

**Annual Report and Accounts  
Year Ended 31 March 2021  
British Tourist Authority - Trading as VisitBritain and VisitEngland**

**HC 476  
SG/2021/153**

# **BRITISH TOURIST AUTHORITY**

TRADING AS

## **VISITBRITAIN & VISITENGLAND**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**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

When we entered this year, and I applied for the role of Chairman, our sector was at an all-time high, on track for a record year in both visits and spend in 2020 and with a clear agenda to improve productivity through the implementation of the Tourism Sector Deal.

When COVID-19 arrived on these shores tourism was one of the industries hit first and hit hardest. Inbound spend dropped from £28.4bn in 2019 to an estimated £5.7bn in 2020, a drop of 80%, and domestic from £91.6bn to £34.4bn a drop of 62%. We estimate £285m was lost to the economy every day from tourism. The sector faced an unparalleled challenge, forcing the closure of successful destinations and businesses and putting the future of British tourism at risk.

While the Chancellor of the Exchequer's support measures, such as the Coronavirus Job Retention Scheme, the VAT cut for hospitality businesses, and the business rates holiday have relieved some pressure, I know that many of the businesses I spoke to wanted to see a clear path to reopening that would allow them to begin welcoming visitors once again. It is therefore reassuring that as we enter the 2021/22 financial year we have a clear roadmap for coming out of lockdown.

Although business support and recovery planning understandably took precedence over the direct implementation of the Tourism Sector Deal commitments, the themes of the deal secured by my predecessor Steve Ridgway, were no less important in 2020 and will be part of tourism's plan to 'Build Back Better', these include:

- Encouraging visitors to travel across the UK to new and less visited locations, this is more pertinent than ever to aid social distancing and ensure local communities feel at ease with visitors arriving.
- Using data to ensure that we understand how consumer preferences are changing.
- Extending the season, which is vital in enabling businesses to trade economically over the shoulder periods.
- Building a resilient workforce, who can grow and develop a career in tourism, which is now even more of a challenge.

The cautious reopening in summer 2020 provided some respite for businesses, but we knew there was a job of consumer reassurance to be done. Joining the UK Government's Enjoy Summer Safely campaign, we were able to capitalise on the public interest in staying closer to home this summer, showcasing some of the fantastic destinations our country has to offer. The 'We're Good To Go' scheme also answered the industry's calls for a recognisable stamp to show that businesses were complying with all the COVID guidance.

Over the summer I was able to visit some of these destinations myself, to hear about the measures businesses had taken to adapt to new guidance and understand the impact of the pandemic.

I began with a visit to Drayton Manor in Staffordshire, which had reopened, with albeit limited numbers, thanks to the use of innovative tools such as digital queueing systems – I was particularly pleased to see Thomas Land in action, given my time in the Department for Transport. My visit to Staffordshire also included a visit to The Moat House, where I heard about the lockdown's impact on the venue's operations. It confirmed to me the impact that tourism businesses have, not just on visitors, but on the local communities they operate in. The Moat House itself provided a large number of local jobs and kept community spirits up through these tough times by providing take-out food from their excellent restaurant.



The Right Honourable  
The Lord McLoughlin  
CH Chairman,  
British Tourist Authority

## **Chairman's Foreword** *(Continued)*

Later in the summer, I met with representatives of the Business Events sector in Liverpool. This part of our sector and its supply chains have seen a huge amount of disruption due to the long lead-in times needed to host events. I took away from our discussions the serious impact the closure of events was having on the wider City Region's ability to recover economically and rebuild a future pipeline of world-class events. I was however delighted to see that many hoteliers were continuing their programmes of investment in local skills despite the pressures.

Unfortunately, we do not leave the pandemic behind in 2020, our forecasts for 2021 paint a challenging picture but do provide some signs of slow recovery. To support recovery, the Government has published the Global Travel Taskforce report looking at how inbound tourism can be reopened successfully, this includes the development, with Department for Digital, Culture, Media and Sport (DCMS), of a Tourism Recovery Plan.

Perhaps one of our biggest projects during this time was one that ensured the stability of the DMO landscape. DMOs are vital to ensuring destinations are marketed and managed in an effective way, but with many facing financial pressures, we stepped in to run two rounds of resilience and emergency funding schemes worth more than £2m. These schemes ensured that DMOs would survive this crisis, and be there to help the local industry bounce back as soon as restrictions were lifted. I am pleased to see that DCMS have also recognised the importance of these organisations, launching the DMO review to assess their structures, and make recommendations for how their resilience can be further improved.

2020 also saw the BTA negotiate its funding from central government through the Spending Review, while events dictated that it was not the three-year settlement we had hoped for, I am confident that the groundwork we have done puts us in a strong position for the next spending review round. In the meantime, the Board, the Chief Executive and I have agreed our priorities for the year ahead to build recovery as quickly as possible by demand driving and business support.

While our industry has faced significant challenges, I am proud to reflect on the vast body of work the BTA has carried out this year to support businesses and destinations across the country – from providing consumer insights and running campaigns, to establishing industry-government dialogues and new reassurance schemes. I know this has been greatly appreciated by the literally thousands of small businesses affected by this crisis. I would therefore like to offer a special thank you to the Chief Executive and everyone in the VisitBritain/VisitEngland team for their work this year.

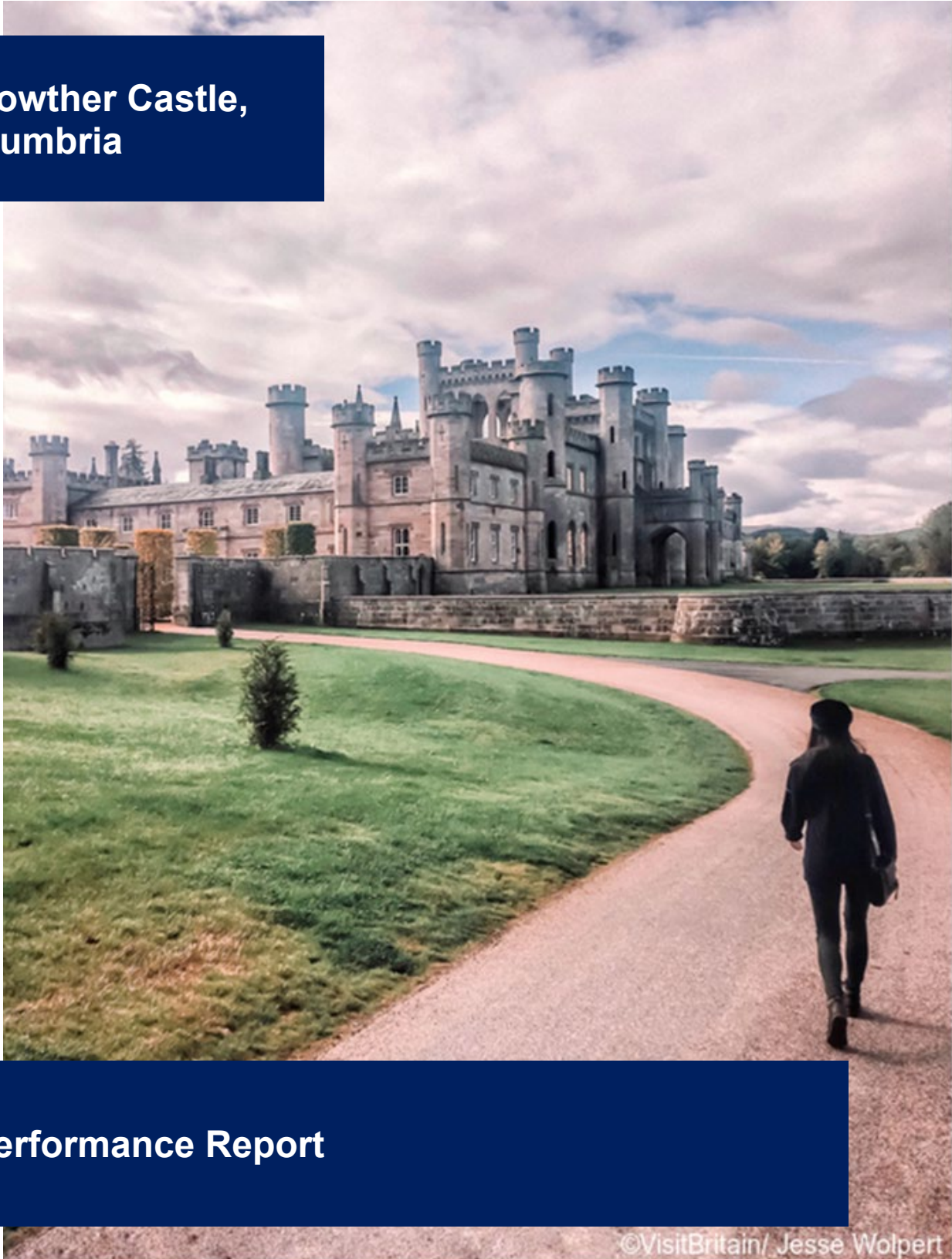
As it has been my first year as Chairman, I would also like to thank my fellow Board members who have welcomed me into the role, as well as those that also joined the board in 2020 including Carol Hui, Karin Sheppard, Peter Gowers, Robin Frewer and Nick de Bois, the new Chair of the VisitEngland Advisory Board.

Tourism is an incredibly important industry for our country - injecting cash into the economy, strengthening Britain's place on the world stage, and providing valuable opportunities for us to create important memories with loved ones. This past year has been difficult, but I look forward to working together in order to help the industry into what I believe will be a continuing and flourishing success in the future.

## 1. THE PERFORMANCE REPORT

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**Lowther Castle,  
Cumbria**



**Performance Report**

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## OVERVIEW

### Chief Executive's Report

The British Tourist Authority (BTA) has had a vital role to play in supporting tourism through the COVID-19 pandemic and ensuring that the industry is best placed to start recovery in 2021.

At the start of the year, we realised that the pandemic was an extraordinary event that would need an extraordinary response from us. We refocussed our teams to ensure that everyone understood their role and that our efforts were focussed on the areas where we would add the most value. We set out four clear priorities:

- **Government Advisory** - We have a statutory role to advise Government and provide the data and insight that feeds into policymaking. We needed to be clear on the impact on the industry and which Government interventions would make a difference.
- **Industry Support and Recovery** - Through advice sessions and webinars we ran a programme to help the industry build the skills it would need to come through recovery. Our marketing activity ensured that we were keeping the aspiration of a trip to Britain alive in international audiences and encouraging Brits to holiday at home and explore more of their local areas when this was possible.
- **Business Continuity and Transformation** - To compete in a digital world we need to keep our key systems and data management updated and relevant to our core activities. We have also ensured that all our procurement has fully complied with Government compliance rules.
- **Staff Welfare** - Our staff are our most important asset, and we reap the benefits of their creativity and passionate commitment in our work. We needed to ensure they felt supported through all the changes to the way we worked and in the continued uncertainties of our time and that we emerged strengthened as a global team

#### Government Advisory

The immediate and long lasting impact on the industry meant that our role as interlocutor between industry and Government would be crucial. We hosted round tables to ensure that industry spoke with one voice and that the areas where Government support was needed were clearly articulated, we gave evidence early on the impact of the pandemic to the Department for Digital, Culture, Media and Sport (DCMS) Select Committee, and continued virtual engagement with MPs and Ministers to advise on the industry. The Tourism Industry Emergency Response (TIER) group has met regularly, with DCMS and Government officials, industry representatives, destinations and on occasion the Tourism Minister to discuss topical issues and share guidance, and the BTA communications team has issued daily status updates and business advice throughout. Our research has been used across Government with regular domestic and international consumer sentiment and the economic impact modelling feeding into both the Global Travel Taskforce report and the planned DCMS led Tourism Recovery Plan.



Sally Balcombe  
Chief Executive  
VisitBritain/VisitEngland



## **Chief Executive's Report** *(Continued)*

### **Industry Support and Recovery**

Our priority has been to ensure that the industry emerges from the year in the best shape possible to rebuild a sustainable and resilient tourism sector - equipping the supply side with data and skills that will help it through the pandemic and building the demand side to help businesses build their cash flow.

We have stepped up our business support activity to build skills in the Small and Medium Enterprise (SME) sector through guidance on a business advice hub and through targeted webinars that have proved hugely popular on topics such as 'destination marketing' and 'get your business visible on Google'. Our consumer sentiment research showed us that there was considerable reluctance to start going out again so, in recognition of the public's concerns over safety, we developed the 'We're Good to Go' scheme that gave a mark that could be displayed by businesses to show they were COVID compliant. Over 46,000 businesses have applied to join the scheme which has now been partnered with the World Travel & Tourism Council allowing accredited businesses to display the international Safe Travels logo.

While international visits have been difficult, and safety concerns remain a consideration, it has been important to stimulate the domestic market. Our 'Escape the Everyday' domestic campaign encourages people to plan a future short-break to our cities, countryside and coast and rediscover what is here on the doorstep. Businesses were able to get involved by downloading a toolkit with campaign assets. We have also been highlighting accessible tourism with Channel 4's 'Mission: Accessible' social media series to drive future bookings.

VisitEngland's Tourism Exchange GB (TXGB) has helped small businesses connect to global distributors and, while progress has been slowed by COVID-19, now has 120 distributors connected of which 50 are Destination Management Organisation channels.

This has been the final year of the Discover England Fund and the projects that have been funded have continued to develop a domestic market offering with 'bookable' year-round activities, experiences and attractions as well as preparing to welcome overseas visitors when the time comes to travel again.

In international markets, our teams have used social media to connect with audiences and developing content that inspires reasons to travel to Britain. In key markets, we have worked closely with the travel trade using the opportunity to tell them more about British product so that they are ready to promote Britain when borders open. Explore GB became a virtual event with more than 350 international buyers meeting more than 350 suppliers eager to do business. Buyers and international journalists attended webinars to know more about Britain and media interviews with myself and the Chair resulted in more than 50 stories in global media. We have continued to leverage our partnerships working with the Travel Leaders Network and BritBox to keep Britain front of mind in the US, with SpiceJet in India on their new Delhi-London route and with EntertainmentOne in Brazil using Peppa Pig as a hook to promote family attractions in Britain.

An agile approach that was taken in order to steer resource where it was needed most. Destination Management Organisations (DMOs) were supported through the Destination Management Resilience Scheme (page 14) and Emergency Financial Assistance Fund (page 15).

The Business Events sector has been even harder hit than the leisure sector and has now been closed for a year. We moved our major event (MeetGB) online very quickly in June 2020 and were pioneers in seeing how online events would work. It was a success, run over two days for European and American buyers and allowing 64 exhibitors to connect with 85 buyers and 283 trade visitors. We launched a refreshed brand in October – Events. Reimagined. – to show a lead in rebuilding industry confidence and in February 2021 held a successful virtual MeetEngland with 250 buyers interacting with 31 DMOs.

