (e.g. through amortisation, impairment or sale).

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by BTA are recognised as intangible assets if the following can be demonstrated:

Accounting Policies (Continued)

- It is technically feasible to develop the product for it to be sold.
- Adequate resources are available to complete the development.
- There is an intention to complete and sell the product.
- The BTA is able to sell the product.
- Sale of the product will generate future economic benefits.
- Expenditure on the project can be measured reliably.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years. The amortisation expense is included in the Statement of Comprehensive Net Expenditure.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the Statement of Comprehensive Net Expenditure as incurred.

1.7 Inventories

Inventories consist of transport tickets, publications and maps/guides. Inventories are initially recognised at cost, and subsequently measured at the lower of cost and net realisable value. Net realisable value is estimated selling price in the ordinary course of business less further expected costs to be incurred to completion and estimated costs necessary to make the sale. Costs incurred in producing publications and promotional items for which no revenue is obtained are charged to the Statement of Comprehensive Net Expenditure in the year in which they are incurred.

1.8 Derivatives and Financial Instruments

The recognition and measurement of financial instruments complies with IFRS 9 'Financial Instruments' in so far as it applies to BTA.

1.9 Financial Assets

BTA's accounting policy for each category is as follows:

Financial assets at amortised cost: These assets comprise BTA's trade and other receivables and cash and cash equivalents. They arise principally through the provision of goods and services to customers (e.g. trade receivables). They are recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, which equates to the invoiced amount, and subsequently carried at amortised cost using the effective interest rate method.

1.10 Trade receivables

Trade receivables are non-interest bearing and are stated at original invoiced amount less an appropriate allowance for expected credit losses where applicable. At each reporting date, BTA measures the loss allowance at an amount equal to the lifetime expected credit losses. As required by the FReM, BTA applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of trade receivables over a period of 12 months before 31 March 2019 and the corresponding historical credit losses experienced within this period. Trade receivables are written off when there is no reasonable expectation of recovery. A default on a trade receivable occurs when the debtor fails to make contractual payments when they fall due.

Accounting Policies (Continued)

1.11 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits which usually have an original maturity of three months or less.

1.12 Financial Liabilities

Financial liabilities *measured at amortised cost*: This category includes trade payables and other short-term monetary liabilities, which are recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Financial liabilities *measured at fair value through profit and loss*: This category comprises only out of the money derivatives. They are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the Statement of Comprehensive Net Expenditure in other operating expenses.

1.13 Provisions for Liabilities and Charges

Provisions are made when a current obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Restructuring provisions are made for direct expenditure of a business reorganisation where the plans are sufficiently detailed and well advanced, approved by the Board of BTA and where appropriate communication to those affected has been undertaken at the Statement of Financial Position date.

1.14 Impairment of Non-financial Assets (excluding Inventories, Investment Properties and Deferred Tax Assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows).

Impairment charges are included in the other operating charges line item in the Statement of Comprehensive Net Expenditure, except to the extent they reverse gains previously recognised, in which case they are debited to the revaluation reserve.

Impairment provisions are recognised when there is objective evidence, (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment), that BTA will be unable to collect all of the amounts due under the terms receivable. The amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Net Expenditure. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Accounting Policies (Continued)

1.15 Leases

BTA has elected not to recognise right-of-use assets for short term or low value items.

1.151 As a Lessor

When BTA acts as a lessor, it determines at lease inception whether each lease is a finance or operating lease. Each Lease is assessed to determine whether or not it transfers all of the risks and rewards of ownership of the underlying asset. If it does it's a finance lease and if it does not it is an operating lease. When BTA is the intermediate lessor it accounts for its interest in the head lease and the sub lease separately.

1.152 Lease liabilities and Debtors

The lease liability or debtor is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that cannot be readily determined, the rate provided by HMT. Lease payments are measured at amortised cost using the effective interest method and remeasured when there is a change in future lease payments arising from a change in the index or rate. Where a lease liability is remeasured a corresponding adjustment is made to the right-of-use asset.

Lease liabilities are included within current and non-current Trade and other creditors on the Statement of Financial Position.

Lease debtors are included within current and non-current Trade and other debtors on the Statement of Financial Position.

1.16 Translation of Foreign Currencies

Foreign currency transactions arising from normal trading activities are recorded at the rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are translated at the year-end exchange rate. Foreign currency gains and losses are credited or charged to the Statement of Comprehensive Net Expenditure as they arise.

Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the consolidated Statement of Comprehensive Net Expenditure.

1.17 Value Added Tax (VAT)

UK VAT - BTA is subject to partial restriction on the deductibility of VAT on inputs calculated in accordance with a formula agreed with HM Revenue and Customs (HMRC). The amount of irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure in the year to which it relates.

Overseas VAT - In countries where BTA is not registered for VAT and does not recover VAT the costs of activities are charged gross, inclusive of VAT, to the Statement of Comprehensive Net Expenditure. In countries where BTA recovers VAT, either fully or partially, the treatment of irrecoverable VAT is the same as for UK VAT.

1.18 Revenue

BTA's revenue streams consist of partnership marketing, media and publicity services, exhibition, fairs and workshop activities, commercial activities and quality scheme related services. Partnership marketing, media and publicity services includes the creation and delivery of comprehensive tourism marketing campaigns to promote the United Kingdom as a tourist destination. Typically the BTA will take responsibility for managing the execution of the agreed campaign, including overseeing the marketing agency, research and performance measurement.

Accounting Policies (Continued)

Revenue derived from exhibitions, fairs and workshops includes the delivery of services in connection with the provision and hosting of tourism related exhibitions and similar events, and presentation of tourism related workshops. Revenue from commercial activities is derived from the sale of merchandise, travel passes and tickets to tourist attractions, primarily through an online retail shop. Revenue from the quality assessment schemes is derived from annual participation fees and one-off joining fees from those who participate in the schemes.

Revenue represents the transfer of promised goods or services to customers in an amount that reflects the consideration to which BTA expects to be entitled in exchange for those goods or services.

1.181 Revenue from partnership marketing, media and publicity activities, and exhibitions, fairs and workshops

Revenue from partnership marketing, media and publicity activities, and exhibitions, fairs and workshops is recognised at the point in time when the customer has obtained control of the goods sold. This is usually when the campaign or exhibition have been delivered in accordance with the contractual terms.

Revenue from long term contractual arrangements is recognised over time based on the percentage of completion method.

1.182 Revenue from commercial activities

Revenue from product sales of merchandise and entry to attractions or to travel is recognised at the point in time when the customer has obtained control of the goods sold. This is usually when the products have been delivered or passes are available for download and used in accordance with the contractual terms.

The nature of BTA's relationships with its customers and suppliers vary depending on the terms of the product and services provided. Accordingly, the recognition of revenue is subject to those terms. Certain contracts establish an agency relationship whereby BTA does not control the goods or services that are sold to the customers. Instead, BTA may act as agent and accordingly, it will receive a commission and booking fee from the supplier for arranging the sale on its behalf. In such situations, BTA recognises revenue in the net amount of consideration to which it will be entitled in exchange for arranging passes for customers to enter or access attractions, which is the commission and booking fee it is entitled to upon the sale of each ticket.

1.183 Revenue from the quality assessment schemes

Revenue from quality assessment schemes is derived from annual license fees received from the scheme administrator. Revenue is recognised at the point in time when the performance obligation is satisfied, including by granting the license to the customer.

Revenue from the Quality Assessment Schemes was derived from licencing the VisitEngland brand to the AA.

1.19 Retirement Benefits

Employee benefits, including pensions and other post-retirement benefits are presented in these financial statements in accordance with IAS 19 'Employee Benefits'. BTA has both defined benefit and defined contribution plans.

1.191 Defined Contribution Plan

A defined contribution plan is a pension plan under which BTA pays fixed contributions into a scheme and has no legal or constructive obligations to pay further 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 pension schemes are charged to the Statement of Comprehensive Net Expenditure in the year to which they relate.

Accounting Policies (Continued)

1.192 Defined Benefits Scheme

A defined benefit plan is a plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and pensionable earnings.

Defined benefit scheme surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- Unrecognised past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Re-measurements of the net defined obligation/asset are recognised directly within equity through other comprehensive income / (expenditure) in the period in which they arise. The re-measurements include:

- Actuarial gains and losses.
- Return on plan assets, (interest exclusive).
- Any asset ceiling effects, (interest exclusive).

Service costs are recognised in the Statement of Comprehensive Net Expenditure, and include current and past service costs as well as gains and losses on curtailments. They are included as part of staff costs.