## **Chief Executive's Report** *(Continued)*

### **Business Continuity and Transformation**

Our focus on compliance continued this year, getting the basics right and embedding the changes. A key enabler to moving forward was the development of an assurance map to highlight opportunities to strengthen controls and gaps in ownership for our corporate processes. To ensure that we continue to build on our effectiveness we have kicked off our digital transformation programme with the procurement of contracts for the replacement of our dated content management system, customer relationship management system and retail platform. The three implementation projects are all under way and are being managed as a single programme to ensure the desired business change is achieved across the organisation.

As we see the green shoots of recovery with the roadmap for coming out of lockdown and a successful vaccination programme, we want to ensure we build on the lessons we have learnt during the pandemic. With a tight single-year financial settlement we will continue to be focussed in our activity - driving immediate tourism recovery through building back visitor spend as quickly as possible and supporting the industry. There is much still to be done but the team and I are clear in our commitment to the industry and to rebuilding a resilient and sustainable sector.

### **Staff Welfare**

Most of our staff around the world have spent the past year working from home. We have taken proactive steps to ensure working at home was a positive experience and that we maintained our global team spirit. Our clear priorities helped with that and we developed a more flexible system of moving people (virtually) across the organisation to support areas that were under stress. We launched our People Strategy to ensure that we remain a great place to work and many of our staff have stepped forward to be part of the Diversity and Inclusion networks offering guidance, support and education on specific topics that impact our employees. We have also launched Learning and Development days to encourage everyone to own their personal development. At a time of considerable uncertainty staff surveys show our engagement scores are increasing.

Finally, I would like to thank the team at VB/VE, our sponsoring department at DCMS and the Ministers for their support, and the Chair and Board for their continued guidance.

## Business Model - Purpose, Objectives and Activities

### **BTA Purpose**

The BTA is a Non-Departmental Public Body funded by 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 the English Tourist Board, is the dedicated tourist board for England and has similar functions and the same duties 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.

### **The Tourism Sector**

#### **Industry Value**

Tourism (including supply chain spending and investment) is worth £127bn 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 third largest service export.

Before the COVID-19 crisis, the sector was projected to grow 3.8% a year until to 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 <sup>1</sup>**

Incorporating 200,000 Small and Medium Enterprises (SMEs), the tourism sector and its supply chains accounts for 10% of all jobs in the UK. Just £54,000 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 have not and more likely to invest in a 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 FCDO's work to strengthen bilateral relations. This year, soft power elements such as British film, TV, music, and food and drink have been more important than ever, with an increased interest due to lockdowns and need for more content and entertainment.

#### **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, provides 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.

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<sup>1</sup> Source: <https://www.ons.gov.uk/businessindustryandtrade/tourismindustry/adhocs/009952workerswithmainandsecondjobsintourismindustries2018>

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

As well as the significant economic impacts, other benefits include research sharing, knowledge transfer, professional development, networking, and the attraction of inward investment opportunities. It is also estimated that more than 35% of business visitors return to the UK later with friends and families as leisure visitors.

### The Tourism Landscape

It has been a year like no other. In response to the COVID-19 pandemic, international travel was brought to a standstill for most of the world, with travel bans and quarantine measures put in place against the UK, and by the UK, for most of our major markets.

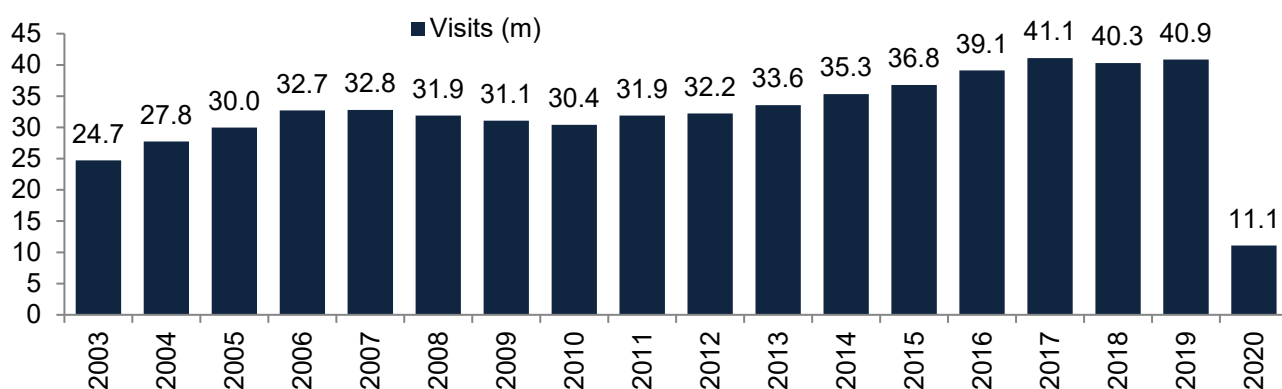
With stay-at-home orders and concern about health and safety, we also saw sharp losses in domestic tourism. Millions of jobs and local economies depend on tourism across the country and have lost months of trading, with many struggling to survive.

### Inbound trends

#### 2020 inbound tourism in numbers<sup>2</sup>

- Following growth in 2019, when inbound visitor spend reached a record £28.4bn and the volume of visits (40.9m) almost matched the 2017 record, 2020 saw a collapse in inbound visits from March onwards.
- The Office for National Statistics suspended the International Passenger Survey, the official source for inbound and outbound tourism, from mid-March due to COVID concerns as it is a face-to-face survey. Results for the rest of 2020 were therefore modelled by the ONS. The IPS returned to field from mid-January.
- These modelled results suggest that inbound tourism fell by 73% in volume terms to 11.1 million and by 78% in value terms to £6.2 billion.

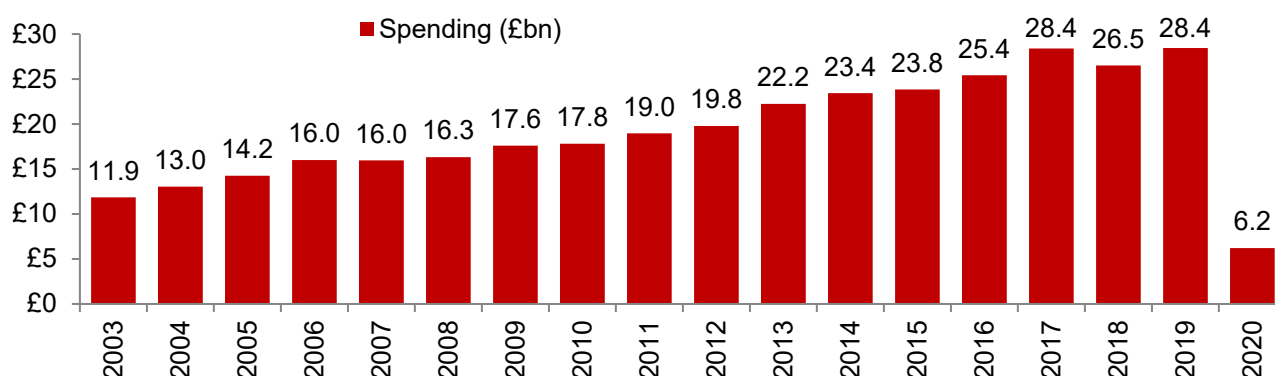
**Figure 1 – number of inbound visits to the UK**



<sup>2</sup> Source: International Passenger Survey from the Office for National Statistics. Results from mid-March modelled by the ONS. Data refers to UK.

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

**Figure 2 – value of inbound spending**



**Competitive View**

Globally, international overnight tourism arrivals fell by a similar 73% in 2020 according to World Tourism Organisation (UNWTO) estimates, with arrivals to Europe falling 69%<sup>3</sup>.

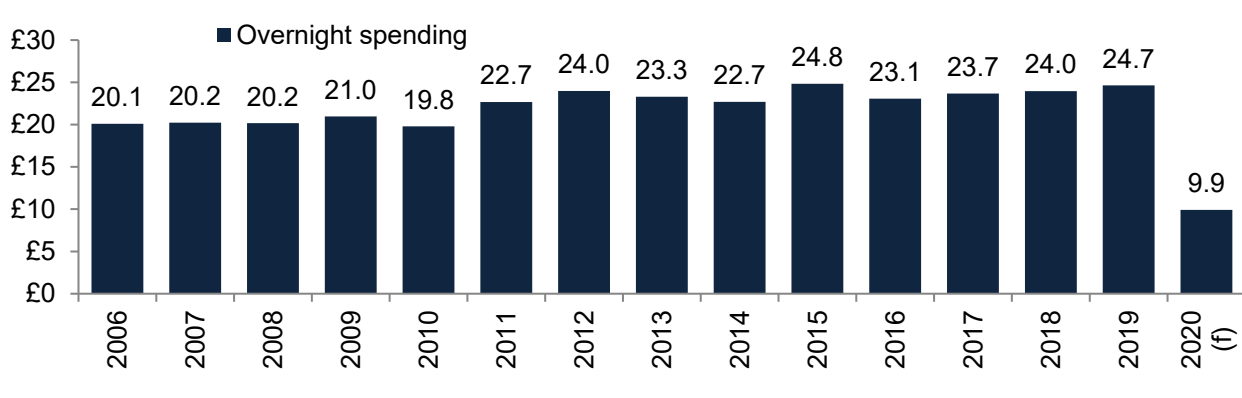
The 2020 Ipsos Anholt Nation Brands Index survey ranked Britain as the 4<sup>th</sup> strongest tourism nation brand overall (the same as in 2018 and 2019), the 4<sup>th</sup> for contemporary culture, the 6<sup>th</sup> for cultural heritage, and the 5<sup>th</sup> most aspirational destination to visit, if money were no object. These will be key selling points to drive the return of inbound tourism when the time is right, and ensure Britain stays top of mind for booking.

**Domestic trends**

**2020 domestic tourism in numbers<sup>4</sup>**

- In 2019, the value of domestic overnight tourism spending (all journey purposes) was £24.7bn, up slightly on 2018 although just short of the 2015 high point. The VisitBritain/VisitEngland forecast for full calendar year 2020 is £9.9bn, a loss of 60%.
- The value of leisure day trip spending was a record £67.0bn in 2019. The VisitBritain/VisitEngland forecast for full calendar year 2020 is £24.6bn, a loss of 63%.

**Figure 3 – value of domestic overnight tourism spending in Great Britain (£bn)**

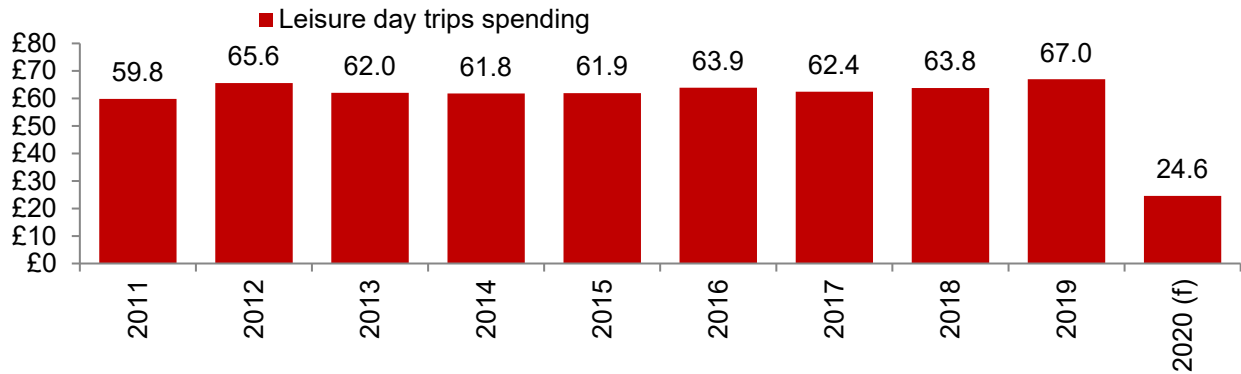


<sup>3</sup> Source: UNWTO Barometer March 2021.

<sup>4</sup> Data for 2019 and earlier years comes from the Great Britain Tourism Survey and Great Britain Day Visits Survey. Full calendar year 2020 numbers are forecasts from VisitBritain/VisitEngland. Data refers to Great Britain.

Business Model - Purpose, Objectives and Activities (Continued)

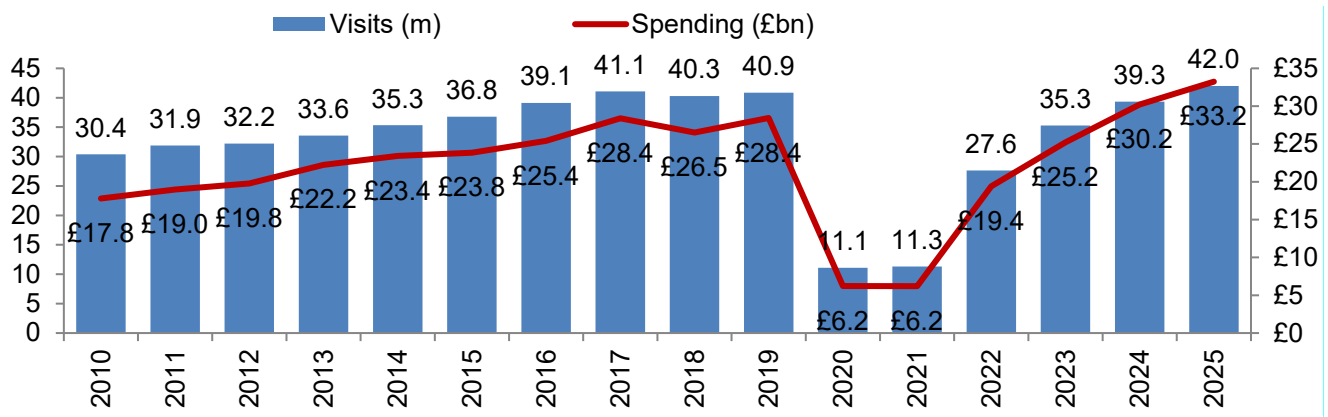
**Figure 4 – value of domestic leisure day trip tourism spending in Great Britain (£bn)**



A Look to the Future

Oxford Economics forecast that visits will not return back to their pre-COVID peak until 2025 and that inbound spending will not return to its peak until 2024 in nominal terms (2025 in real terms).

**Figure 5 – long-term forecast for inbound visits and spending to the UK<sup>5</sup>**



Overall, while we know from research and consumer sentiment that demand is high and there is desire to travel, because of health concerns and the pace of the global economy’s recovery, it will be a slow return to pre-COVID levels. Our strategy this year and in future years is to ensure tourism recovers as quickly as possible to become once again one of the most successful sectors of the UK economy.

<sup>5</sup> Source: International Passenger Survey (up to 2020); VisitBritain forecast for 2021; Oxford Economics forecast for 2022 onwards.

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

### Our Response to COVID-19

The tourism industry was one of the first and hardest hit sectors by COVID-19, and BTA continues to play a vital role in supporting the sector in these unprecedented and challenging times. While a focussed response to the crisis was critical, we continued to embed improvements in procurement and compliance, and delivered on high priorities including the final year of the Discover England Fund (DEF).

Our goal in 2020/21 was to ensure that tourism rebounds from COVID-19 to once again become one of the most successful sectors of the UK economy.

Over the last year, we refocussed and reprioritised all of our activity, identifying four corporate priorities aligned to the new strategy:

We acted as the interface between Industry and Government, providing timely and relevant communications, insight and data. We focussed on ensuring that the economic impacts on the tourism industry were understood, working hand-in-hand with DCMS to implement policies that matched the scale of the response needed. (See pages 29-30).



We worked domestically and internationally to support the industry and played a key role as a trusted voice, preparing for post-crisis recovery. Our goal was to continue to drive inspiration and demand to travel when the time is right. (See pages 31-32).

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

We retained a strong focus on ensuring we were running the business in an effective and efficient manner, spending public money wisely.



Our people are our most valued and important asset and our number one priority through this crisis was supporting and enabling our staff to work remotely effectively, launching a range of initiatives to maintain staff wellbeing, connectivity and community spirit.

A breakdown on how we performed against each of these priorities can be found later in the report.



## The Challenges and Risks we have faced

BTA has a comprehensive risk register which we use to monitor and manage risks, this is also subject to regular review and constructive challenge by the Audit & Risk Committee and the Board. In 2020/21, we faced three major challenges: COVID-19, Retail and EU Exit.

### **COVID- 19**

With the pandemic covering the entire financial year, COVID-19-related activity and crisis response was woven into all activity we executed. As the national tourism agency, the majority of our budget was spent working in close partnership with the industry to ensure that it receives the support it needs from the Government, not only to survive, but to bounce back and once again thrive.

VisitEngland increased focus on its supply-side support for Tourism SMEs, DMOs and the wider industry throughout the COVID-19 pandemic to aid recovery, flexing funds to ensure they deliver the right support at the right time for the industry. As most international markets were placed in a holding pattern due to travel restrictions, VisitBritain focussed on driving inspirational messaging to keep the country top of mind for potential travellers, inspiring them to choose Britain as their next holiday destination when they are ready to travel overseas.

### **Funding Programs**

In 2020/21 VisitEngland managed £5.5m of non-baseline Her Majesty's Treasury (HMT) budget. This was originally to support delivery of Year 5 of DEF, however, in response to the pandemic, and with the approval of Government, £2.3m was repurposed to support DMOs through grant funding opportunities.

- **Discover England Fund (Year 5)**

Due to the impact of COVID-19, the 5<sup>th</sup> year of the [Discover England Fund](#), which ensures that England stays competitive in the global tourism industry by offering world-class English tourism products, had to adapt to support the recovery of the products created in the domestic market. A total of £1.8m was allocated across 12 projects, working with more than 75 DMOs to develop bookable product and experiences suitable for consumers post pandemic. In total, the fund's projects have now created over 750 bookable tourism products over five years, and spent the last year getting year-round activities, experiences and attractions ready for visitors when the time is right. Central activities totalling £1.4m were undertaken to support the products including content partnerships with *Buzzfeed* and *News UK* to inspire visitors, continued programme evaluation and management, support for the Tourism Exchange Great Britain distribution platform and accessibility imagery.

- Since DEF was set up, large scale projects have developed including:
  - 10 new tickets or pass products, 333% of expected output.
  - 243 new itineraries/clusters of product and supporting content, 215% of expected output.
  - 28 new or upgraded apps/websites, 140% of expected output.
  - 299 familiarisation visits, 220% of expected output.
  - 5,581 individuals/organisations attended workshops/events, 136% of expected output.
- Outcomes are emerging across large scale projects:
  - Over 51k travel passes/tickets have been purchased.
  - 485 new travel packages/product were purchased by customers.
  - Approximately 23k itineraries and digital guides have been downloaded.
  - There have been over 2.2m website visits.

- **Destination Management Resilience Scheme**

In early April, VisitEngland launched the COVID-19 Destination Management Resilience Scheme, supporting DMOs in communicating and engaging with tourism businesses. The scheme helped them pay their employees and ensure consistent messaging and communications with tourism businesses about the advice and support available to them during this critical time. VisitEngland reprioritised £1.25m from DEF and supported 56 DMOs across England between 1 April and 31 July 2020.

## Challenges and Risks (*Continued*)

- **Destination Management Organisations' Emergency Financial Assistance Fund**  
VisitEngland reprioritised a further £892k from the Discover England Fund to provide an [Emergency Financial Assistance Fund](#) to 15 DMOs that were at risk of closure. There have been two rounds of the Fund, which was designed to help alleviate the serious financial pressures faced by eligible DMOs in England.
- **Cornwall G7 Summit Legacy Media Exposure Activity**  
DCMS made additional funds available to VisitEngland to support Visit Cornwall to capitalise on the inbound tourism legacy for the destination and the wider South West of England from hosting the G7 Summit between 11-13 June 2021. The extraordinary grant of £74k supports the creation of a dedicated web portal, with new creative content, as well as travel trade and media engagement activities to encourage G7 member-states to highlight Cornwall as an inbound destination.

## Marketing Funds

This year, £3.2m of GREAT programme investment has funded UK reassurance messaging and campaign activity at key periods during 2020/21. This was supported by £263k of VE budget on England specific content, assets and PR opportunities. Plans and activity had to be flexible and adaptable due to the ongoing pandemic, changes in restrictions and lockdown arrangements, which affected delivery and the timings of campaign activity.

- **HM Government's 'Enjoy Summer Safely' Campaign**  
The Government, following the first national lockdown, ran a short-term UK-wide economic campaign directly aimed at stimulating consumer spending by motivating and welcoming people back to hospitality, leisure, tourism and retail activities as the restrictions were eased. The 'Enjoy Summer Safely' Campaign was delivered across the UK, running from early July to mid-September. Visit England designed and coordinated a call for proposals enabling DMOs across the UK to participate with local consumer \*messaging as part of the overarching national campaign. Out of 48 applicants, 16 were approved and awarded an allocation for media buying.
- **Destination Management Organisations' Recovery Marketing Fund**  
VisitEngland launched 'The Escape the Everyday' [DMO Recovery Marketing Fund](#), providing them with the opportunity to apply for grant funding of up to £80k to deliver local marketing activities aligned to the national campaign. 15 Awards were made totalling £320k in financial year 2020/21. The activity undertaken between 1 January and 31 March 2021 focussed on project management, content development and support to get products bookable online. Paid media activity and spend was rescheduled to financial year 21/22 in response to the lockdown and the timeframes in the Government's roadmap. The deadline for completion is 31 July 2021.

Additional COVID-related supporting activity in domestic and international markets was executed through the four work streams created to deliver the corporate priorities for the year. Details can be found later on in the report.

## Challenges and Risks (Continued)

### Retail

**We saw sales decrease of £20.5m from 2019/20 due to the coronavirus pandemic severely impacting the online shop.**

- With the pandemic halting international travel, the Shop takings were only £237k in revenue for the financial year, - 99% down on the year. This is compared to £20.7m of sales in 19/20.
- Long haul markets were disproportionately affected by restrictions, with revenue from regions outside of the EU accounting for only 3.6% of overall shop sales compared to 16% of sales in the previous year. This trend is expected to continue, with international recovering last.
- Summer saw slight recovery with some positive signs in our key European markets, Germany and France, however these came to a standstill as further travel restrictions were imposed.
- Alongside these key European markets, there was also an increased interest from the UK market. This was our biggest traffic region, with 36% of our traffic originating in the UK (vs. 22% the previous year).
- A key focus during the year was on maintaining and restricting costs wherever possible primarily in the marketing area. Savings were also made on staff costs.
- The travel restrictions and closure of attractions throughout the country meant we saw a significant number of refund requests. While we continued to protect revenue by offering flexible vouchers and extending validity where possible, we still processed £627k of refunds. The majority of these were from sales taken in the 19/20 financial year, a provision was carried over from that year to account for this.

### **Background (history) 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 2019/20 turned over more than £14.9 million in revenue and made £973K in gross profit with an average order value of £113. 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 (2019/20) via their channel. [We work with Visa Facilitation Services (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.

## Challenges and Risks (Continued)

### EU Exit

Europe is the bedrock of inbound tourism. European Union (EU) visitors made up 67% of all inbound visits to the UK in 2019, with 27.3m visitors, and contributed 43% of all spend made by inbound visitors in the UK. Our regular EU Sentiment Research shows that concerns in EU countries, following the U.K. Referendum in 2016, have persisted and had an impact on the likelihood of Europeans to visit the U.K. Changes to entry documentation and the requirements for European travellers to have a passport to travel to the U.K. instead of an ID Card, will present further challenges.

After the official withdrawal, our goal was to reassure EU travellers that Britain remains open and welcoming and to protect our market position. Quickly following, news coverage on COVID-19 began spreading around the world and Europe was one of the first hot spots in the pandemic. Following full lockdowns in the UK and most European markets in Q1 of the financial year, we have been nimble in our tactics and adjusted messaging based on the changing restrictions.

Given the skewed results due to the pandemic, the full impact of these negative EU Exit-related factors will only become clear once travel from Europe has resumed.

### Europe Budgets for the FY 2020/21

- Europe received a limited core budget of £145k in October 2021. Up to then, activities in markets were limited to no-cost communications through our own channels and key account and relationship management of travel trade, PR and influencer contacts. An additional GREAT-funded (see analysis page 24) budget of £31k was approved in November to amplify EU Exit and COVID-19 recovery reassurance messages in Q4, and to extend its reach.

### Impact on Objectives

- To address a proven decline in the perception of the UK, welcome and reassurance messages were the dominant elements in all our communications for the 2020/21 year.
- We created reassurance content to address the changes affecting holidaymakers as a result of the ongoing negotiations. Our [dedicated page](#) answers the key questions visitors want to know and has been translated and uploaded to our European consumer and trade websites. It has performed successfully across markets, viewed 216,000 times, and will continue to be a key resource as markets open up.

The screenshot shows the GREAT website interface. At the top, there is a navigation bar with links for DESTINOS, ACTIVIDADES, INFORMACIÓN PRÁCTICA, SHOP, VIAJES, BLOG, and ES. The main content area features a red banner with the text "Consejos de viaje" and "Lo que necesitas saber para visitar el Reino Unido desde el 1 de enero de 2021". Below the banner, there is a section titled "DNI y visados" with a sub-heading "¿Van a necesitar los ciudadanos de la UE, el EEE o Suiza un visado para viajar al Reino Unido?". The text explains that EU citizens can visit for short stays without a visa. There is also a section for "Aerolíneas" with a sub-heading "Llegar por mar, en tren o en autocar". The page includes a search bar and a language selector.

Informational Website and Sample Social Post

## Challenges and Risks (Continued)

- During the lockdowns in Q1 and Q2, the objective of our consumer-facing activities was focussed on “Dream Now – Travel Later” messaging, keeping audiences inspired and interested. When travel gradually became possible again from July, we switched to keeping our audiences informed on visiting conditions and reassuring a safe travel experience was possible. As corridors closed again in the late summer, our communications switched back to inspirational messaging, including the content amplified by the GREAT funding.
- The original plan to put budgets behind the distribution and amplification of logistical EU travel information and reassurance messaging from January onwards had to be stopped. With the implementation of another lockdown just before Christmas, immediate travel was no longer appropriate.



## Performance and Outcomes

- Due to the lack of larger paid campaigns and only a very limited investment into activities driving traffic to the European language versions of VB.com, the overall volume of quality traffic has considerably declined by 57% to 757k last year. However, the dedicated pages for travel reassurance (“Know Before You Go”) with 414k page views and EU Exit information with 125k page views received the highest levels of traffic in most markets.
- The number of posts (5,935) on our own channels, their reach (62.5m) and the number of engagements (4.2m) increased roughly 15% year-on-year, however, for some markets in longer lockdowns, engagement declined.
- Activities with the travel trade were limited to engagement with key accounts, as well as the Virtual Explore GB event, which was attended by 127 European tour operators and buyers. As there were virtually no visits to the UK organised by the travel trade it will not be possible to calculate an incremental spend figure for our B2B work and the evaluation will reflect this.
- As there were no media visits from Europe last year (initially because of a lack of budget, later through travel restrictions), the number of articles influenced by VB has dropped by three quarters to 580 in Q1-3.

## 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 the diversity of the communities that we serve. BTA supports the protection of human rights and has 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. The Remuneration and People Performance Committee discussed and agreed updated Anti-Bribery and Gifts and Hospitality policies for the BTA in June and September 2020 respectively.

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 86.

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 tapers at both ends, resembling a stylized underline or a decorative flourish.

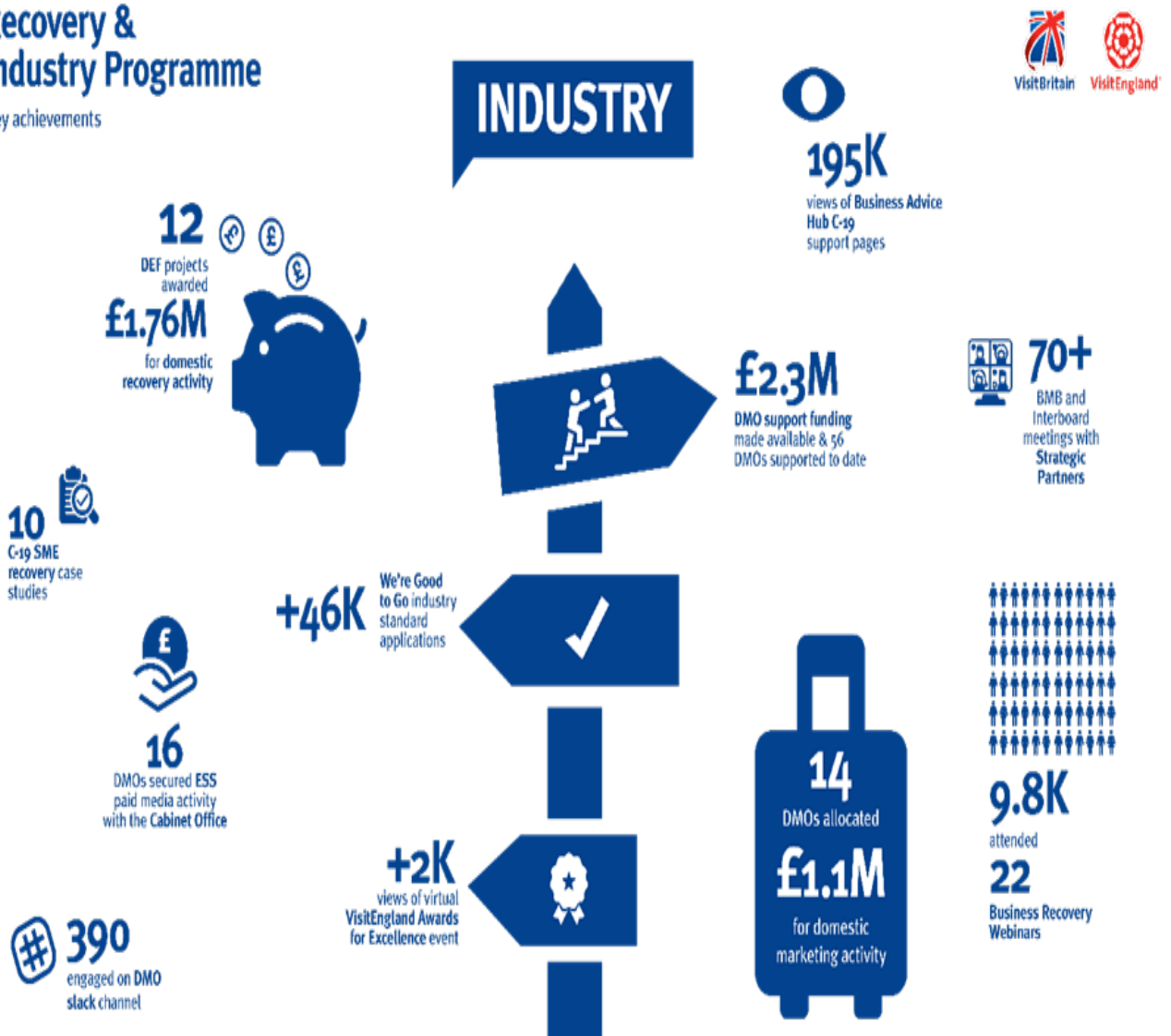
Sally Balcombe  
Accounting Officer  
BTA  
7 July 2021