Net interest expense, (income), is recognised in the Statement of Comprehensive Net Expenditure, and is calculated by applying the discount rate used to measure the defined benefit obligation, (asset), at the beginning of the annual period to the balance of the net defined benefit obligation, considering the effects of contributions and benefit payments during the period. The assets are shown within finance costs or finance income as appropriate.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in the Statement of Comprehensive Net Expenditure.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Recognition of any surplus in the defined benefit schemes is limited based on the economic gain the BTA is expected to benefit from in the future by means of a refund or reduction in future contributions to the plan, in accordance with IAS 19.

Contributions are made to the British Tourist Boards' Staff Pensions and Life Assurance Scheme (see Note 27) in accordance with the advice of independent actuaries and are charged to the Statement of Comprehensive Net Expenditure in the year to which they relate. The BTA section of the scheme was closed to future benefit accrual on 31 March 2020. Overseas pension schemes are treated similarly.

1.20 Standards, Amendments and Interpretations to Existing Standards Effective for periods on or after 1 January 2020

The application of any new or amended IFRS standard is governed by their adoption by the FReM. Usually such changes are not put into effect by the FReM until the effective date of the related IFRS, although occasionally some changes are adopted early or may be delayed. The following standards have been published but are not effective for the periods presented and BTA has chosen not to early adopt:

Accounting Policies *(Continued)*

- Amendments to References to the Conceptual Framework in IFRS standards (from 1 January 2020).
- Amendments to IAS 1: Definition of materiality (from 1 January 2020).
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (from 1 January 2020).
- IFRS17 Insurance Contracts, effective from 2022, applies more standardised and rigorous requirements on accounting for insurance contracts. For BTA preparation will be deferred pending HM Treasury guidance.

The full impact of these standards cannot reasonably be assessed until draft guidance has been issued by HMT. However, BTA has undertaken a preliminary assessment and determined that they are unlikely to have a material impact on the BTA Financial Statements. This is partly on the basis that interest rates are usually set by HMT and because BTA, in common with other public bodies, has no identifiable insurance contracts.

2 Significant Accounting Estimates and Judgements

BTA makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Defined Benefit Assumptions

The costs, assets and liabilities of the defined benefit schemes operated by BTA are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions are set out in Note 27. BTA takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the Statement of Comprehensive Net Expenditure and the Statement of Financial Position.

(b) Revenue recognition

For revenue recognised over time, the measure of progress towards complete satisfaction of the performance obligation requires judgement and is based on the period that the BTA expects the services to be provided. BTA uses a percentage of completion method because it best depicts the transfer of services to the customer which occurs as we perform our obligations.

For commercial activities the amount of revenue to be recognised is dependent on whether BTA acts as agent or principal in relation to the contract with the customer. To determine whether it acts as principal or an agent, BTA identifies the specified good or service to be provided to the customer and assess whether it controls the good or service before that good or service is transferred to the customer. These determinations often require judgement to assess the nature of BTA's relationship with the customer.

3 Financial Instruments and Risk Management

The principal financial instruments are as follows:

- Trade and other receivables.
- Finance lease receivables.
- Cash and cash equivalents.
- Trade and other payables.
- Finance lease payables.

The following tables show financial instruments by category:

	2020			2019		
	Financial assets at amortised cost	Financial assets at fair value through profit & loss	Total	Financial assets at amortised cost	Financial assets at fair value through profit & loss	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Financial assets</u>						
Trade and other receivables	933	-	933	1,382	-	1,382
Finance lease receivables	874	-	874	-	-	-
Cash and cash equivalents	4,650	-	4,650	8,390	-	8,390
	6,457	-	6,457	9,772	-	9,772

	2020			2019		
	Financial liabilities held at amortised cost	Financial liabilities at fair value through profit and loss	Total	Financial liabilities held at amortised cost	Financial liabilities at fair value through profit and loss	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Financial liabilities</u>						
Trade and other payables < one year	7,742	-	7,742	10,671	-	10,671
Finance lease payables	2,186	-	2,186	-	-	-
	9,928	-	9,928	10,671	-	10,671

Financial assets and liabilities measured at amortised cost include cash and cash equivalents, trade receivables, payables and other short term monetary liabilities, which are recognised at fair value and subsequently carried at amortised cost using the effective interest rate method. There is no material difference between the net carrying amounts and the fair values, and consequently no amortisation of interest on these financial instrument classes due to their short term nature.

BTA's overall risk management programme seeks to minimise potential adverse effects on BTA's financial performance.

3 Financial Instruments and Risk Management *(Continued)*

BTA's financial instruments comprise cash and liquid resources and various items such as trade payables and receivables that arise directly from its operations. BTA is exposed through its operations to the following risks:

- Credit risk.
- Liquidity risk.
- Market risk.

In common with all other organisations, BTA is exposed to risks that arise from its use of financial instruments.

This note describes BTA's objectives, policies and processes for managing those risks. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in BTA's exposure to financial instrument risks and consequently the objectives, policies and processes are unchanged from the previous period.

The Board of BTA has overall responsibility for the determination of the risk management policies. The objective of the Board is to set policies that seek to reduce the risk as far as possible without unduly affecting BTA's competitiveness and effectiveness. Further details of these policies are set out below:

Credit Risk

BTA is primarily exposed to credit risk of £0.5 million (2018/19: £1.1 million) of trade receivables which are spread over a range of customers and countries and £0.9 million of lease receivables from a single customer. BTA has recovered more than 99% of trade receivables over the last two years and no amounts were provided or written off to profit or loss in the year 2019/20 (£Nil in 2018/19).

It is group policy, implemented locally, to assess the credit risk of each new customer before entering into binding contracts. Each customer account is then reviewed on an on-going basis, (at least once a year), based on available information and payment history.

Quantitative disclosure of the credit risk exposure in relation to trade and other receivables is given in Note 22.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. BTA's main banking arrangements are with Royal Bank of Scotland. Amounts held by overseas operations with banks are kept to a minimum.

BTA does not enter into derivatives to manage credit risk.

Liquidity Risk

The cash requirements of BTA are met mainly through grant-in-aid provided by the DCMS under the provision of the Act. Following the Government's objectives, BTA seeks to ensure that optimum use is made of all resources during the financial year and so far, as is consistent with its objectives, seeks to maximise non-exchequer resources generally through close working partnerships with the private sector and commercial activities. As a result BTA is not exposed to significant liquidity risk.

Market Risk

Market risk arises from BTA's interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value, or future cash flows, of a financial instrument will fluctuate because of changes in interest rates, (interest rate risk), or foreign currency exchange rates, (foreign currency risk).

3 Financial Instruments and Risk Management *(Continued)*

Interest Rate Risk

BTA is exposed to interest rate risk through its financial assets and liabilities. These financial assets and liabilities carry no or nominal interest, thus BTA considers its exposure to interest rate risk not to be significant. Bank balances are placed on overnight deposit at current bank deposit rates.

The group has no long term borrowings. BTA is not permitted to take out mortgages or other forms of borrowing without explicit government guarantee and should gain DCMS's agreement to any commitment, including borrowing. Any expenditure financed by borrowings without explicit consent from the sponsoring department and HM Treasury would be considered irregular.

Foreign Currency Risk

Foreign exchange transaction risk arises when individual operations enter into transactions denominated in a currency other than their functional currency.

BTA has a foreign currency policy in place, which has been agreed by the BTA Board and Audit Committee. The latter receives reports on currency purchases and the outstanding position at that time. BTA's policy is, where possible, to settle liabilities denominated in their functional currency with the cash generated from their commercial operations in that currency. Where considered appropriate, foreign currency exchange forward contracts are used to control the risk of foreign currency fluctuations. At 31 March 2019 and 2020, BTA had no open foreign currency exchange forward contract commitments.

4 Segment Information

BTA overall has determined seven reportable segments, four of which relate to both VisitBritain and VisitEngland. The two segments for VisitBritain and one segment for VisitEngland are largely organised and managed separately according to a combination of the nature of services provided and operational spend and geographical location based on the management information.

The main reportable segments are as follows:

VisitBritain and VisitEngland

- *Commercial*: Has responsibility for partnership activities, product development and distribution and organising events and missions as well as trade support.
- *Global Network*: Delivering a global network to support tourism promotion overseas, providing an overseas office network for all the national and regional tourist boards and for the tourism industry. By sharing market intelligence, customer insights, local contacts and operational and execution capabilities, VisitBritain helps its UK partners reach overseas customers and together create substantial efficiency savings.
- *England*: Has responsibility for accommodation standards and visitor attraction grading schemes and provides advice and business support with the overall aim of improving the quality of tourism provision in England.
- *Marketing*: International and Domestic marketing activities with the core objective of 'inspiring travellers from overseas, and from UK, to visit and explore Britain' and England.
- *Retail*: Maximise public investment through commercial activity.
- *Strategy and Communication*: Engaging industry and Government in support of its growth of the tourism industry; delivering the programme of activity to deliver the national tourism strategy and facilitate sector growth.
- *Support Services and CEO Board*: This segment involves the business and administration services of VisitBritain and VisitEngland, and servicing the Board.

Measurement of operating segment income and expenditure, assets and liabilities

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

BTA evaluates performance on the basis of the net expenditure i.e. excluding the effects of finance income and notional costs. There are no inter-segment revenue streams.

Due to the nature of VisitBritain and VisitEngland's business, assets and liabilities are not managed on a sector basis and consequently no allocation of assets and liabilities are made to individual operating segments.

British Tourist Authority trading as VisitBritain and VisitEngland

Notes Forming Part of the Financial Statements for the Year Ended 31 March 2020

4 Segment Information (Continued)

	VisitBritain & VisitEngland Total							BTA Total £'000
	Commercial Division £'000	Global Network £'000	England £'000	Marketing £'000	Retail £'000	Strategy & Communication £'000	Support Services & CEO Board £'000	
2019/20								
Revenue								
Partnership marketing, media & publicity revenue	294	-	-	665	-	-	-	959
Revenue from exhibitions, fairs & workshops	546	-	-	1,068	-	14	-	1,628
Revenue from Commercial activities	-	-	6	3	14,757	-	-	14,766
Quality Scheme revenue	-	-	221	-	-	-	-	221
Other grants	-	-	-	-	-	91	-	91
Office rental income	-	54	-	-	-	-	54	108
Other income	-	74	3	50	150	3	88	368
Income from external customers	840	128	230	1,786	14,907	108	142	18,141
Segment deficit for the year	(9,962)	(6,867)	(3,004)	(16,500)	973	(3,660)	(10,713)	(49,733)
Net finance (costs)/income	-	-	-	-	-	-	-	(402)
Depreciation and amortisation	-	-	-	-	-	-	-	(1,161)
Defined benefit pension costs	-	-	-	-	-	-	-	(3,098)
Defined benefit pension contribution adjustment	-	-	-	-	-	-	-	772
Segment net expenditure for the year	(9,962)	(6,867)	(3,004)	(16,500)	973	(3,660)	(10,418)	(53,622)

British Tourist Authority trading as VisitBritain and VisitEngland

Notes Forming Part of the Financial Statements for the Year Ended 31 March 2020

4 Segment Information (Continued)

	VisitBritain & VisitEngland Total							
	Commercial Division	Global Network	England	Marketing	Retail	Strategy & Communication	Support Services & CEO Board	BTA Total
2018/19	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue								
Partnership marketing, media & publicity revenue	467	-	-	1,691	-	-	-	2,158
Revenue from exhibition, fairs & workshops	857	-	-	788	-	14	-	1,659
Revenue from Commercial activities	-	-	25	27	17,949	-	-	18,001
Quality Scheme revenue	-	-	442	-	-	-	-	442
Other grants	60	-	-	8	-	68	-	136
Office rental income	-	54	-	-	-	-	175	229
Other income	-	76	25	46	231	1	248	627
Income from external customers	1,384	130	492	2,560	18,180	83	423	23,252
Segment deficit for the year	(12,711)	(6,417)	(12,622)	(19,699)	1,865	(4,788)	(13,659)	(68,031)
Net finance (costs)/income	-	-	-	-	-	-	-	(804)
Depreciation	-	-	-	-	-	-	-	(777)
Defined benefit pension costs	-	-	-	-	-	-	-	(4,252)
Defined benefit pension contribution adjustment	-	-	-	-	-	-	-	2,297
Segment net expenditure for the year	(12,711)	(6,417)	(12,622)	(19,699)	1,865	(4,788)	(13,659)	(71,567)

4 Segment Information *(Continued)*

Geographical Information (Revenue by Region):

	2020	2019
	£'000	£'000
United Kingdom	8,325	10,572
Europe	7,189	8,811
Americas	1,311	1,968
Asia Pacific	1,316	1,791
Rest of the world	-	110
	18,141	23,252

Comparative geographical revenue information has been reorganised by region.

The table above includes total income from all sources excluding grant-in-aid funding from DCMS.

Geographical information about BTA's non-current assets is not available and the cost to produce this is considered excessive.

5 Grants

Government grant-in-aid cash allocation from the DCMS amounts to £54.268 million including £286k capital (2018/19: £68.183 million including £636k capital grant-in-aid).

6 Revenue from contracts with customers

BTA disaggregates revenue from contracts with customers by nature of services sold, geographical location and timing of revenue for each of its segments, as it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

2019/20	Commercial Division	England	Marketing	Retail	Strategy & Communication	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Nature of goods and services						
Partnership marketing, media & publicity revenue	294	-	665	-	-	959
Revenue from exhibitions, fairs & workshops	546	-	1,068	-	14	1,628
Revenue from commercial activities	-	6	3	14,756	-	14,765
Quality scheme revenue	-	222	-	-	-	222
	840	228	1,736	14,756	14	17,574
2019/20 Primary geographical markets	£'000	£'000	£'000	£'000	£'000	£'000
United Kingdom	412	228	734	6,497	14	7,885
Europe	16	-	395	6,778	-	7,189
Americas	24	-	297	917	-	1,238
Asia Pacific	388	-	310	564	-	1,262
	840	228	1,736	14,756	14	17,574
2019/20 Timing of revenue recognition	£'000	£'000	£'000	£'000	£'000	£'000
Goods transferred at a point in time	546	228	1,273	14,756	14	16,817
Services transferred over time	294	-	463	-	-	757
	840	228	1,736	14,756	14	17,574

6 Revenue from contracts with customers (Continued)

2018/19	Commercial Division	England	Marketing	Retail	Strategy & Communication	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Nature of goods and services						
Partnership marketing, media & publicity revenue	467	-	1,691	-	-	2,158
Revenue from exhibitions, fairs & workshops	857	-	788	-	14	1,659
Revenue from Commercial activities	-	25	27	17,949	-	18,001
Quality Scheme revenue	-	442	-	-	-	442
	1,324	467	2,506	17,949	14	22,260
2018/19 Primary geographical markets						
	£'000	£'000	£'000	£'000	£'000	£'000
United Kingdom	85	467	739	8,474	14	9,779
Europe	422	-	722	7,667	-	8,811
Americas	339	-	527	997	-	1,863
Asia Pacific	454	-	433	811	-	1,698
Rest of the world	24	-	85	-	-	109
	1,324	467	2,506	17,949	14	22,260
2018/19 Timing of revenue recognition						
	£'000	£'000	£'000	£'000	£'000	£'000
Goods transferred at a point in time	950	467	1,086	17,949	14	20,466
Services transferred over time	374	-	1,420	-	-	1,794
	1,324	467	2,506	17,949	14	22,260

Revenue from commercial activities, exhibitions, fairs and workshops, and quality schemes is recognised at a point in time and revenue from certain marketing, media and publicity services is recognised over time. Further detail is discussed in note 24.

7 Other Income

	2020	2019
	£'000	£'000
Other grants	91	136
Office rental income	108	229
Other income	368	627
Total other operating income	567	992

BTA received rental income from London & Partners, Visit Wales and Marketing Manchester in the USA and China. For the year ended 31 March 2020, the total rental income from the sub-let of properties was £108k (2018/19: £229k).

8 Employee Benefits Costs

	2020			2019		
	Permanent Staff	Others	Total	Permanent Staff	Others	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs (including Directors) comprise:						
Salaries	9,532	4,822	14,354	8,939	5,061	14,000
Social Security costs	1,058	670	1,728	1,006	659	1,665
Other pension costs	4,046	108	4,154	4,501	81	4,582
Administration operating staff costs	14,636	5,600	20,236	14,446	5,801	20,247

The average number of employees during the year were as follows:

	2020	2019
	Number	Number
Permanent (UK) staff	203	188
Other Staff	99	114
Total staff numbers	302	302

9 Other Operating Charges

	2020	2019
	£'000	£'000
Partnership marketing, media & publicity costs	21,604	28,013
Publishing	1,068	1,833
Commercial cost of sales and overhead cost ¹	14,343	17,023
Quality Scheme costs	63	76
Distribution costs	112	620
Research and evaluation	2,313	3,049
Property and support costs – overseas	2,193	1,917
Property and support costs – UK ²	2,110	3,960
VisitEngland Board secretariat operation costs	10	15
Irrecoverable VAT (UK and overseas)	3,989	4,351
Provisions	162	764
Prior year creditors provision written off	(375)	(418)
Foreign exchange loss	91	43
Total other operating charges	47,683	61,246

¹ Certain commercial cost of sales are presented net of related revenue under IFRS 15.