## PERFORMANCE SUMMARY AND ANALYSIS

### Our Year at a Glance

#### Recovery & Industry Programme

Key achievements



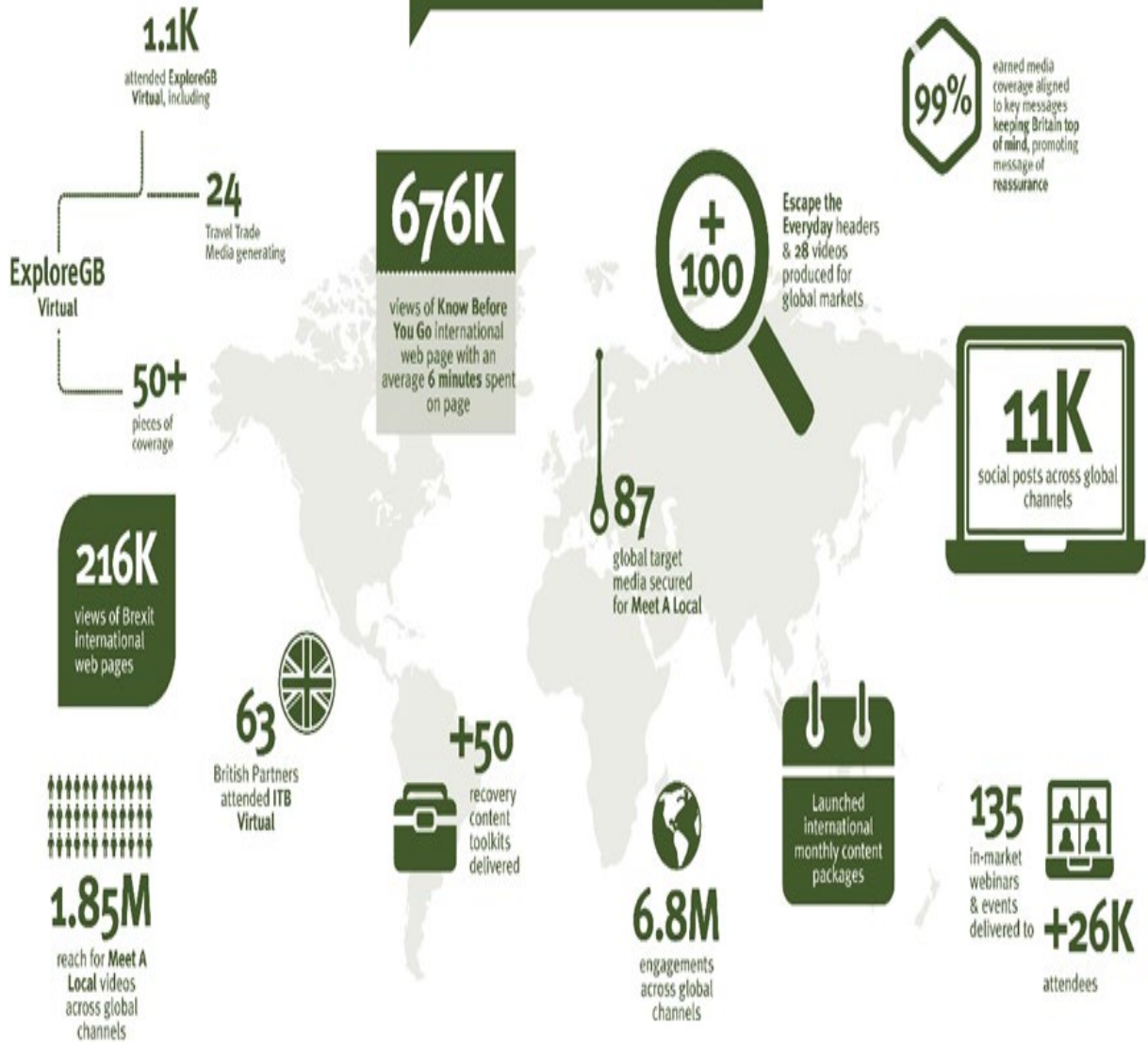
Our Year at a Glance (Continued)

Recovery & Industry Programme

Key achievements



INTERNATIONAL





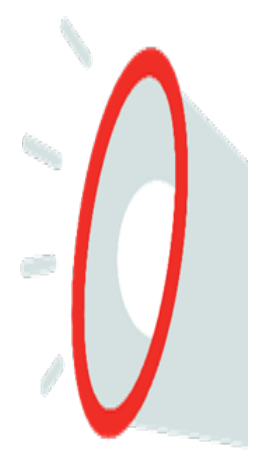
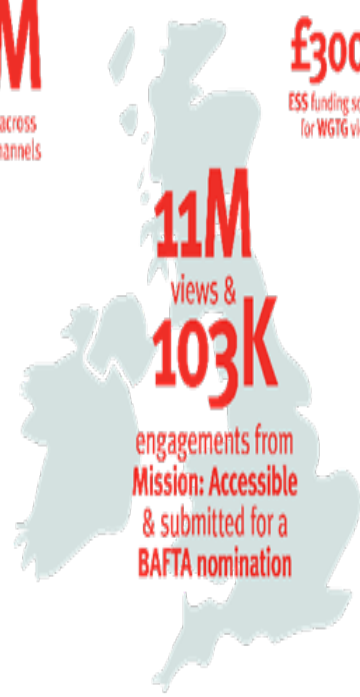
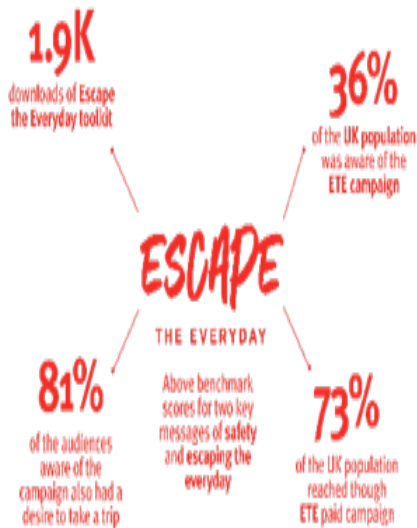
Our Year at a Glance (Continued)

Recovery & Industry Programme

Key achievements



DOMESTIC



Our Year at a Glance (Continued)

## Recovery & Industry Programme

Key achievements



COVID response  
Open Letter of Support  
campaign reached

**153K**

event professionals  
& **34K**

video views & shortlisted  
at the C&IT Awards Creative  
Response to Coronavirus

Business Events Growth  
Programme supported

**13** events with financial support  
and government advocacy.  
All events worth total



**£51.1m**

in delegate spend.

# BUSINESS EVENTS



**2.3M**  
campaign impressions

**1.2M**  
video views

## EVENTS. REIMAGINED.

recovery campaign & engagement with  
international event professionals

MeetEngland®

**20.4M**  
campaign impressions

**265k**  
video views



**7** international events  
won for the UK.  
Estimated delegate  
spend of

**£53.8m**



**362**

buyers attended  
MeeGB Virtual

**1,200+**

one-to-one  
video meetings

**182**

buyers attended  
MeetEngland Virtual

**530**

one-to-one video  
meetings scheduled



**116**  
one-to-one support  
meetings with UK  
DMOs and CVBs



**6** Business Events  
recovery webinars  
**936**  
attendees



## Financial Performance Review for the Year 2020/21

### 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), a four-year funding programme to encourage product development in England.
- Additional one-off grants were received for projects.
- Unfortunately, due to COVID-19, the Visit Britain online retail shops, incurred a loss of £487k.

The overall income (both grant-in-aid and non-grant-in-aid income) for 2020/21 totalled £42.8m (2019/20 £72.4m) which includes gross revenue from retail operations.

### Grant in Aid funding

Grant funding for the year amounted to a total of £40.3m, compared to 2019/20 (£54.3m). The funding included the £5.5m for the DEF. This is reduced funding reflects the BTAs inability to spend our original funding envelope, because of the pandemic restrictions. The funding period ended during the year.

The table below shows Grant In Aid provided by DCMS.

### **BTA Funding 2020/21**

	<b>Visit Britain £'000</b>	<b>Visit England £'000</b>	<b>BTA Total £'000</b>
Resource GIA	19,258	7,104	26,362
Capital GIA	844		844
GREAT Funding	3,582	3,955	7,537
Visit Cornwall		74	74
Discover England Fund (DEF)		5,500	5,500
<b>Total</b>	<b>23,684</b>	<b>16,633</b>	<b>40,317</b>

### Other income (non-GIA income)

Income from non-GIA funded activities was £1.5 million, which arose from the following:

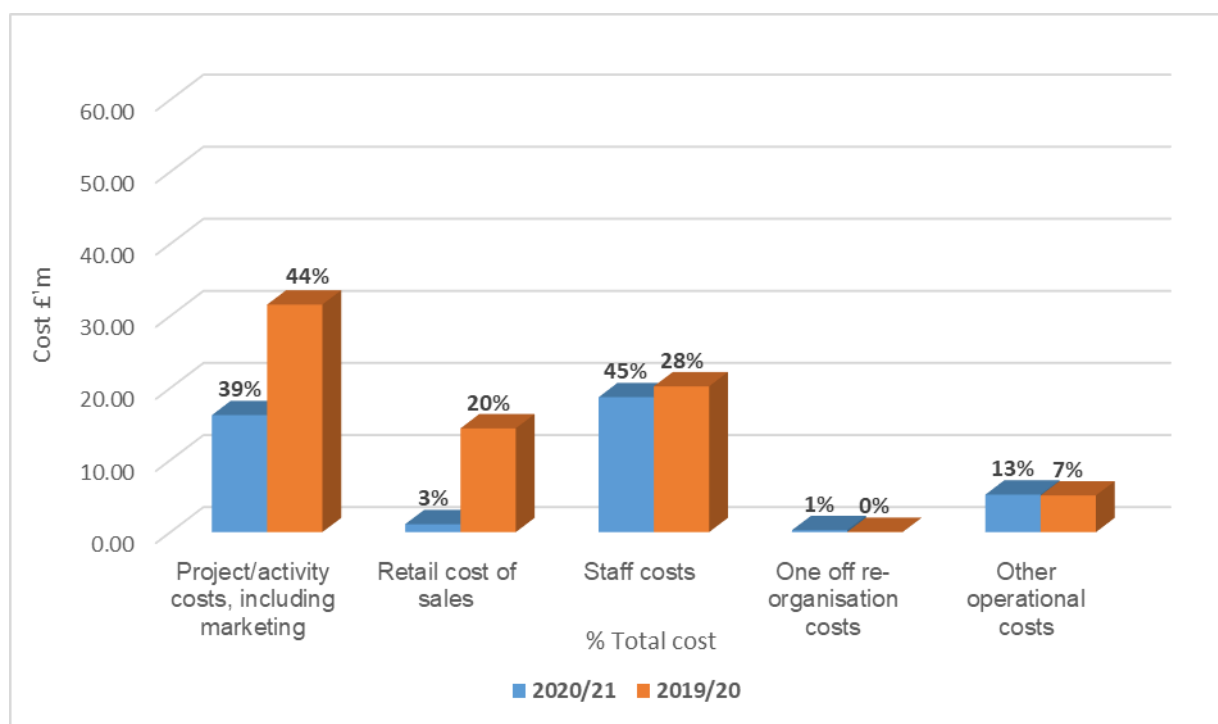
- £725k lease settlement income from vacating our premises at 3 Grosvenor Gardens early.
- £582k accounting gain, also relating to the above property.
- The balance relates to rental income from our overseas properties.
- Due to COVID-19, we received minimal partnership income of £88k.

## Financial Performance Review of the Year 2020/21 (Continued)

### Expenditure

Overall expenditure in 2020/21 was £41.6m (2019/20, £71.4m). This is significantly lower than last year as, due to COVID-19, we were unable to spend marketing activity to the extent that we have in the previous year.

### Analysis of total expenditure (%)



The main changes in operating costs were:

- Decrease of £15.3m in project/activity costs (including marketing) due to the impact of COVID-19 most marketing activities planned for 2020/21 did not take place.
- Staff costs decreased to £18.7m, from £20.2m last year, primarily due to reduced pension costs associated with the closure of the defined benefit scheme. This is because there were actuarial adjustments for current service costs in 2019/20 of £2.6m, but only past service costs of £770K in 2020/21.
- Property costs increased by £1.4m, primarily due to relocation and occupation costs associated with the move of London Offices, largely offset by property income see above.
- Irrecoverable VAT decreased by £2.4m. Marketing expenditure significantly reduced in 2020/21 and since this is grant funded the VAT is not recoverable.
- An increase in foreign exchange losses to £207K, up from £104k in 2019/20, due to the lack of retail income, which normally provides a natural hedge to our foreign currency expenditure.
- Travel costs were only £23k, compared to £445k last year.

## Financial Performance Review of the Year 2020/21 (Continued)

### COVID-19 Expenditure

Incremental expenditure of £2.3m occurred during the year in relation to COVID-19 support grants to Destination Management Organisations, as below. Further details are provided on pages 14-15.

<b>Grant scheme</b>	<b>£'000s</b>
Destination Management Resilience Scheme	1,250
Destination Management Organisations' Emergency Financial Assistance Fund	892
Cornwall G7 Summit Legacy Media Exposure Activity	74

Contractual losses of £600K were incurred as a consequence of COVID-19 related cancellations of planned activities, as below. Further details are provided on page 72.

<b>Contract</b>	<b>£'000s</b>
Expedia Europe campaign	164
Escape the Everyday media campaign	363
Escape the Everyday media campaign penalty	50
Maritz Global Events	17
IPS suspension	22

### Pension schemes

Employee benefits, including pensions and other post-retirement benefits, are 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.

The British Tourist Boards' Staff Pension and Life Assurance (BTBSPLA) section of the scheme closed to future benefit accrual on 31 March 2020. BTA made additional contributions to pension contributions for 2020/21 of £200k (2019/20: £226k). A full triennial valuation of the scheme as at 31 March 2020, received in April 2021, reported a deficit of £1.09m. The current advice received from the independent actuarial advisors to the pension scheme is that investment returns are expected to be sufficient to cover future liabilities and that therefore BTA is not at present required to make additional contributions. The position of the pension fund will continue to be monitored and reviewed each year.

The US pension scheme, for eligible US employees, is administered separately and is a hybrid defined benefit/contribution scheme. The net pension asset was £343k (2019/20, deficit £24k).

BTA also has an additional unfunded pension liability of £118k (2019/20: £120k) for pension payments to former chairmen which is included in the Statement of Financial Position. As there are no matching assets to meet this liability this represents future expenditure for BTA.

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 £5,556k to £7,489k. The main contributors to this were reduced year-end payables (£5,149k), partially offset by decreased receivables (£1,122k). Cash balances ended at £2,874k (£4,650k last year).

**Financial Performance Review of the Year 2020/21** *(Continued)*

**Creditor payments policy**

As a signatory to the Confederation of British Industry, (CBI), code of practice on supplier payment, BTA policies have incorporated the code, in addition to compliance with 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. 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 2020/21, 71% (2019/20: 65%) of suppliers' invoices not in dispute were settled within these parameters. Whilst 90% of invoices were paid within 30 days (2019/20: 90%). Metrics continue to be 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. A long, thin horizontal line extends from the end of the signature to the right.

Sally Balcombe  
Accounting Officer  
BTA  
7 July 2021

## Performance against the 2020/2021 Corporate Priorities

### **Corporate Priority #1: Government Advisory**

Throughout the pandemic, we have kept Government and industry informed on what impact COVID-19 has had on both inbound and domestic tourism through our robust programme of research. By providing data on both domestic and inbound visitor sentiment, sharing valuable insight on intent to holiday and barriers or concerns around travel, as well as tourism forecasts, we have helped businesses and Government to react and plan more accurately.

#### **Policy Papers**

We engaged with industry leaders to produce policy papers, ongoing briefings and evidence, on the real-time impact on the sector, mapping out the support needed for the industry to recover at each stage of the pandemic. These insights have provided Government, MPs and Select Committee Members with valuable data in advance of roundtable discussions, Parliamentary debates and for use in informing policy.

#### **Tourism Industry Response Group (TIER)**

We gave the sector a voice, acting as an interlocutor between industry and Government through the Tourism Industry Emergency Response (TIER) group, and this representation has been appreciated. The group, made up of key tourism industry associations and organisations, received daily updates on tourism news related to the crisis and met weekly, enabling those on the front line of tourism to feedback on policy and raise any concerns.

- 240 daily emails were sent to keep the group and DMOs informed on related news, guidance and information.
- 32 TIER meetings were held.

#### **Highlighting the Importance of Tourism**

We kept tourism on the agenda, advising on many sector-related matters, including the importance of tourism to the UK's global influence and prosperity, as a member of the FCDO's Soft Power Board, feeding into their submission to the Government's Integrated Review on Foreign Policy. We showcased the significance of the UK events industry and the issues they are facing to ensure the scale and importance of the sector was recognised, as well as Electronic Systems for Travels Authorisations (ESTAs), ID Cards, and Welcome as part of evidence submitted to the Home Office's 2025 Border Strategy Review.

#### **Global Travel Taskforce**

We have worked closely with the Global Travel Taskforce on how to resume international travel safely, collaborating on a five-year international tourism recovery plan and a flagship overseas marketing campaign. We continued to make the case for tourism, through the submission of an ambitious funding bid to Government as part of the Spending Review. It was a tough spending round across Government and we were pleased to have secured a small additional uplift.

#### **English Tourism Week and Support for Campaigns**

English Tourism Week, VisitEngland's pre-eminent annual campaign championing the English tourism sector, took place 25-31 May 2020. Due to the pandemic, the event took place virtually, with a focus on increasing engagement with Government, MPs and other stakeholders to support the recovery of English tourism and raise awareness of its importance to the UK economy.

## Performance against the 2020/21 Corporate Priorities (Continued)

The total cost to VisitEngland was £9k and the campaign results included:

- 16 press releases written by MPs. Total stories in the media: 277+, Total reach: 18m+, Value: £368k.
- Over 1.3K tweets using the #EnglishTourismWeek20 hashtag. The hashtag had a reach of 3.3m viewers, with potential impressions of 7.6m, and trended on Twitter.
- 35 MP tweets and 24 MP re-tweets including the Tourism Minister, Culture Minister, Agriculture Minister, Shadow DCMS Secretary, Shadow Tourism Minister and Shadow Chancellor of the Exchequer.
- DMOs took part by running social media campaigns, MP engagement and business support activities.



MPs have also got involved in our virtual campaigns including 'Escape the Everyday', taking to social media in support of the industry.

- Working with partners Expedia and Lastminute.com to extend the campaign's reach and drive action through dedicated microsites with bookable UK product

### **Corporate Priority #2: Recovery: Industry Support and Marketing**

The Recovery: Industry Support and Marketing work stream aimed to ensure joined up efforts between supply and demand generating activities, targeting support and resources effectively to aid industry recovery.

#### **Industry & Business Support**

England's DMOs have been an important partner for BTA to engage the many businesses that make up the tourism industry. Supporting DMOs and Tourism SMEs through the pandemic quickly emerged as mission critical for BTA, and here is how we supported:

- Trusted Voice in Tourism**  
We have closely monitored the impact of COVID-19 and interpreted Government guidance to keep the industry informed on the latest information affecting the tourism sector. Our industry website along with social media and e-communications programme has acted as the go-to source of truth throughout the pandemic for the sector, with the dedicated COVID-19 pages being the most visited on our website in 2020 and newsletter subscriptions increasing by over 150%. The COVID-19 page received over 170,000 page views; we sent over 60 special bulletins with an average open rate of 33%, and we increased our newsletter subscription by over 150%.
- COVID-19 Pandemic Response Content on the Business Advice Hub**  
A dedicated section was built on the Business Advice Hub to help businesses navigate the frequently changing restrictions, operating guidelines and support schemes. This also brought together Government guidance, advice from trade associations and information from other tourism bodies. We produced 10 video case studies on business recovery stories that went live in March 2021, coinciding with the reopening of the tourism sector. The COVID-19 pages received over 200,000 unique views since launch with over 11K resource downloads.



## Performance against the 2020/21 Corporate Priorities (Continued)

- **Recovery Webinar Programme**  
To support the industry with adapting to the pandemic, we developed a Business Recovery webinar programme. Along with recovery best practice and tips from industry speakers, it allowed attendees to develop skills in the sector free of charge, with topics like Digital Marketing Skills with Google Digital Garage. 22 sessions were delivered (nine was the original target) as topics were added in response to industry needs. 11,181 people attended (9,596 live; 1,585 from the recording), 91% found the sessions useful or very useful, and sessions had an average net promoter score of 48 which is 'great' on the scale.
- **DMO Engagement**  
We established and resourced the DMO Regional Taskforce, a team of staff to provide tailored DMO support. We implemented monthly video calls between BTA and DMOs/local authorities across England, attended by 70 – 100 representatives each month, and a DMO community slack channel which has 390 members. 11 calls were held over the course of 2020/21 to update on activity, share experiences, challenges and best practice.
- **Tourism Exchange GB (TXGB)**  
TXGB implemented connections to over 60 DMO websites, creating low commission routes to market for tourism businesses across England. We connected 86 additional distribution channels, including niche distributors and larger Online Travel Agencies (OTAs), enabling businesses across England to engage with multiple distributors from one platform to extend reach and increase sales. Connections were developed with a further 81 technology providers, making it easier for customers to connect to TXGB via an API link. We also increased awareness of TXGB as a tool for diversified distribution and recovery by undertaking marketing activity across paid, owned and earned channels, resulting in an increase of over 700% of website visits year-on-year, and supported through DEF investment.
- **Taking England to the World Training Programme**  
With upcoming major events in 2022, it was important to consider how to get learning webinars back up and running to equip as many businesses as possible with the tools and knowledge on how to get internationally ready. VE delivered a virtual pilot with refreshed content in partnership with the Uncover the Cotswolds DEF project (led by Cotswolds Tourism DMO). Feedback has identified the need for a Learning Management System to support successful and effective delivery of the course.
- **Delivered Virtual VisitEngland Awards for Excellence event**  
The 2020 VisitEngland Awards for Excellence was successfully held virtually for the first time on 17 August and secured valuable PR coverage for SME tourism businesses during a period of reopening. The resulting 183 articles in local and national press secured a reach of 7.4 million and the event itself had over 2,000 views.
- **Other Supporting Business Activity**  
A pilot Business Support Roadshow was held in March in partnership with Visit County Durham. The 11th edition of the Pink Book: legislation for tourist accommodation and attraction also launched, and has been updated to include content for visitor attractions for the first time, online and in a print edition.

As part of our focus on accessible tourism, we held a comprehensive image trawl to improve the use of inclusive imagery for both VB/VE campaigns and partners. England's Inclusive Tourism Action Group (EITAG) meetings continued virtually, and in December 2020, we relaunched the 'Easy Does It' guide, which gives businesses free or low cost practical ways to improve accessibility.

## Performance against the 2020/21 Corporate Priorities (Continued)

### Case Study: We're Good to Go Industry Standard

In March 2020, VisitEngland took swift action to work with industry to deliver an industry standard that would support businesses through the pandemic, providing a ring of confidence to enable them to demonstrate that they are implementing Government and public health guidelines. The process provided reassurance to visitors and local residents by offering a nationwide consumer 'mark' that the whole industry could get behind.

We delivered global best practice and ensured industry received guidance updates swiftly to enable them to action and implement changes.



Key to success was the partnership with all four UK nations, 45 industry bodies and DMOs to agree the process and disseminate the information out to members via their own channels. 'We're Good to Go' officially launched in June 2020 and to-date has had **over 46,000 business apply with figures continuing to rise**. The following deliverables have been important to its ongoing success:

- The development of the logo and creative assets (certificate and guidelines for businesses, consumer video) and the online platform for businesses to apply. This was supported through GREAT Budget.
- A call handling service to provide frontline advice for those applying. An independent team of assessors delivered 'spot checks' to review compliance with the guidance. Costs were shared between the UK Visits for the call handling service and each UK Visit delivered its own 'spot checks'.
- In September, the Cabinet Office awarded funding through their Enjoy Summer Safely initiative to run a campaign across all online channels and on demand platforms via *ITV/Channel 4*.
- The call handling service was extended in England to include a series of outbound calls; recording the challenges faced by businesses and ensuring the guidance reached those not part of an industry body.
- In March 2021, the initiative was recognised by the World Travel and Tourism Council making us the awarding body for their Safe Travel stamp. The standard continues into 2021/22 to aid both domestic and international recovery.

## Performance against the 2020/21 Corporate Priorities (Continued)

### Domestic Marketing

Support for the domestic market has been critical to early recovery. With international travel on hold for both incoming and outgoing, we focussed on domestic “staycations” and promoting safe travel within the country, when appropriate.

- **Know Before You Go Campaign**

Launching just before the first lockdown restrictions were eased in England in June 2020, ‘[Know Before You Go](#)’ (KBYG) was our consumer-facing campaign encouraging people to be fully informed of national and local advice and guidelines prior to their trip. A toolkit was created allowing businesses to apply the distinctive KBYG message and branding to their communications materials, further amplifying the reach of the message. Results included 2,754 toolkit downloads and 161,227 views of the VisitEngland KBYG consumer page. The messaging was adapted for our international audiences on localised webpages; ensuring potential visitors are aware of travel restrictions in place and have all the information they may need for future trips in one place. This content had more than 675,000 views of the pages internationally, and an average of six minutes spent on-site.



- **Escape the Everyday (ETE) Campaign**

Our £5m UK-wide domestic staycation campaign ‘[Escape the Everyday](#)’ launched in September 2020. It was designed to tap into the desire to escape the “new everyday” routines we were all experiencing. The campaign pushed autumn short breaks by showcasing exciting and safe travel experiences, available across the UK. The multichannel campaign ran across TV, video on demand, digital display, and social media. This was activated with partners including *Channel 4*, *The Times*, *The Sun*, *Secret Escapes*, *Buzzfeed* and *Netmums*.

Supporting PR activity provided always-on amplification of the campaign messages, bringing the themes of Escape the Everyday to life and building advocacy through third party media, from celebrity interviews with the Channel 4 talent championing staycations, to content pitches and press trip features encouraging safe and inspiring travel ideas. Influencer activations included the recruitment of four ambassadors and a dedicated “Influencer Swap” campaign with Visit Scotland, Visit Wales, Tourism Northern Ireland and London & Partners, working with 18 influencers to inspire younger audiences to responsibly take a break in the UK.

The campaign was well amplified due to significant industry support and the ETE campaign toolkit that provided assets and messaging for businesses to integrate the campaign into their communications. Results included:

- The campaign reached 73% of the UK adult population, on average 4.7 times.
- 36% awareness – (vs 22% for our previous domestic campaign: MyMicrogap).
- 81% of those aware of the campaign had a desire to take a UK break; 70% had a propensity.
- Our influencer activity had an organic reach of 1.3 million.
- 1,922 downloads of our ETE toolkit.

## Performance against the 2020/21 Corporate Priorities (Continued)



### Mission Accessible Social Media Series

Working with Channel 4 (CH 4) on a '[Mission: Accessible](#)' social media series, we continued to highlight the importance of accessible tourism and help drive future bookings. The series proved very popular with 11m views, helping our @lovegreatbritain channel achieve third place for most viewed branded content on social media channels in the UK in the past year. The [Brighton episode](#) was of particular interest with the episode receiving the highest number of engagements out of all of Channel 4's branded content on Facebook. Results achieved:

- The series achieved 11m views, over delivering from the 6m target, and 103,000 engagements.
- On Facebook, the Brighton episode had the highest number of engagements out of all of CH 4's branded content videos (30k) and received 13.3x more reactions and 12.4x more shares than the average post on CH 4 since it was posted. This episode is the 10th most viewed branded video across all publishers for the whole of 2020. In comparison, the West Country episode on YouTube received the highest average view duration out of all of our branded content videos (5:28 minutes Average View Duration).
- The series has helped @lovegreatbritain achieve third place for most viewed branded content on social channels in the UK in the past year. CH 4 have submitted the series for a BAFTA nomination and they are keen to put the series forward for other awards.

### International Marketing

Insights have shown the importance of reassuring consumers about destinations and travel in this time of uncertainty. This year, we adapted our messaging for global markets in an "always on" approach to keep Britain top of mind with consumers, trade and media, inspiring them to choose Britain when the time is right to travel again. Tapping into our relationships across media, trade and partnerships was more important than ever this year, with limited budgets and in-person activity, and we were able to successfully secure notable earned results.