² IFRS16 adjustment has reclassified lease payments to lease payments against lease liabilities

10 Analysis of Expenditure by Programme and Administration Budget

Programme expenditure relates to the “GREAT” Image (VB), and “Holidays at Home are GREAT” (VE) Campaigns as well as the Discover England Fund paid out as grants to destinations.

	Administration	Programme	Total	Administration	Programme	Total
	2020	2020	2020	2019	2019	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Partnership marketing, media & publicity costs	7,411	14,193	21,604	10,970	17,043	28,013
Publishing	188	880	1,068	390	1,443	1,833
Commercial cost of sales and overhead cost	14,259	84	14,343	17,023	-	17,023
Quality scheme costs	63	-	63	76	-	76
Distribution costs	112	-	112	620	-	620
Research and evaluation	1,671	642	2,313	2,465	584	3,049
Property and support costs – Overseas	1,744	449	2,193	597	1,320	1,917
Property and support costs – UK	2,110	-	2,110	3,960	-	3,960
VisitEngland Board secretariat operation costs	10	-	10	15	-	15
Irrecoverable VAT (UK and overseas)	2,082	1,907	3,989	1,934	2,417	4,351
Provisions	162	-	162	764	-	764
Prior year creditors provision written off	(262)	(113)	(375)	(309)	(109)	(418)
Foreign exchange (gain)/loss	91	-	91	43	-	43
Employee Benefits Costs	18,761	1,475	20,236	18,855	1,392	20,247
Depreciation and amortisation	1,162	-	1,162	777	-	777
Grants Paid	25	2,216	2,241	15	11,696	11,711
Re-organisation costs	39	-	39	3	31	34
Total other operating charges	49,628	21,733	71,361	58,198	35,817	94,015

11 Grants Paid

	2020	2019
	£'000	£'000
General grants relating to Regional Tourism entities	255	411
Discover England Fund grants relating to Destination entities	1,987	11,300
Total grant payments to regional and other tourism bodies	2,242	11,711

12 Reorganisation Costs

	2020	2019
	£'000	£'000
Staff redundancy costs ¹	39	34
Other staff & recruitment costs	-	-
	39	34

¹ Staff redundancy costs include exit packages and other related costs

Reporting of Civil Service and other Compensation Schemes - Exit Packages

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2019/20	(2018/19)	2019/20	(2018/19)	2019/20	(2018/19)
<£10,000	-	-	1	1	1	1
£10,000 - £25,000	-	2	-	-	-	2
£25,000 - £50,000	-	-	1	-	1	-
£50,000 - £100,000	-	-	-	-	-	-
£100,000- £150,000	-	-	-	-	-	-
£150,000- £200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
Total number of exit packages by type (total cost)	-	2	2	1	2	3
Total resource cost	-	£30,577	£39,250	£3,451	£39,250	£34,028

13 Net Expenditure before Finance income / (expense)

	2020	2019
	£'000	£'000
Net expenditure before finance cost	(53,220)	(70,763)
This has been arrived at after charging/ (crediting):		
VisitBritain Board Members' remuneration	65	74
VisitEngland Board Members' remuneration	42	48
Auditors' remuneration ¹	86	90
Variable lease payments not included in measurement of lease liabilities:		
- Land and buildings	724	1,628
- Vehicles and equipment	-	5
Travel, subsistence and hospitality:		
- Chairman and Board Members (VisitBritain)	6	34
- Chairman and Board Members (VisitEngland)	9	14
- Employees	943	1,251
Depreciation (note 17)	366	676
Right-of-use assets depreciation (note 18)	658	-
Amortisation (note 19)	137	101

¹The external audit fee includes £86k (2018/19: £90k) in respect of external audit services performed by the National Audit Office. It does not include any fees for non-audit work as no such work was undertaken during the year.

14 Overseas and Domestic Activities

BTA is required under the current Accounts Direction issued by the DCMS to disclose separately, expenditure on the promotion of Britain internationally and England domestically and internationally and to disclose the expenditure made on behalf of the VEAB Board Members.

The following table reports total expenditure split between international and domestic marketing activities:

2019/20	Britain	England	England	Total
	International	Domestic	International	
	£'000	£'000	£'000	
Employee benefit costs (see note 8)	15,694	4,410	132	20,236
Reorganisation costs (see note 12)	39	-	-	39
Project costs ¹	31,262	6,264	704	38,230
Operational costs ²	8,906	3,885	65	12,856
Gross expenditure per the Statement of Comprehensive Net Expenditure	55,901	14,559	901	71,361
Less:-				
Other grant income	-	91	-	91
Non-Government Funding (NGF) (see note 6 & 7) ³	17,284	694	72	18,050
Net finance cost (see note 15)	(333)	(67)	(2)	(402)
Net expenditure per the Statement of Comprehensive Net Expenditure	38,950	13,841	831	53,622
2018/19	Britain	England	England	Total
	International	Domestic	International	
	£'000	£'000	£'000	
Employee benefit costs (see note 8)	15,194	4,775	278	20,247
Re-organisation staff related costs and professional fees (see note 12)	31	3	-	34
Project costs ¹	38,976	17,392	965	57,333
Operational costs ²	10,887	5,411	103	16,401
Gross expenditure per the Statement of Comprehensive Net Expenditure	65,088	27,581	1,346	94,015
Less:-				
Other grant income	60	68	8	136
Non-Government Funding (NGF) (see note 6 & 7) ³	22,070	1,015	31	23,116
Net finance cost (see note 15)	(632)	(161)	(11)	(804)
Net expenditure per the Statement of Comprehensive Net Expenditure	43,590	26,659	1,318	71,567

¹ Project costs include marketing, commercial cost of sales and research (see notes 9 and 11).

² Operational costs relates to overhead costs, depreciation and amortisation (see notes 9, 17, 18 and 19)

³ Non-Government funding is all income other than grants (Note 6 & 7 less Note 7 – Other grants)

14. Overseas and Domestic Activities *(Continued)*

The allocation of expenditure between international and domestic activity is made as follows:

1. Expenditure undertaken directly for international or domestic activity is allocated directly.
2. Expenditure on shared, (corporate services), is allocated directly where possible. Other shared service cost is allocated based on the most suitable proxy, including headcount and gross expenditure.
3. It is not possible to split capital expenditure between domestic and international activity as the fixed assets are shared between all areas.

	2020	2019
	£'000	£'000
Staff costs (see note 8)	20,236	20,247
Exceptional re-organisation staff costs (see note 12)	39	34
Other operating charges (see note 9)	47,683	61,246
Depreciation and amortisation (see notes 17,18 and 19)	1,161	777
Grant paid to Regional Tourist Boards (see note 11)	2,242	11,711
BTA expenditure per Statement of Comprehensive Income	71,361	94,015

VisitEngland Board Member's expenditures	2020	2019
	£	£
Board Members' remuneration	42,189	48,165
Employers NI & other taxes	1,336	2,047
Travel & subsistence and secretariat	9,458	13,517
Total expenditure	52,983	63,729

15 Finance Income and Expense

	2020	2019
	£'000	£'000
<i>Finance Income:</i>		
<i>Interest on lease receivables</i>	21	-
Interest received on bank deposits	24	28
	<u>45</u>	<u>28</u>
<i>Finance expense:</i>		
<i>Interest on lease liabilities</i>	(64)	-
Net interest cost on UK & US pension schemes (see note 27)	(383)	(832)
Net finance expense	<u>(402)</u>	<u>(804)</u>

16 Tax Expense

BTA is assessed for Corporation Tax in the UK on its activities, excluding those funded by grant-in-aid. Unused taxable losses carried forward to 2019/20 amount to £114.4 million (2018/19: £105.4 million) and the estimated taxable losses for 2019/20 are approximately £6.5 million.

BTA is assessed for corporate tax in Germany and India and in both of these countries there is no corporate tax due.

17 Property, Plant and Equipment

	Leasehold improvements £'000	IT equipment £'000	Fixtures fittings & equipment £'000	Total £'000
<i>Cost or valuation</i>				
Balance at 31 March 2018	374	1,037	79	1,490
Additions	-	328	96	424
Disposals	(357)	-	-	(357)
Balance at 31 March 2019	17	1,365	175	1,557
Additions	-	209	4	213
Disposals	-	-	-	-
Balance at 31 March 2020	17	1,574	179	1,770
<i>Accumulated depreciation</i>				
Balance at 31 March 2018	136	609	23	768
Charge for the year	238	395	43	676
Disposals	(357)	-	-	(357)
Balance at 31 March 2019	17	1,004	66	1,087
Charge for the year	-	322	44	366
Disposals	-	-	-	-
Balance at 31 March 2020	17	1,326	110	1,453
<i>Net carrying value</i>				
At 31 March 2019	-	361	109	470
At 31 March 2020	-	248	69	317

17 Property, Plant and Equipment (Continued)**Improvements to leasehold land and buildings, motor vehicles, computer equipment, fixtures, fittings and equipment**

These classes of assets are carried at fair value and are subject to revaluation under Modified Historic Cost Accounting (MHCA). As in 2018/19, appropriate indices were used and indexation was considered to be insignificant, accordingly no adjustment has been recognised in this regard.

Capital Commitment

As at 31 March 2020, BTA had no contractual commitment to purchase property, plant and equipment.

18 Right-of-use Assets

	Leasehold	Total
	£'000	£'000
Cost or valuation		
Balance at 31 March 2018	-	-
Additions	-	-
Balance at 31 March 2019	-	-
Opening balance adjustment IFRS16	1,310	1,310
Balance at 31 March 2020	1,310	1,310
Accumulated amortisation		
Balance at 31 March 2018	-	-
Charge for the year	-	-
Balance at 31 March 2019	-	-
Charge for the year	658	658
Balance at 31 March 2020	658	658
Net carrying value		
At 31 March 2019	-	-
At 31 March 2020	652	652

Right-of-use assets are a new class of assets created as a consequence of IFRS16 (see note 33), whereby lease expenditure previously charged to expenditure has been reclassified as a non-current assets, and depreciated over the lifetime of the leases.

19 Intangible Assets

	Computer software £'000	Total £'000
<i>Cost or valuation</i>		
Balance at 31 March 2018	650	650
Additions	261	261
Balance at 31 March 2019	911	911
Additions	152	152
Balance at 31 March 2020	1,063	1,063
<i>Accumulated amortisation</i>		
Balance at 31 March 2018	636	636
Charge for the year	101	101
Balance at 31 March 2019	737	737
Charge for the year	137	137
Balance at 31 March 2020	874	874
<i>Net carrying value</i>		
At 31 March 2019	174	174
At 31 March 2020	189	189

20 Investment in Subsidiary Undertakings

	2020	2019
	£'000	£'000
Cost		
At beginning of the year	1	1
At end of the year	1	1

Subsidiary undertaking	Country of Incorporation	Proportion of ownership interest at 31 March	
		2020	2019
VBSIPL	India	100%	100%

The results of the VisitBritain Services India Private Ltd (VBSIPL) have been excluded from the consolidation on the basis that its inclusion is not material for the purposes of giving a true and fair view.

In addition to the above 100% ownership interest in VBSIPL, BTA also holds interest in the following companies, which were set up to protect the Intellectual Property rights associated with the names. These companies have never traded and are classified as dormant.

Company Name	Country of incorporation	Proportion of ownership interest at 31 March	
		2020	2019
Englandnet Limited	United Kingdom	100%	100%
EnjoyEngland Limited	United Kingdom	100%	100%
VisitBritain Limited	United Kingdom	100%	100%
VistEngland Limited	United Kingdom	100%	100%

21 Inventories

	2020	2019
	£'000	£'000
Finished goods and goods for resale	8,292	5,125
Total inventories	8,292	5,125

22 Trade and Other Receivables

	2020	2019
	£'000	£'000
Amounts due within one year:		
Trade receivables	493	1,078
Less: provision for impairment of trade receivables	(10)	(4)
Trade receivables – net	483	1,074
VAT receivables	463	464
Other receivables	450	308
Prepayments	789	1,137
Finance lease receivables ¹	226	-
HM Government – Section 4 grants recoverable	6	6
Less provisions for irrecoverable section 4 grants	(1)	(1)
	2,416	2,988
Amounts due after more than one year:		
Finance lease receivables	648	-
Total trade and other receivables	3,064	2,988

¹ Finance Lease receivables are now recognised in the Statement of Financial Position in 2020, as consequence of IFRS16. See note 33 for details

There is no material difference between the net carrying amounts and the fair values of trade and other receivables due to their short term nature.

There is no particular concentration of credit risk to BTA's trade receivables as BTA has a large number of customers. The majority of customers are based in the United Kingdom.

The provision for impairment is analysed as follows:

	2020	2019
	£'000	£'000
At 1 April beginning of the year	4	14
Income and Expenditure statement release	7	1
Provision utilised	(1)	(9)
At 31 March end of the year	10	4

The creation and release of the provision for impaired receivables has been included in the Statement of Comprehensive Net Expenditure under other operating charges.

BTA does not hold any collateral as security.

22 Trade and Other Receivables *(Continued)*

As at 31 March 2020 trade receivables of £20k (2018/19: £83k) were past due but not impaired. The ageing analysis of these receivables are as follows:

	2020	2019
	£'000	£'000
Up to 90 days	17	80
Over 90 days	3	3
	20	83

The carrying values of BTA's trade and other receivables are denominated in the following currencies:

	2020	2019
	£'000	£'000
VisitBritain (BTA)		
Pound sterling	2,668	1,516
US dollar	60	212
Euro	129	577
Other	207	683
	3,064	2,988

23 Cash and cash equivalents

	2020	2019
	£'000	£'000
Opening Cash at bank and in hand	8,390	8,063
Movement	(3,740)	327
Closing Cash at bank and in hand	4,650	8,390

All cash in bank balances are held in commercial bank accounts.

For the purposes of the cash flow statement, cash and cash equivalents comprise the above amounts.

24 Trade and Other Payables

	2020	2019
	£'000	£'000
Amounts due within one year:		
Trade payables	2,872	4,125
Other taxes and social security taxes	1,077	2,431
Other payables	121	103
Lease payables ¹	1,047	-
Accruals	4,749	6,443
HM Government – Section 4 grants payable	6	6
Less provisions for irrecoverable section 4 grants	-1	(1)
	9,871	13,107
Amounts due after more than one year:		
Lease payables	1,139	-
Total trade and other payables	11,010	13,107

Note:

¹Lease payables are now recognised in the Statement of Financial Position in 2020, as a consequence of IFRS16, see note 33 for details.

There is no material difference between the net carrying amounts and the fair values of trade and other payables due to their short term nature.

Maturity analysis of the financial liabilities (Note 3) classified as financial liabilities measured at amortised cost is as follows:

	2020	2019
	£'000	£'000
Up to 30 days	247	3,003
30 to 90 days	2,312	1,122
Over 90 days	7,369	6,546
	*9,928	10,671

* Taxes and grants are excluded

The carrying values of BTA's trade and other payables are denominated in the following principal currencies:

	2020	2019
	£'000	£'000
Pound sterling	9,044	9,677
Euro	1,139	215
US dollar	25	2,516
Other	802	699
	11,010	13,107

25 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	2020	2019
	£'000	£'000
Amounts included in trade and other receivables (note 22)		
Net trade receivables	483	1,074
Contract assets		
Accrued revenue	120	102
Contract liabilities		
Deferred revenue	(321)	(895)

Timing of performance obligations

The timing of revenue recognition, invoicing and cash collections and refunds results in trade receivables, deferred revenue, (contract liabilities), and accrued revenue (contract assets) on the statement of financial position.

Revenue from commercial activities are usually billed when the goods have been dispatched or attraction tickets issued in accordance with the contract and the customer has obtained control of the assets. Consequently, the lead time between revenue recognition and billing is usually minimal.

Revenue from exhibitions, fairs and workshops are generally billed at registration for an event, while revenue is recognised when the service has been delivered which is usually when the event takes place, resulting in amounts received in advance, (contract liability).

Partnership marketing, media and publicity services are generally billed as work progresses in accordance with agreed-upon contractual terms, usually at agreed periodic intervals (e.g. monthly). Generally, invoicing occurs subsequent to revenue recognition, resulting in contract assets.

BTA sometimes receive advance payments from customers on account, particularly for exhibitions, before goods or services are delivered and revenue is recognised, resulting in contract liabilities. These liabilities are reported on the statement of financial position at the end of each reporting period.

All other goods and services are billed when the goods or services have been delivered in accordance with the contract and the customer has obtained control of the assets.

BTA provides refunds in exceptional circumstances only based on the merits of each case. Revenue on cancelled contracts is only recognised when it is certain that BTA has no further obligation to perform and the customer has no further claim i.e. it is certain that the amount will not be refunded.