- **Adapting the Messaging for Our Owned Channels**  
With travel restrictions in place for almost every global market, consumers have still been dreaming about where they would like to travel when it becomes possible again. We developed more than 250 pieces of content to be used across our global channels. Internationally, there were more than 11,000 social posts across our channels, reaching more than 171 million, resulting in 6.8 million engagements.

Our social response to COVID-19 resulted in VB/VE being shortlisted for Best Use of Social Media in the 2020 [City Nation Place Awards](#), and for *Skift*, a popular US-based travel media outlet, featuring us in its article "[5 tourism promotion campaigns hitting the right notes in a crisis](#)", where they praise our approach to using one of our greatest assets, culture, to inspire visitors and keep Britain front of mind.

## Performance against the 2020/21 Corporate Priorities (Continued)

### Travel Trade

#### ExploreGB

Our flagship trade event ExploreGB went virtual and brought together more than 350 global buyers to connect online with more 350 tourism industry suppliers and destinations from across the UK. The event included VisitBritain's 'International Business Exchange' for UK suppliers to meet with VB in-country experts to get the latest market insights. This was followed by three days of more than 11K one to one virtual appointments with suppliers and international buyers and delegates could explore live UK supplier booths to learn more about their products. Along with an educational day for travel agents, buyers and international journalists also attended webinars and networking events to boost their knowledge of the UK as a visitor destination. 24 travel trade media attended the event, generating more than 50 pieces of coverage to-date, with quotes from executive interviews with the CEO, Chairman, and Director of Strategy and Communications. There were nearly 12,000 brochure downloads from the exhibitor resource hub and more than 12,000 connections made in the Connections Hub.



#### Travel Leaders' Network (TLN) Campaign

The £250,000 + match partnership with TLN focussed on keeping Britain top of mind with its travel agency partners, using B2B and B2B2C tactics through TLN's channels to inspire clients holding Future Travel Credits (FTC) to book Britain for their 2021 vacations and beyond. The campaign included inspirational and educational content for TLN's 44,000 travel advisors to encourage conversions of bookable product from eight key tour operator partners offering experiences across England, Scotland and Wales. This was supported by an integrated digital campaign that reached TLN's active database of 1 million travellers. TLN, the largest travel management organisation in the US, has a network of 7,000 travel agencies, 44,000 travel advisors, generating annual sales of more than \$17 billion.

#### Maintaining Relationships

With limited budgets, we have continued to build our trade relationships locally with creative initiatives to engage travel agents and tour operators and keep Britain top of mind, laying the foundation for when travel reopens. We held 135 webinars and events through our local offices with more than 26,000 contacts attending the sessions, often in partnership with or featuring UK industry guests of interest. This kept audiences informed of the situation, providing useful market insights, and inspiring them with destination content. With films and TV being powerful motivators for travel, we worked with travel trade partners in the US to promote the Netflix series Bridgerton, with themed tour packages and itineraries for eager fans of the show.

### Tapping into Relationships for Partnerships

#### SpiceJet

The VisitBritain India team worked with the local FCDO and India's second largest low cost carrier, SpiceJet, on a virtual route launch (Delhi – London). We held a virtual press conference live on YouTube, with the panel featuring Ranil Jayawardene MP (UK's International Trade Minister), Alan Gemmell (British Deputy High Commissioner, Western India and Trade Commissioner to South Asia), Prahlad Singh Patel (Minister of Culture and Tourism, Government of India), and Ajay Singh (CEO, SpiceJet). VisitBritain's CEO Sally Balcombe and Director of APMEA, China and NE Asia, Tricia Warwick also attended. 3,500 viewed the talk, which had live tourism questions on travel to Britain.

## Performance against the 2020/21 Corporate Priorities (Continued)

### Peppa Pig

The VisitBritain Brazil team delivered a non-paid partnership with EntertainmentOne, using Peppa Pig as a hook to promote family travel attractions in Britain. The partnership included online training and sharing a new Family Travel Guide with the trade, supported by a series of B2C activities with a Plan Now, Travel Later call-to-action. The activity reached 1,390 travel agents, 146,000 consumers on VBs social channels, and was amplified via UK industry consumer, media, and trade channels.

### BritBox

The US and Canada teams developed an organic relationship with BritBox, the digital streaming platform from BBC and ITV with the largest amount of British content in North America. Understanding that screen tourism is a major driver in both markets, we worked with them to develop a promotional video that positively highlights destination footage on their platform, with supporting information on how to experience the locations featured in their programmes on a future trip to Britain.

## ▪ Public Relations

### Meet a Local

We created the Meet a Local Programme, a series of live virtual media meets with tier one media and high profile individuals across Britain (i.e.: Lady Carnarvon from Highclere Castle, Stephen Twinings from the tea empire, Ravenmaster at Tower of London, etc) to garner media coverage and increase consideration to visit. Stories promoted messages of inspiration and reassurance to international markets through industry innovation, while aligning to key destination stories for 2021/2022. Corresponding videos were created for @lovegreatbritain global and market channels. Coverage has generated 39 articles to date, 100% containing a key message, 82% including a call to action and 89% within target media outlets. The three social videos have had a combined reach of 1.85 million.

### Earned Media

- Through earned media, 99% of coverage achieved (April-March) aligned with key messages (keeping Britain top of mind and promoting message of reassurance), with 84% in target media and 60% including a call to action, inspiring and driving consumers along the customer journey. We secured over 1,950 earned articles globally, resulting in over 2.5 billion impressions.
- We secured broadcast opportunities at the reopening of attractions over the summer, promoting our 'We're Good to Go' industry standard to provide reassurance to potential travellers. London Eye coverage was broadcasted in Australia (7News Australia, reaching 1.23m watchers and 1.8m on Facebook/Twitter) and Brazil (O Globo Brazil TV, web and print, achieving 1.5m impressions). The Natural History Museum reopening aired on CNN Brazil (TV and 3.5m+ digital impressions) and CGTN News China (a global reach of more than 1.2 billion). Our social posts reached more than 786K followers for London Eye and 1.4m followers for the museum.
- We also worked with influencers to post nostalgic memories of Britain on their social platforms.

### Maintaining Relationships with Industry

Throughout October and November, we hosted a virtual PR Connect where the central PR team connected 32 UK DMOs and strategic partners with VisitBritain's international PR Managers in 21 markets, the central social, content and VisitEngland PR teams. At zero cost, the event ran as a series of virtual 20-minute one to one meetings, maintaining relationships and planning ways of working. 88% of partners feel more comfortable working with VB teams across different markets and channels following the event.

## Performance against the 2020/21 Corporate Priorities (Continued)

### ▪ Business Events

#### Letter of Support

The business events sector has been particularly hard hit by the pandemic, with many large events on pause since March 2020. To show unity and camaraderie to the global business events community, we released an [animated video letter of support](#) in April 2020, amplified by the UK business events industry. This zero-cost campaign reached over 158K international event professionals, and was shortlisted at the Conference & Incentive Travel (C&IT) Awards, in the Creative Response to Coronavirus category.

#### MeetGB & MeetEngland Virtual

We connected almost 400 international event professionals over a two-day virtual exhibition, MeetGB Virtual, in June 2020, which saw us hold over 1,200 one to one video meetings with almost 70 UK destinations, venues and suppliers. In February 2021, we connected Meetings, Incentives, Conferences and Exhibitions (MICE) buyers from Europe and North America with destinations across England at our [MeetEngland Virtual event](#).

#### 'Events. Reimagined.' Campaign Launch

We inspired planners to creatively reimagine the future of events in the UK in our new campaign, Events are GREAT 'Events. Reimagined', which launched at The Meetings Show in October 2020. At the show, we held one to one video meetings with 34 international events organisers, and received 450 international buyer contacts. Our new campaign had 13,712 achieved impressions across The Meetings Show channels.

The following month, we extended the reach of the campaign, launching our England edition at the international virtual exhibition IBTM World. The campaign reached 8,638 event professionals attending the international virtual exhibition. This included 950 views of the [new England brand video](#) and 8,249 impressions across social media and IBTM TV channel. On our 'virtual stand', we held 55 one to one video meetings with international event planners and supported 14 English destinations who also exhibited at the event. Overall, the brand campaign achieved almost 10,000 video views and 40,000 impressions, with an engagement rate of 15% on social media.



'Events. Reimagined.' Supporting Assets

### Corporate Priority #3: Business Continuity and Transformation

Our business continuity plans were successfully invoked as we went into lockdown in various locations through March and April 2020 in response to the COVID-19 pandemic. Communications channels worked well with extensive use of the Intranet to keep staff informed, and an SMS messaging service for emergency communications (i.e. when the London office was closed at short notice).

#### Shifting to Remote Working

Conferencing software was upgraded as the load increased and we had a successful transition to remote working. Staff health was a key concern and home working conditions were reviewed. Desks, desk chairs, monitors and other peripherals were recommended to staff whose workspace appeared problematic. As the lockdown extended, we rolled out a programme focussing on mental health and wellbeing, which received very good feedback from staff members.

#### Compliance and getting the basics right

We continued our focus on compliance, getting the basics right and then moving into embedding the changes. A key enabler to moving forward was the development of an assurance map which provided an effective framework to give reliable evidence of assurance on our organisational stewardship and management of major risks. Based on the assurance map, a programme of compliance-related work was initiated, delivering:

## Performance against the 2020/21 Corporate Priorities (Continued)

- A revised travel and expenses (T&E) policy supported by a new T&E system and strengthened procedures.
- An updated procurement policy and supporting standard operating procedures together with a commercial strategy supporting our procurement plans for the next three years.
- A contract management framework providing guidance and templates for contract owners and contract managers, supported by foundation level training for all contract owners and contract managers. A new contract management system has been procured and is being configured for implementation.
- A regulatory reporting calendar to ensure staff can get their reports completed and submitted on time.
- An i-recruitment add on module to our core HR system to support compliant recruitment and selection.
- Implementation of a cycle of assurance, with budget holders signing budget delegation letters committing to compliant use of their budgets for the coming year, and directors signing assurance statements verifying that their departments have acted compliantly over the last year.
- A new financial planning and analysis tool has been procured and implementation has started. The first phase includes writing a new suite of management reports, which have now been created, followed by training and user acceptance testing. The second phase will focus on budgeting. This new system will enable us to adopt a self-service approach with staff around the world being able to generate reports (in whatever local currency and sterling) locally. BTA will benefit from significant improvements in efficiency, allowing time to be invested in value-added activities.
- The introduction of a number of new initiatives that have enabled finance to successfully work remotely.

### Digital Transformation Programme

Our digital transformation programme has kicked off with the procurement of contracts for the replacement of our dated content management system, customer relationship management system and retail platform. The three implementation projects are all under way and are being managed as a single programme to ensure the desired business change is achieved across the organisation.

### Ensuring Best Processes in the New People Strategy

As noted earlier in the report, a People Strategy has been developed for the organisation. Within that, we have launched a programme of work to implement and embed the principles contained within the strategy. This is a three-year programme and includes shorter-term changes to improve systems and processes as well as longer term cultural changes. These will all be supported by comprehensive Learning & Development initiatives. Progress in delivering the new People Strategy and Staff Compliance with the new and improved HR processes is monitored regularly by the BTA Board through its Remuneration and People Performance Committee.

### Pensions

With invaluable support from a number of BTAs Non-Executive Directors, we have:

- Finalised the closure of the defined benefits pension scheme and successfully transitioned to a new defined contributions pension scheme for all UK employees. This took several years and proved to be far more complex than originally anticipated, involving negotiations with The Pension Regulator and sectionalisation of the BTA scheme.
- Agreed the full triennial actuarial valuation of the UK defined benefits pension scheme.
- Taken a more active role in supporting the management of the pension scheme assets by the Trustees including reviewing the investment strategy (£180m assets).

### Corporate Priority #4: Staff Welfare

One of our key priorities this year was to support our staff, ensuring everyone felt a valued contributor, of our one global team. Over the past year, we set out to maintain our employees' safety and wellbeing, both physical and mental, while reviewing our policies in light of COVID-19, taking proactive steps to make working from home possible for everyone, and exploring how to best keep up connectivity and community spirit.



## Performance against the 2020/21 Corporate Priorities (Continued)

In March 2020, we introduced the Employee Engagement Score (EES) modelled on the Civil Service People Survey (CSPS), made up of five components; *Proud, Would Recommend, Personal Attachment, Inspire and Motivate*. As an average for the year, VisitBritain achieved an EES of 66%, 3% above the CSPS benchmark. Having surpassed the CSPS benchmark for each of the five categories, particular success has been achieved for 'Proud to Work at VisitBritain' (avg. 17% above benchmark), 'Strong Personal Attachment to VisitBritain' (avg. 14% above benchmark) and 'VisitBritain Inspires Me to Do My Best' (avg. 10% above the benchmark). We also implemented quarterly all staff pulse surveys, providing real-time data on how colleagues were progressing in staff welfare areas while checking on motivation levels.

We recognised that post-crisis 'business as usual' would not be 'business as before'. This year, to ensure our staff continued to be safe and effective as lockdowns came and went, we developed a new long-term people strategy.

### People Strategy

Our people vision is to build a passionate and empowered team, supported by an inclusive and fun community. This year we developed our people strategy for BTA, which makes a long-term commitment to create a culture that prioritises and supports our people globally. The strategy (pictured below) is future facing and identifies four goals: *motivate teams, increase supply of talent, foster inspirational, confident and empowering leadership and embed diversity & inclusion in everything we do*. A People Board was formed to monitor progress and success.

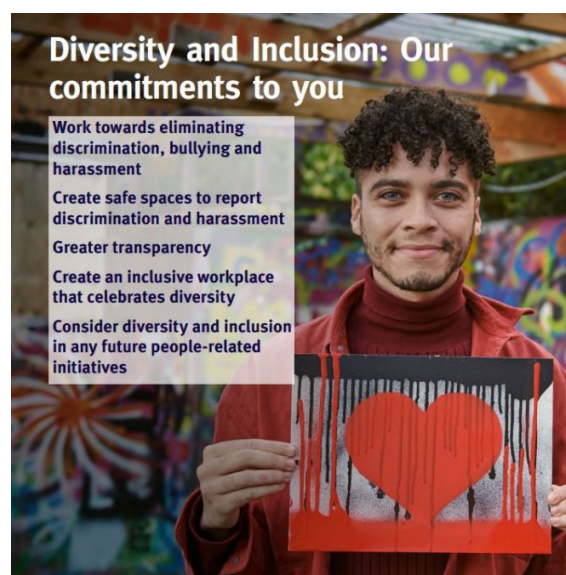
### Learning & Development (L&D) Through the Learning Education & Achievement Platform (LEAP)

This year we launched LEAP where colleagues can browse a wide range of L&D resources dedicated to 'learning for you', 'learning for your role' and 'learning for the organisation'. BTA has made a commitment to L&D, encouraging staff to take a minimum five days per year to pursue development, including a quarterly LEAP day in which no meetings are held so staff can devote time to pursue goals. 60% of colleagues managed to take part in the most recent LEAP day with 80% of those feeling that the theme was important and 40% feeling more positive about meeting culture.