25 Contract balances (Continued)

Significant changes in contract assets and liabilities balances during the year are explained as follows:

	2020 £'000	2019 £'000
Contract assets		
Increase as a result of reclassification from trade and other receivables	-	141
(Decrease)/Increase as a result of transfers from contract assets recognised to receivables	18	(39)
Contract liabilities		
Increase as a result of reclassification from trade and other payables	-	437
(Decrease)/Increase as a result change in timing of satisfaction of performance obligations	(574)	458

Expected realisation of remaining performance obligations at year end

BTA applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. BTA has not engaged in contracts with customers that exceeded 12 months for the year ended 31 March 2020.

26 Provisions

	2020 £'000	2019 £'000
Balance at 1 April	(764)	-
IFRS16 adjustment	764	-
Provided in year	(162)	764
Balance at 31 March	(162)	764
Current liabilities	-	70
Non-current liabilities	(162)	694

The provision for onerous lease commitments, (dilapidations), was reversed as a consequence of the implementation of IFRS16 (see note 33). The new provision relates to end of service employee entitlements in UAE.

27 Retirement Benefits

BTA operates two post-employment defined benefit schemes for its employees, in the United Kingdom and the USA, and defined contribution schemes in other parts of the world. BTA also operates a defined contribution scheme for employees who started employment after 1 April 2017.

The total pension contributions cost of BTA was £1.19million, (2018/19: 2.62million), of which £546k (2018/19: £850k), is normal contributions related to BTA's main defined benefit pension scheme, the British Tourist Boards' Staff Pension and Life Assurance (BTBSPLA) Scheme. There was also £226k, (2018/19: £1,448k), paid to reduce the pension deficit as agreed with the Trustees (see Note 1). Contributions towards defined contribution and overseas pension schemes amounted to £419k, (2018/19: £319k).

Total amounts charged for contributions to pension schemes were as follows:

	2020	2019
	£'000	£'000
Normal contribution	546	850
Pension deficit recovery contribution ¹	226	1,448
Total pension contribution to the BTBPS ²	772	2,298
Normal contribution - UK defined contribution	362	273
Normal contribution - Overseas pension schemes	57	46
Total Pension contribution	<u>1,191</u>	<u>2,617</u>

¹The 2018/19 contribution figure includes £850k of additional employer payments.

²The total relates to the defined benefit scheme only.

BTA is a participant in the British Tourist Boards' Staff Pension and Life Assurance Scheme providing pension benefits and life assurance for all UK permanent staff, based upon final pensionable pay.

BTA employees in the USA employed on a local status basis can join the USA defined benefit scheme.

Both schemes are subject to regular actuarial valuations, which are carried out every three years. However, following the sectionalisation of the UK scheme, (see below), the next actuarial valuation for the UK scheme is due to be carried out with an effective date of 31 March 2020. The US pension scheme will undergo an actuarial valuation in January 2022. An actuarial valuation was carried out for both the UK and the US schemes by XPS Pensions Consulting Limited and Mercer Limited respectively as at 31 March 2018 and 1 January 2019, and has been updated for the accounting disclosure as at 31 March 2020 by the respective qualified independent actuaries. The valuation using IAS 19 assumptions and methodology forms the basis of this disclosure.

BTA also has additional pension liability of £120k (2018/19: £148k) for pension payments to ex-chairmen which are unfunded and are included within the retirement benefit liabilities in the Statement of Financial Position.

27 Retirement Benefits *(Continued)*

UK BTBSPLA defined benefit Scheme

The UK scheme is a multi-employer defined benefit scheme including other Tourist Boards where the employers' contributions are affected by a surplus or deficit in the scheme, but the future service contribution rate has been set at a common level and does not reflect the liability of the individual participating employer. However, following a "sectionalisation exercise" which was completed during the summer of 2019, each participating employer now has its own section with assets and liabilities allocated accordingly and with a guarantee provided by the relevant sponsoring government. The BTA section of the scheme was closed to future benefit accrual on 31 March 2020. The narrative below sets out how pensions have been treated for the purposes of the accounts with a further description of the funding position since the UK scheme has been sectioned. In accordance with IAS 19, BTA's share of the assets and liabilities have been identified and are reflected in the accounts.

BTA, (along with the other participant employers), sponsors the British Tourist Boards' Staff Pension and Life Assurance Scheme, a funded defined benefit pension scheme in the UK. The scheme provides pensions and lump sums to members on retirement and to their dependants on death. The scheme is set up as a separate trust independent of the employers and is administered by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

Responsibility for making good its share of any deficit within the scheme lies with the BTA and this introduces a number of risks for the BTA. The major risks are:

- Investment risk - this is the risk of exposure to a movement in the discount rate used, (high quality corporate bonds), against the actual return of plan assets.
- Interest rate risk - decreases/increases in the discount rate used, (high quality corporate bonds, will expose BTA to an increase/decrease in the defined benefit obligation.
- Inflation risk – changes in inflation rates impact on future salaries and pension costs, as well as investment returns and accordingly expose the BTA to an increase/decrease in the defined benefit plan assets and obligations.
- Longevity rates - changes in the estimation of the mortality rates of current and former employees similarly expose BTA's defined benefit obligation measurement.
- Salary risk - this is the risk exposure to changes in future salaries.

BTA and the Trustees are aware of these risks and manage them through appropriate investment and funding strategies. The Trustees manage governance and operational risks through a number of internal control policies, including a risk register.

The Trustees ensure that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long term investments that are in line with the obligations under the pension schemes. The objective is to match assets to the pension obligations by investing in a diversified portfolio of investments with maturities that match the benefit payments as they fall due. These investments include a mix of equities, bonds, gilts, annuities and property, as disclosed below. The portfolio of investments is considered to offer the best return over the long term with an acceptable level of risk. The strategy is regularly reviewed and updated as considered appropriate by the Trustees.

Funding levels are set in accordance with the scheme's statement of funding principles as agreed with the employers. Prior to the closure of the sectioned scheme to future benefit accrual, the employer contributions in respect of future service were 24.4% for members with a retirement age of 60, and 13.1% for members with a retirement age of 65.

27 Retirement Benefits *(Continued)*

BTA's share of the deficit in the UK scheme at the measurement date under the assumptions used is £1.9 million, (2018/19: £15.9 million). The decrease in the defined benefit obligation is primarily due to changes in economic conditions over the year resulting in changes to the assumptions used to value the scheme assets and liabilities, in particular the discount rate and inflation rate assumptions, as well as demographic assumptions that have been updated based on the latest available valuation census data. These resulted in actuarial re-measurement gains of £17.0 million, (2018/19: gain of £17.9 million) being recognised in the year. Actual return on assets amounted to £2.6 million (2018/19: £9.3 million) compared with an expected return of £4.3 million (2018/19: £4.4 million), while interest on the defined benefit obligation component amounted to £4.8 million (2018/19: £5.3 million), resulting in a net interest cost recognised in the Net expenditure for the year of £411k, (2018/19: £836k).

At 31 March 2018, actuarial funding valuation, the BTA Section had a surplus of £5.0m. The next actuarial valuation is due at 31 March 2020.

US Pension defined benefit Scheme

Similar to the UK scheme, the US pension scheme is administered by a separate fund. The board of trustees of the fund is made up of representatives of BTA and employees, (present and former). Plan assets held in trust are governed by local regulation, as is the relationship between BTA and the trustees and their composition. The board also has responsibility for the plan, including setting investment, contribution and other relevant policies.

The scheme is a final salary pension plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. BTA is responsible for all contributions to the scheme. The level of benefit provided depends on a number of factors including age, years of service and retirement date compensation. Pensions in payment are generally updated for inflationary increases in line with the retail price index. In addition to the inflationary risk, the scheme is exposed to a number of other risks, including:

- Investment risk - this is the risk exposure to a movement in the discount rate used (high quality corporate bonds) against the actual return of plan assets.
- Interest rate risk - decreases/increases in the discount rate used (high quality corporate bonds) will expose BTA to an increase/decrease in the defined benefit obligation.
- Longevity rates - changes in the estimation of the mortality rates of current and former employees similarly expose BTA's defined benefit obligation measurement.
- Salary risk - this is the risk exposure due to changes in future salaries.

The overall position of the US pension scheme reflects a net liability of £24k, (2018/19: £363k net asset). The asset movement in the current year was primarily due to the negative return on assets, in addition to the discount rate reduction from 3.7% to 3.00%. These accounted for a £380k loss in the fund, (2018/19: £649k gain). BTA employer contribution is nil for the current year, which should continue for the foreseeable future as the trustees seek to limit the BTA's exposure to future contributions.