### Diversity & Inclusion (D&I) Networks

The D&I Action Group was formed this year to ensure that our mission to support and represent D&I across the organisation is prioritised and put into action. Colleagues from around the world have formed networks to offer guidance, support and education on specific topics that impact our employees. Currently over 40 staff participate in seven established networks which are: *Lesbian, Gay, Bisexual, Trans, Queer, Intersex and Asexual (LGBTQIA+), Racial & Ethnic Equality, Disability & Accessibility, Fair Treatment, Gender Parity, Religion & Faith, and Youth Engagement & Youth Board*.

- Highlights this year include the launch of the D&I Hub, which houses weekly communications; educational resources; celebratory and commemorative articles; integration of a D&I focussed LEAP day, inclusive of unconscious bias training delivered to over 100 attendees on the day; updated D&I-focussed marketing content and assets; and 5 coffee-catch-ups presented by networks with over 60 colleagues in attendance.
- We introduced Interfaith Officers globally to support acts of kindness during difficult times for colleagues and an Interfaith Buddy scheme, aiming to increase understanding between people of different beliefs.
- Within the Youth Engagement network, we collaborated with Speakers for Schools (SAS) to host a week of activity that inspired 180 young people to consider tourism as a career. Feedback from SAS confirmed our experience was rated 9/10 and all students would recommend our placements to a friend.



## Performance against the 2020/21 Corporate Priorities *(Continued)*

### Wellbeing Pledge, Hub & Initiatives

As part of our ongoing commitment to looking after staff mental health and wellbeing, this year we launched a Wellbeing Pledge, a commitment that ensures wellbeing is central to all that we do. We aim to weave mental health considerations through our processes, policies and guidance.

- A wellbeing hub was developed to encourage a healthy workplace for staff and stay inspired throughout the pandemic. The hub had consistent engagement of over 3 minutes spent per session, showing effectiveness for staff that need the resource.
- We implemented initiatives to encourage engagement including:
  - Care & Share - a Q&A posed to people across the organisation to answer about themselves and how they tackle wellbeing. To date we have had 22 colleagues sign up.
  - Walk the World Challenge - walking is shown to boost mood, so we created a walking challenge in March, recording distances each week. 70 staff participated in the challenge, in 10 teams.

### Workforce Interchange Network & Shadowing (WINS)

WINS is part of our L&D programme, giving colleagues the chance to take part in “on the job” development through task sharing and shadowing opportunities. WINS was created to support agile, short term projects across the organisation to help with capacity and resource issues; and give individuals the opportunity to work across projects outside of their role, aligned to personal development plans. WINS has facilitated 22 different opportunities across our organisation, resulting in over 400 hours (55 working days) of shared resource to date.

### Enhanced Internal Communication

To keep staff connected and informed while working remotely, our internal communication programme has been built to support teams over the last year. This includes:

- Monthly all staff briefings by the senior leaders; attendance averaged 187 (from April 20 to March 21).
- New line manager meetings and newsletters, which highlight the latest business/governance updates and provide a forum for any line manager to ask questions.
- From mid-April 2020, we delivered a weekly Road to Recovery newsletter that shares updates on our priorities as well as fun and inspirational content. We have sent 46 well-received newsletters.
- Virtual coffee catch up programme giving staff a chance to present internally on topics of interest, from sustainability to the business advice hub. We have also hosted webinars from our tourism strategic partners, as well as external companies such as TripAdvisor and Google to give insight on the industry.
- Our intranet continues to be the central source of up to date information with content updated daily to deliver information on COVID-19, corporate priorities, latest activities, the wellbeing hub, the LEAP and the D&I platform.

## Where Are We Going Next? Our Plans for 2021/2022

We are ready to come back stronger than ever. With a roadmap in place, vaccinations under way, and a bright light on the horizon, we will ensure a strong recovery through four priorities:

**Our role for 2021/22 is clear: to drive immediate tourism recovery through building back visitor spend as quickly as possible and supporting the industry.**

### Our Role

**OUR ROLE: To drive immediate tourism recovery through building back visitor spend as quickly as possible and supporting the Industry**

#### VisitBritain – DEMAND SIDE FOCUS

Re-stimulate international demand, with a tight focus on converting visitors who are most likely to visit in 2021/22

#### VisitEngland – SUPPLY & DEMAND SIDE

Support England's tourism industry to recover and re-stimulate domestic demand

#### Joint: VisitEngland and VisitBritain Together

Working with the Government to deliver the Tourism Recovery Plan

Be the authority on tourism: *Provision of expert advice to industry and government*

Deliver Transformation: (A) *Digital transformation to communicate better with our customers and deliver efficiencies for the future*  
(B) *Implement the people strategy*

Bidding For and Winning events

#### 1. Re-stimulate Domestic and International Demand

Our first goal is to re-stimulate international and domestic demand. We are investing £19.65m in driving immediate visitor spend as quickly as possible (86% of activity spend).

- Investment is weighted towards leisure – £11.45m will be spent on international and £7m on domestic marketing.
- We will give consumers the inspiration, knowledge and confidence to book adopting a conversion strategy.
- We aim to deliver at least 16:1 ROI on domestic marketing; 10:1 on international.
- We are in a strong position: activity April-September is already approved and an exciting new GREAT brand is launching.
- We are also investing £1.2m in winning future business events. While a slower build, we are committed to supporting the sector's recovery. Our target is to secure £20 million worth of delegate spend in 2021/22.

## Where Are We Going Next? Our Plans for 2021/2022 *(Continued)*

### 2. Support the Tourism Industry

We are investing £1.3m (5% of activity budgets) in supporting the English tourism industry so businesses and destinations are ready to welcome back visitors. We will:

- Enhance SME knowledge, equipping businesses with the skills and capabilities they need to be international ready, recover and grow. We will do this through delivering high quality training and events, maintaining the Business Advice Hub as an “always on” source of information and support by building on the success of ‘We’re Good to Go’.
- Steward the landscape, supporting DMOs’ strategic development, establishing a clear objectives-focussed relationship.
- Increase “bookability” through TXGB, embedding product in our marketing and developing a new BritRail product.

### 3. Be the Authority on Tourism

Our advice to government, industry communications and data has been hugely valued throughout the COVID-19 pandemic. We will continue to be the authority on tourism, providing well-evidenced guidance on recovery. We are investing £1.2m - 4% of all activity spend. In addition to core essential work, we will:

- Work with DCMS and industry on delivering the Tourism Recovery Plan and support the DCMS DMO Review.
- Contribute to the Global Taskforce Report, which will herald the restart of inbound tourism.
- Launch and support the implementation of sustainable tourism policy.
- Continue to hold TIER and Tourism Industry Council (TIC) meetings – acting as the interlocutor between industry and government.
- Make a powerful case for funding BTA to invest in Tourism marketing & development in the next Comprehensive Spending Review.

### 4. Deliver Transformation

Our fourth priority is future facing: transformation. We are addressing historic underinvestment – spending £1.4m to improve our culture and systems. We will:

- Deliver two thirds of the planned people strategy projects, making progress on engagement, talent, leadership and D&I.
- Improve our customer facing digital offer, ensuring we meet expectations and remain relevant and competitive.
- Improve internal systems, increasing efficiency and effectiveness and addressing outstanding compliance risks.
- Rebuild E-commerce profit by delivering a new platform and successfully implementing year 1 of the new retail strategy.

## 2. ACCOUNTABILITY REPORT



## CORPORATE GOVERNANCE

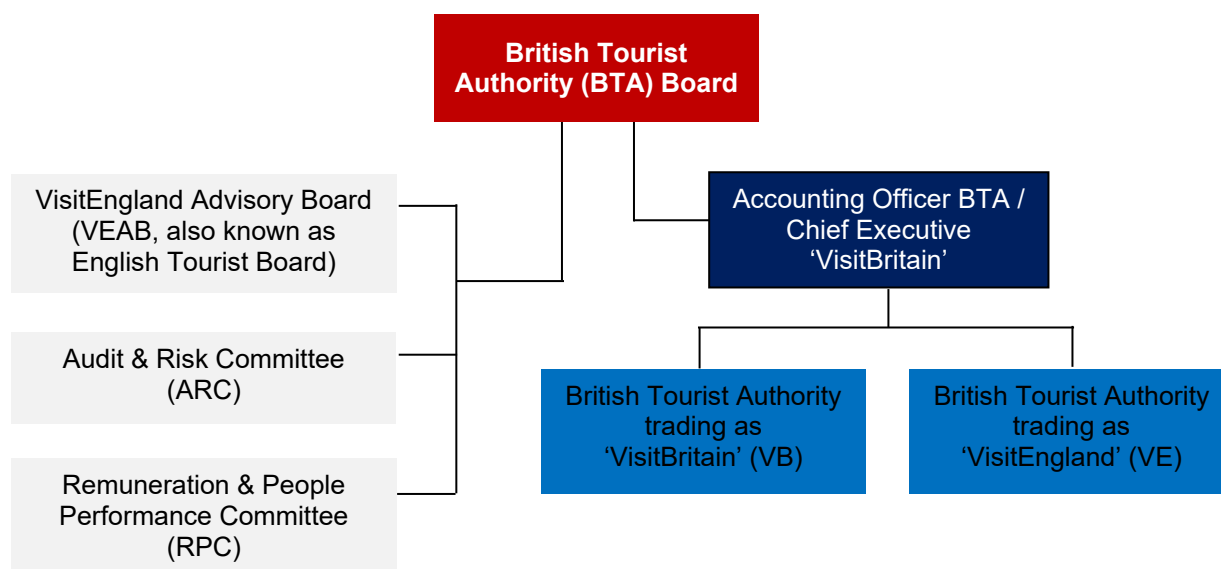
### The Directors' Report for the Year 2020/21

#### 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:

- Rt Hon Lord McLoughlin CH as BTA Chairman;
- Nick de Bois 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 2020/21 (*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, Rt Hon Lord McLoughlin CH, 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 Chairmen of VEAB and of VisitScotland sit on the Board in an ex-officio capacity. In addition, during the year, Katy Best, Duncan Parish and Mark Taylor attended Board meetings by invitation as observers in their capacity as members of the boards of the Northern Ireland Tourist Board, DCMS and London & Partners.

The Directors' Report for the Year 2020/21 (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.



**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), China, NE Asia



**Patricia Yates**  
Director Strategy and Communications



**Debra Lang**  
HR and Transformation Director



**Peter Mills**  
Director of Finance



**Directors' Report for the Year 2020/21 (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
Rt Hon Lord McLoughlin CH <sup>(1)</sup> <sup>(2)</sup>	01-Jun-20	31-May-23
Stephen Ridgway CBE (Previous BTA Chairman) <sup>(1)</sup> <sup>(2)</sup>	11-Jul-13	31-May-20
Rt Hon Viscount Thurso <sup>(3)</sup>	01-Apr-16	31-Mar-22
Nick de Bois <sup>(3)</sup>	01-Jun-20	31-May-23
Ian Edwards <sup>(3)</sup>	17-Dec-18	16-Dec-21
Dame Judith Macgregor <sup>(1)</sup> <sup>(6)</sup>	01-Dec-17	30-Nov-23
Carol Hui <sup>(4)</sup>	06-Jan-20	05-Jan-25
Peter Gowers <sup>(4)</sup>	06-Jan-20	05-Jan-25
Karin Sheppard <sup>(1)</sup>	06-Jan-20	05-Jan-25
Robin Frewer	06-Jan-20	05-Jan-25
Fiona Pollard <sup>(1)</sup> <sup>(5)</sup>	01-Apr-20	01-Jun-20

British Tourist Authority Board Observers	Position, Organisation
Duncan Parish	DCMS
Giles Smith <sup>(7)</sup>	DCMS
Katy Best	Board Member, Northern Ireland Tourist Board and Commercial Director, Belfast City Airport
Mark Taylor	Board Member, London & Partners
Patricia Yates	Executive Director, Strategy & Communications, BTA
Peter Mills	Executive Director, Finance, BTA

<sup>(1)</sup> Members of the BTA's Remuneration & People Performance Committee.

<sup>(2)</sup> On the completion of his term Stephen Ridgway was succeeded by The Rt. Hon. Lord McLoughlin CH as BTA Chairman.

<sup>(3)</sup> Rt Hon Viscount Thurso and Nick de Bois both 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 and represents VisitWales.

<sup>(4)</sup> Members of the BTA's Audit & Risk Committee

<sup>(5)</sup> Fiona Pollard, a current member of the VisitEngland Advisory Board (VEAB), had been appointed on an interim basis as the Chair of the VEAB on the dates stated above; she has also sat on the BTA Board in an ex-officio capacity during the interim appointment. Fiona has been succeeded by Nick de Bois upon his substantive appointment as Chair of the VEAB on 01-Jun-20.

<sup>(6)</sup> Dame Judith Macgregor has been reappointed for another term from 01-Dec-20 to 30-Nov-23.

<sup>(7)</sup> Giles Smith had stepped down as the DCMS Representative on the BTA Board and was replaced by Duncan Parish on 12-Aug-20.

**The Directors' Report for the Year 2020/21 (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
Nick de Bois <sup>(1)</sup> (VEAB Chairman)	01-Jun-20	31-May-23
Fiona Pollard (Interim Chair) <sup>(2)</sup> <sup>(3)</sup>	05-Mar-18	04-Mar-22
Nigel Halkes <sup>(1)</sup>	13-Jan-14	12-Jan-22
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 <sup>(4)</sup>	DCMS
David Martin <sup>(4)</sup>	DCMS
Patricia Yates	Executive Director, Strategy and Communications, BTA
Andrew Stokes	Executive Director, England, BTA
Peter Mills	Executive Director of Finance, BTA

<sup>(1)</sup> Members of the BTA's Audit & Risk Committee

<sup>(2)</sup> Members of the BTA's Remuneration & People Performance Committee

<sup>(3)</sup> 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.

<sup>(4)</sup> Stephen Darke had left the VEAB in November 2020 and has since moved on from his role at DCMS. David Martin has been attending the VEAB at the DCMS Representative until a permanent replacement has been recruited.

**The Directors' Report for the Year 2020/21** *(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>

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

**Audit arrangements**

The audit of the BTA'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 £80,000 (2019/20: £86,000), 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 thin black line extends from the bottom of the signature towards the right and then curves downwards.

Sally Balcombe  
Accounting Officer  
BTA  
7 July 2021

## Statement of Corporate Governance by the Accounting Officer

The BTA responsibilities under the Act and its wider governance arrangements are explained in detail in the Directors' Report on pages 43-48. 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 15 April 2020 for the financial year 2020/21.

During 2020/21, BTA continued to maintain high standards of governance and ethical behaviour and adopt systems which are appropriate for its business.

### 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 Finance Director 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.