In accordance with IAS 19, the maximum surplus that may be recognised is limited to an amount equal to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

27 Retirement Benefits (Continued)

Details of BTA's defined benefit schemes are as follows:

	UK scheme	2020 Overseas (US) scheme	Total	UK scheme	2019 Overseas (US) scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Reconciliation to statement of financial position						
Fair value of plan assets	180,384	2,082	182,466	184,264	2,519	186,783
Present value of funded obligations	(182,224)	(2,106)	(184,330)	(200,148)	(1,791)	(201,939)
Total of funded schemes	(1,840)	(24)	(1,864)	(15,884)	728	(15,156)
Effect of asset ceiling	-	-	-	-	(365)	(365)
Present value of unfunded obligations	(120)	-	(120)	(148)	-	(148)
Net assets/ (liabilities)	(1,960)	(24)	(1,984)	(16,032)	363	(15,669)

Reconciliation of movement in fair value of defined benefit plan assets

The movement in the fair value of plan assets over the year is reconciled as follows:

	UK scheme	2020 Overseas (US) scheme	Total	UK scheme	2019 Overseas (US) scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At the beginning of the year	184,264	2,519	186,783	179,927	2,445	182,372
Interest income	4,344	93	4,437	4,436	96	4,532
Administrative expenses paid	(490)	(16)	(506)	(515)	(8)	(523)
Remeasurements:						
Transfers in	35	-	35	7	-	7
Return on plan assets (excluding interest)	(1,711)	(561)	(2,272)	4,837	(94)	4,743
Exchange gain/(loss)	-	106	106	-	167	167
Contributions by participants	247	-	247	273	-	273
Contributions by BTA	772	-	772	2,297	-	2,297
Benefits paid	(7,077)	(59)	(7,136)	(6,998)	(87)	(7,085)
At end of year	180,384	2,082	182,466	184,264	2,519	186,783

27 Retirement Benefits (Continued)

	UK scheme	2020 Overseas (US) scheme	Total	UK scheme	2019 Overseas (US) scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Composition of plan assets						
Equity	84,545	2,051	86,596	111,222	2,493	113,715
Bonds	-	-	-	-	-	-
Gilts	-	-	-	-	-	-
Liability Driven Investment funds	53,547	-	53,547	46,384	-	46,384
Property	14,478	-	14,478	15,108	-	15,108
Annuities	9,812	-	9,812	10,952	-	10,952
Cash in bank	18,002	31	18,033	598	26	624
	180,384	2,082	182,466	184,264	2,519	186,783

Reconciliation of movement in present value of defined benefit obligation

The movement in the present value of the defined benefit obligation over the year is reconciled as follows:

	UK scheme	2020 Overseas (US) scheme	Total	UK scheme	2019 Overseas (US) scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At the beginning of the year	(200,148)	(1,791)	(201,939)	(210,956)	(2,348)	(213,304)
Interest cost	(4,752)	(66)	(4,818)	(5,272)	(92)	(5,364)
Current service cost	(2,571)	(35)	(2,606)	(2,834)	(26)	(2,860)
Past service cost	-	-	-	(877)	-	(877)
Remeasurements:						
Transfers in	(35)	-	(35)	(7)	-	(7)
Actuarial (loss)/gain from changes in demographic assumptions	5,339	-	5,339	12,405	95	12,500
Actuarial (loss)/gain from changes in financial assumptions	13,893	(180)	13,713	(3,131)	(9)	(3,140)
Actuarial (loss)/gain from experience adjustments	(780)	(1)	(781)	3,799	658	4,457
Exchange gain/(loss)	-	(92)	(92)	-	(156)	(156)
Contributions by plan participants	(247)	-	(247)	(273)	-	(273)
Benefits paid	7,077	59	7,136	6,998	87	7,085
At end of year	182,224	(2,106)	184,330	(200,148)	(1,791)	(201,939)

27 Retirement Benefits (Continued)**Reconciliation of movement in asset ceiling**

The movement in the asset ceiling over the year is reconciled as follows:

	UK scheme	2020 Overseas (US) scheme	Total
	£'000	£'000	£'000
At the beginning of the year	-	(365)	(365)
Remeasurements:			
Changes in asset ceiling	-	372	372
Exchange gain/(loss)	-	(7)	(7)
At end of year	-	-	-

The weighted average duration of the UK and US schemes are 19 and 13.82 years respectively (2018/19: 19 and 13.52 years).

The significant actuarial assumptions were as follows:

Principal actuarial assumptions	2019/20		2018/19	
	UK Scheme	Overseas (US) scheme	UK Scheme	Overseas (US) scheme
Discount rate on defined benefit obligation	2.25%	3.00%	2.40%	3.70%
Salary growth rate	2.50%	2.75%	3.15%	2.75%
Inflation / Pension growth rate (RPI)	2.50%	2.20%	2.20%	2.20%
Inflation / Pension growth rate (CPI)	2.15%	2.20%	2.20%	2.20%
Life expectancy on UK scheme mortality assumptions:				
Retiring at the end of the reporting period:				
- Male	22.5		22.9	
- Female	24.3		24.7	
Retiring 20 years after the reporting period:				
- Male	24.2		24.7	
- Female	26.1		26.6	

27 Retirement Benefits (Continued)

The sensitivity of the defined benefit obligation to changes in the principal assumptions is presented in the table below:

Actuarial assumption	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
UK Scheme			
2019/2020			
Discount rate	0.50%	£15.6m decrease	£18.1m increase
RPI Inflation rate	0.50%	£17.3m increase	£15.1m decrease
Mortality rate	1 Year	£7.9m increase	£7.8m decrease
2018/2019			
Discount rate	0.50%	£17.9m decrease	£20.9m increase
RPI Inflation rate	0.50%	£20.1m increase	£17.4m decrease
Mortality rate	1 Year	£8.4m increase	£8.4m decrease
US Scheme			
2019/2020			
Discount rate	0.50%	£0.134m decrease	£0.151m increase
2018/2019			
Discount rate	0.50%	£0.115m decrease	£0.128m increase

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the pension liability recognised within the Statement of Financial Position.

Defined Contribution Schemes

Other schemes in place during the year to 31 March 2020 are in Germany, Belgium, India, Denmark, Norway, Netherlands, Poland, Brazil, Sweden, Australia, Canada and Gulf Cooperation Council nations. All of these are defined contribution schemes with the employer's basic rate of contribution varying between 3% and 8% of pensionable salaries. The total charges for contributions to these schemes in the year were £57k (2018/19: £46k) and are included within the total pension cost for the year. With effect from 1 April 2017, a defined contribution scheme was also introduced in the UK for employees joining after that date, and all UK based staff from 1 April 2020, with the employer's basic rate of contribution varying between 9% and 11% of pensionable salaries. The total charges for contributions to this scheme in the year was £362k (2018/19: £273k) and are included within the total pension cost for the year.

28 Notes Supporting the Statement of Cash Flow

Cash and cash equivalents for purposes of the cash flow statement comprise the following:

	2020	2019
	£'000	£'000
Cash available on demand	4,650	8,390
	4,650	8,390

29 Reconciliation of lease commitments to lease liabilities

	Land & Buildings	Other
	£'000	£'000
Not later than one year	1,427	2
Later than one year and not later than five years	2,246	-
Later than five years	55	-
Lease commitments at 31 March 2019 (undiscounted)	3,728	2
Low value leases	-	(2)
Leases less than one year	(29)	-
Contracts which are not leases	(320)	-
Discounted Liability impact	(177)	-
Lease liabilities 31 March 2019	3,202	-
Lease payments	(1,079)	-
Interest expense	63	-
Lease liabilities at 31 March 2020	2,186	-

Included in lease commitments above were obligations under shared corporate services arrangements entered into with the Foreign and Commonwealth Office for the provision of corporate service facilities to certain overseas offices. Commitments included rental and related costs only.

30 Related Party Transactions

In compliance with the FReM and IAS 24 'Related Party Disclosures' requirements, details of material transactions with government bodies and companies where Board Members, Directors and senior staff have an interest are disclosed below. The Remuneration Report on pages 69 - 75 contains details of compensation payments made to key management personnel.

Details of transactions and balances, (over £10k), with government bodies and other entities where BTA and VEAB Board Members, directors and senior staff have an interest are as follows.

Company name	Representatives	Role	Nature of supply	Sales to £'000	Debtor balance £'000	Purchases from £'000	Creditor balance £'000
2019/20							
Heathrow Airport Limited	Carol Hui	Executive Director, Chief of Staff and General Counsel	Marketing promotions	10	-	-	-
UKInbound Ltd	Robin Johnson	Board member	Marketing promotions	-	-	120	-
Welsh Government	Ian Edwards	Board member	Marketing promotions	644	32	10	-
London & Partners Ltd	Mark Taylor	Non-Executive Director	Marketing promotions	197	-	325	-
Peak District National Park Authority	Sarah Fowler	Chief Executive	Marketing promotions	-	-	190	-
Experience Oxfordshire	John Hoy	Director/Vice-chair	Marketing promotions	7	-	8	3
Newcastle Gateshead Initiative	Sarah Stewart	CEO	Marketing promotions	2	-	337	-
				860	32	990	3

Company name	Representatives	Role	Nature of supply	Sales to £'000	Debtor balance £'000	Purchases from £'000	Creditor balance £'000
2018/19							
English Heritage	Ian McCaig	Trustee Board Member	Marketing promotions	13	-	69	-
Belfast City Airport	Katy Best	Director	Marketing promotions	8	-	-	-
Celtic Manor Hotel	Ian Edwards	Observer	Marketing promotions	6	1	-	-
Queen Elizabeth II Conference	Mark Taylor	Chief Executive Officer/Deputy Director	Marketing promotions	11	-	4	4
Experience Oxfordshire	John Hoy	Director/Vice-chair	Marketing promotions	12	-	5	2
Newcastle Gateshead Initiative	Sarah Stewart	Chief Executive	Marketing promotions	73	(1)	623	207
Roman Baths & Pump Room	Fiona Pollard	Board Member	Marketing promotions	6	-	-	-
Windsor Leadership Trust	Ian McCaig	Commissioner	Marketing promotions	12	-	-	-
				141	0	701	213

31 Contingent liabilities

The following contingent liabilities meet the disclosure criteria of IAS37.

There is a claim to copyright infringement due to unauthorised use of videos and other images of the artwork ADA, which VisitBritain used in an advertising campaign from 2015 to around 2017. Legal proceedings were initiated in 2020 at the Munich District Court for copyright infringement. The Claimant requests injunctive relief and information and will, after the information has been provided, assert a claim for damages that she cannot yet quantify.

32 Events after the Statement of Financial Position date

On 1st June 2020 The Right Hon. Sir Patrick McLoughlin CH, was appointed as the new Chair of the BTA Board and on the same date Nick de Bois was appointed as the new Chair of the VisitEngland Advisory Board.

The Annual Report and Accounts were authorised for issue by the Accounting Officer on the date of the audit certificate.

There are no other events after the Statements of Financial Position date.

33 Transition to IFRS 16

As explained in note 1, BTA adopted IFRS 16 'Leases', and in accordance with the Government's financial reporting manual (FReM) requirements, applied the modified retrospective method having elected to apply the standard only to contracts that were not completed as at 1 April 2018. Under this method, the cumulative effect of initially applying IFRS 16 is recognised in equity at the date of initial application, being 1 April 2019. BTA has changed its accounting policy for leases detailed in the accounting policies.

The following tables summarise the impact of adopting IFRS 16 on the BTA's financial statements for the year ending 31 March 2020:

Impact on statement of comprehensive net expenditure for the year ended 31 March 2020

	2020 as reported	Adjustments	Reclassifications	Result without adoption of IFRS 16
	£'000	£'000	£'000	£'000
Revenue from contracts with customers	17,574	-	-	17,574
Other income	567	-	-	567
	18,141	-	-	18,141
Employee benefits costs	(20,236)			(20,236)
Depreciation and amortisation ¹	(1,161)	658		(503)
Other operating charges ²	(47,683)	(857)		(48,540)
Grants paid	(2,242)	-		(2,242)
Reorganisation costs	(39)			(39)
	(71,361)	(199)	-	(71,560)
Net Expenditure before finance income	(53,220)	(199)	-	(53,419)
Finance income	45	(21)	-	24
Finance expense	(447)	64	-	(383)
Net Expenditure for the year	(53,622)	(156)	-	(53,778)
Other Comprehensive Income / (Expenditure)				
<i>Items that will not be reclassified to net expenditure</i>				
Decrease in UK pension liability on unfunded schemes	28			28
Remeasurements of defined benefit pension obligations	16,369			16,369
Other Comprehensive Expenditure	16,397	-	-	16,397
Total Comprehensive Net Expenditure for the year	(37,225)	(156)	-	(37,381)

¹ Depreciation has been applied to leases reclassified as right of use assets.

² Rental payments on leases have been eliminated and applied to the related lease liability.

33 Transition to IFRS 16 (Continued)**Impact on statement of financial position as at 31 March 2020**

	2020 as reported £'000	Adjustments £'000	Reclassifications £'000	Result without adoption of IFRS16 £'000
Assets				
Non-current assets				
Property, plant and equipment	317			317
Right-of-use assets	652	(652)		-
Intangible Assets	189			189
Investment in subsidiary	1			1
Trade and other receivables	648	(648)		-
Retirement benefit assets	-			-
Total non-current assets	1,807	(1,300)	-	507
Current assets				
Inventories	8,292			8,292
Trade and other receivables ¹	2,416	(225)		2,191
Contract assets	120			120
Cash and cash equivalents	4,650			4,650
Total current assets	15,478	(225)	-	15,253
Total assets	17,285	(1,525)	-	15,760
Liabilities				
Current liabilities				
Trade and other payables ²	(9,871)	1,044		(8,827)
Contract liabilities	(321)			(321)
Provisions ³	-	(764)		(764)
Total current liabilities	(10,192)	280	-	(9,912)
Total Assets less Current Liabilities	7,093	(1,245)	-	5,848
Non-current liabilities				
Trade and other payables	(1,139)	1,139		-
Provisions	(1,984)			(1,984)
Retirement benefit liabilities	(162)			(162)
Total non-current liabilities	(3,285)	1,139	-	(2,146)
Total liabilities	(13,477)	1,420	-	(12,058)
Total Net Assets/(Liabilities)	3,808	(106)	-	3,702
Taxpayers' Equity				
Income and expenditure reserve	3,808	(106)	-	3,702

¹ Finance lease receivable for offices sub-let for the whole period of the head lease.

² Lease payables for Finance Leases.

³ Provision for onerous lease not required under IFRS16.

33 Transition to IFRS 16 (Continued)**Impact on statement of statement of cash flows for the year ended 31 March 2020**

	2020 as reported	Adjustments	Reclassifications	Result without adoption of IFRS 16
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Net expenditure for the year	(53,622)	(156)		(53,778)
Adjustments for:				
Depreciation and amortisation	1,161	(658)		503
Defined benefit pension cost	3,112			3,112
Net finance costs – UK & US pension scheme	383			383
Unrealised foreign exchange difference on US pensions scheme	(11)			(11)
Defined benefit employer pension contribution	(772)			(772)
Cash flows from operating activities before changes in working capital and provisions	(49,749)	(814)	-	(50,563)
(Increase) in trade and other receivables	798			798
Decrease in inventories	(3,167)			(3,167)
(Decrease) in trade and other payables	(4,282)	1		(4,281)
Decrease in contract assets	(18)			(18)
Increase in contract liabilities	(574)			(574)
Increase in Provisions	162			162
Net cash flows from operating activities	(56,830)	(813)	-	(57,643)
Investing activities				
Purchases of property, plant and equipment	(213)			(213)
Purchases of Intangible Assets	(152)			(152)
Lease payments from finance leases ¹	203	(203)	-	-
Net cash (outflows) from investing activities	(162)	(203)	-	(365)
Financing activities				
Grant-in-aid received from the DCMS	54,268			54,268
Payment of lease liabilities ²	(1,016)	1,016		-
Net cash flows from financing activities	53,252	-	-	54,268
Net increase/(decrease) in cash and cash equivalents	(3,740)			(3,740)
Cash and cash equivalents at beginning of the year	8,390			8,390
Cash and cash equivalents at end of the year	4,650	-	-	4,650

¹ Payments received against lease receivable.² Rental payments against lease payable.

33 Transition to IFRS 16 (Continued)**Impact on statement of changes in equity for the year ended 31 March 2020**

	2020 as reported	Adjustments	Reclassifications	Result without adoption of IFRS 16
	£'000	£'000	£'000	£'000
Balance as at 31 March 2019	(13,185)			(13,185)
IFRS 16 Adjustment ¹	(50)	50		-
Changes in reserves 2019/20				
Total comprehensive net expenditure for the year	(37,225)	(156)		(37,381)
Grant-in-aid - Resource (see note 5)	53,982			53,982
Grant-in-aid - Capital (see note 5)	286			286
Balance as at 31 March 2020	3,808	(106)	-	3,702

¹ Opening balance adjustment against reserves on implementation of IFRS 16.

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