We have to operate within other Government Governance Frameworks, such as the communications spend controls (Cross Government Professional Assurance), which relate 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 was overseen by an established governance model. This included a comprehensive programme board for assessment and decision-making followed by an independent awards panel. This process enabled 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 budgets. The Executive Directors review the Management Accounts and performance report quarterly to check performances are on target and take corrective action where appropriate.

The BTA Board review the latest quarterly Management Accounts at each of their meetings. 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.

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 2020 and March 2021 took place on the following dates:

1. 12 May 2020 (extraordinary meeting)
2. 24 June 2020
3. 12 August 2020 (extraordinary meeting)
4. 30 September 2020
5. 30 November 2020 (Strategy Day)
6. 02 December 2020
7. 26 January 2021
8. 30 March 2021

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

The attendance by individual Board Members, Observers and Committee Members at meetings during 2020/21 was as follows:

	Board Member / Observer / Independent/ DCMS	BTA Board	Meetings attended (eligible to attend)		
			Audit & Risk Committee (ARC)	Remuneration & People Performance Committee (RPC)	Visit England Advisory Board (VEAB)
Rt Hon Lord McLoughlin CH	BTA Chairman	7(7)		4(4)	
Steve Ridgway CBE	Immediate Past BTA Chairman	1(1)			
Nick de Bois	VEAB Chairman		2(2)	1(1)	5(5)
Rt Hon Viscount Thurso	Board Member	8(8)			
Dame Judith Macgregor	Board Member	8(8)		4(4)	
Ian Edwards	Board Member	8(8)			
Carol Hui	Board Member and Chair of the ARC	8(8)	4(4)		
Peter Gowers	Board Member	8(8)	4(4)		
Karin Sheppard	Board Member	8(8)		4(4)	
Robin Frewer	Board Member	8(8)			
Fiona Pollard <sup>(1)</sup>	RPC member and VEAB Member; Previous roles: Interim BTA Board Member, Interim VEAB Chair, ARC Member		2(2)	3(4)	4(5)
Nigel Halkes	Member of the ARC and VEAB Member		4(4)		5(5)
Duncan Parish <sup>(2)</sup>	DCMS Representative, BTA Board	6(6)*			
Giles Smith <sup>(2)</sup>	DCMS Representative, BTA Board	2(2)			
Mark Taylor	Board Observer	7(8)			
Katy Best	Board Observer	8(8)			
Allan Lambert	VEAB Member				5(5)
Sarah Fowler	VEAB Member				5(5)
Nadine Thomson	VEAB Member				5(5)
Dr Andy Wood OBE DL	VEAB Member				5(5)
Stephen Darke <sup>(4)</sup>	DCMS representative, VEAB				2(3)
David Martin <sup>(4)</sup>	DCMS Representative, VEAB				2(2)
Tim Hurdle <sup>(3)</sup>	Independent Professional Member of the ARC		2(2)		
Hugh Green <sup>(3)</sup>	Independent Professional Member of the ARC		2(2)		

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

- (1) Fiona Pollard left the ARC after the meeting on 15-Sep-20 and was replaced by Nick de Bois.  
 (2) Duncan Parish replaced Giles Smith as the DCMS representative on the BTA Board in August 2020.  
 (3) Hugh Green’s last ARC meeting was on 15-Sep-20 and was replaced by Tim Hurdle.  
 (4) Stephen Darke left the VEAB in November 2020. David Martin attended the VEAB as the DCMS Representative until a permanent replacement has been appointed.  
 \* Emma Squire attended one meeting on behalf of Duncan Parish and DCMS.

<b>BTA Senior Team Attendance</b>					
	<b>Board Member / Observer / Independent/ DCMS</b>	<b>Meetings attended (eligible to attend)</b>			
		<b>BTA Board</b>	<b>Audit &amp; Risk Committee (ARC)</b>	<b>Remuneration &amp; People Performance Committee (RPC)</b>	<b>VisitEngland Advisory Board (VEAB)</b>
Sally Balcombe	Chief Executive Officer and attendee to the ARC & RPC	7(8)	4(4)	3(4)	5(5)
Patricia Yates	Executive Director, Strategy & Communications	8(8)	3(3)		5(5)
Peter Mills	Executive Director, Finance	6(8)	4(4)	1(1)	3(4)

**Declarations of Interest**

Arrangements are in place through which potential conflicts of interests are recorded and managed. The purpose is to avoid any risk of Board Members being influenced, or appearing to be influenced, by their private or other interests in the exercise of their public duties for the 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, all Board and Committee 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 2020/21 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 2020/21

During 2020/21 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.
- Development and launch of the 'We're Good to Go' UK-wide industry standard, an industry mark providing reassurance from businesses to customers that they have carried out a COVID-19 risk assessment and have processes in place that adhere to government and public health guidance.
- Continued development of 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.
- Oversight on the development and launch of the BTA's new People Strategy.
- Agreed the Triennial Actuarial Valuation of the defined benefits pension scheme (now closed to future accrual) for UK staff.

### 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 sourced from our Financial Information System from which the management accounts (including comparisons to budget) are produced. Summary details with commentary, are 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.



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

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.

### **BTA Board Sub Committees**

BTA does not have Nominations or Governance Committees. The Audit and Risk Committee and the Remuneration & People Performance Committee review and consider any governance matters, within their Terms of Reference, as referred to them by the Board.

### **VisitEngland Advisory Board**

During 2020/21 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.
- Continued development of the (TXGB) platform.

### **The Remuneration & People Performance Committee**

The Remuneration & People Performance Committee (RPC) consists of four members: the Chairman of BTA, a nominated representative from the VEAB, and two other members of the Boards of BTA. The Chief Executive Officer, Director of Finance and the Director of HR & Professional Services attend meetings as required but no member of staff, including the Chief Executive, is present when their remuneration is being discussed. The RPC is chaired by a member of the BTA Board, currently Dame Judith Macgregor.

In common with other government departments and agencies, BTA must operate within the public sector pay policy 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 Remuneration and People Performance Committee meets three times a year or more as required. In addition to the review of annual remuneration levels, the Committee reviews compliance with HR standards and processes, staff performance, well-being and development through the new People Strategy. The RPC also approves the BTA's policy on Electronic Data Interchange, and received an update on this in September 2020. It monitors policies on gifts and hospitality, anti-bribery, travel expenses, probation and retirement.

### **The Audit and Risk Committee**

The Audit & Risk Committee (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).

The Committee consists of five members: four are drawn from the Boards of BTA and VEAB and the fifth is an independent professional member; the terms of reference of the ARC were also updated to reflect the expanded skillset required of the independent professional member; I also attend meetings together with the Director of Finance who is also the Secretary to the Committee. 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, in accordance with best practice, the Committee met privately with both the internal auditors, Mazars, and the NAO, without management present.

## 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 reallocate resources to areas of risk which come to its attention.

During the year, the Audit and Risk Committee has continued to scrutinise the internal controls environment including risk management. This work included, reviewing progress against the compliance action plan and supporting the introduction of an assurance map. The ARC also introduced periodic deep dives, the first one focussed on the adequacy of governance, the internal controls framework and assurance arrangements.

The remit of the Committee was expanded during the year to include the review of BTA's register of corporate policies as part of its standing agenda. Specific policies introduced or revised in 2021 include:

- Foreign currency hedging policy
- Procurement policy.
- Fraud policy.
- Risk management policy.
- Contract management framework.
- Conflict of interest policy.

Mazars were originally appointed as internal auditors from 01 October 2016 to 31 March 2020 with a one year extension agreed to 31 March 2021. After a competitive tender, BTA appointed Mazars LLP under a new contract from 1 April 2021 to 31 March 2022, with the option to extend for three further periods of 12 months. Two members of the ARC played an important role in the selection process.

The Internal Audit Annual Report for the year ended 31 March 2021 produced by Mazars states:

'On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness. Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Certain weaknesses and exceptions were highlighted by our audit work. Several assurance reviews during the year received Adequate assurance and we have raised 20 Priority 2 recommendations. Our Follow Up work confirmed whilst progress has been made on implementing recommendations, a number from prior years are yet to be fully implemented as reported in our Follow Up work. These matters have been discussed with management, to whom we have made several recommendations. All of these have been, or are in the process of being addressed, as detailed in our individual reports.'

## Executive

The Board appoints and employs the Chief Executive, who leads an Executive Director team. The Executive team is 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 2020/21 are listed on page 61.

## 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 NAO.

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

BTA has suffered no protected personal data incidents during 2020/21 and has, therefore, made no report to the Information Commissioners office.

We have not received any Ministerial Directions during the year.

### Risk assessment and new risks

Challenges and risks faced in 2020/21 are described in the Performance Report (pages 14-18) and these are managed in accordance with risk management framework.

### Key Governance Issues

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

This has been and remains a corporate priority, and actions taken in this year to ensure compliance are outlined below:

- Initiated a tax (direct and indirect tax) and exchange control regulations health check of our Indian subsidiary i.e. VBSIPL.
- As part of BTAs ongoing commitment to security, BTA are working with security specialist NCC who have audited BTA's technical and procedural security. The initial report indicates that, although BTA are largely compliant, there are a few minor remedial pieces of work to complete before reaching successful accreditation. We are working towards full Cyber Essentials Plus accreditation in 2021/22.
- A revised travel and expenses (T&E) policy supported by a new T&E system and strengthened procedures.
- An updated procurement policy and supporting standard operating procedures together with a commercial strategy supporting our procurement plans for the next three years.
- A contract management framework providing guidance and templates for contract owners and contract managers, supported by foundation level training for all contract owners and contract managers. A new contract management system has been procured and is being configured for implementation.
- A regulatory reporting calendar to ensure staff can get their reports completed and submitted on time.
- An i-recruitment add on module to our core HR system to support compliant recruitment and selection.
- Implementation of a cycle of assurance, with budget holders signing budget delegation letters committing to compliant use of their budgets for the coming year, and directors signing assurance statements verifying that their departments have acted compliantly over the last year.
- A new financial planning and analysis tool has been procured and implementation has started. The first phase includes writing a new suite of management reports, which have now been created, followed by training and user acceptance testing. The second phase will focus on budgeting. This new system will enable us to adopt a self-service approach with staff around the world being able to generate reports in both local currency and sterling. BTA will benefit from significant improvements in efficiency, allowing time to be reinvested in value-add activities.
- The introduction of a number of new initiatives that have enabled finance to successfully work remotely.



Sally Balcombe  
Accounting Officer  
BTA  
7 July 2021

## 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 Executive are slightly different but the same principles apply.

During the year, BTA implemented pay increases, in line with DCMS guidelines. The average consolidated pay award for staff was 3.61% (2019/20: 1.46%). A combination of local in country legally required increases and exchange rates means that despite the overall pay bill remaining 1.5% some staff benefit from a higher percentage increase which inflates the overall average. The payment of consolidated pay increase is dependent on staff being in post on 1 April 2020. Payments to Directors were made in line with the Director's remuneration policy, with an average consolidated pay award of 1.5% (2019/20: 1.33%).

## Remuneration Report (Continued)

### Remuneration of Boards

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

The information in pages 58 - 65 falls within the scope of the Comptroller and Auditor General's audit opinion on the accounts and is audited.

#### BTA Board members' remuneration:

	2020/21 £	2019/20 £
Sir Patrick McLoughlin <sup>(1)</sup>	33,333	-
Steve Ridgway CBE <sup>(1)</sup>	6,666	40,000
Ian Edwards	3,840	3,840
Robin Frewer	3,840	960
Peter Gowers	3,840	960
Carol Hui	3,840	960
Dame Judith Macgregor	7,680	7,680
Karin Sheppard <sup>(2)</sup>	3,840	960
John Lindquist <sup>(3)</sup>	-	6,290
Ian McCaig <sup>(3)</sup>	-	7,076
	<b>66,879</b>	<b>68,726</b>
Pensions to former Chairmen	10,190	10,358
<b>Total Remuneration</b>	<b>77,069</b>	<b>79,084</b>

#### British Tourist Authority Board

Observers <sup>(3)</sup>	Position, Organisation
Katy Best	Board Member, Northern Ireland Tourist Board and Commercial Director, Belfast City Airport
Peter Mills	Executive Director of Finance, BTA from 1 January 2020.
Duncan Parish	DCMS
Mark Taylor	Board Member, London & Partners (appointed 22 May 2018)
Patricia Yates	Executive Director, Strategy & Communications, BTA (started January 2020)

- (1) On the completion of his term Stephen Ridgway was succeeded by The Rt. Hon. Lord McLoughlin CH as BTA Chairman
- (2) Rt. Hon. Viscount Thurso and Nick de Bois both 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.
- (3) Observers receive no remuneration

## 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

	2020/21 £	2019/20 £
Nick de Bois (Chairman) <sup>(1)</sup>	13,800	-
Fiona Pollard (Interim Chair) <sup>(1)</sup>	5,510	3,300
Denis Wormwell <sup>(1)</sup>	-	16,560
Sarah Fowler <sup>(2)</sup>	3,300	825
Nigel Halkes	9,435	9,435
Allan Lambert	3,300	550
Nadine Thomson <sup>(2)</sup>	3,300	825
Dr Andy Wood OBE <sup>(2)</sup>	3,300	825
John Hoy <sup>(3)</sup>	-	5,897
Sarah Stewart OBE <sup>(3)</sup>	-	5,897
<b>Total remuneration</b>	<b>41,945</b>	<b>48,165</b>

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

Observers	Position, Organisation
Sally Balcombe	Chief Executive, BTA
Peter Mills	Director of Finance, BTA
Stephen Darke / David Martin	DCMS
Patricia Yates	Director of 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) Fiona Pollard, current member of the VisitEngland Advisory Board (VEAB), had been appointed on an interim basis as the Chair of the VEAB; she has also sat on the BTA Board in an ex-officio capacity during the interim appointment. Fiona was succeeded by Nick de Bois upon his substantive appointment as Chair of the VEAB on 01-Jun-20
- (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.

**Remuneration Report** *(Continued)*

**Remuneration of Chief Executive Officer (CEO) and Directors**

There was no bonus or Performance Related Pay awarded to the CEO or Directors.

The consolidated increases to the salaries of the CEO and Directors were in line with DCMS guidelines, of 1% plus up to a further 1% subject to affordability.

Therefore, the CEO and Directors received a flat 1.5% pay award, this was within the overall budget of 1.5% of the annual consolidated salary bill for 2020/2021 consolidated pay awards.

## Remuneration Report (Continued)

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

2020/21	Salary & allowances (£'000) <sup>1</sup>	Bonus Payments (£'000) <sup>2</sup>	Accrued pension benefits during the year <sup>3</sup> (£'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 31.03.2021 (£'000)	Cash equivalent transfer value as at 31.03.2021 (£'000)	Cash equivalent transfer value as at 31.03.2020 (£'000)	Real increase cash equivalent transfer value less Director Contribution (£'000) <sup>4</sup>
Sally Balcombe (Accounting Officer BTA/CEO VB) <sup>5</sup>	180-185	0	6	185-190	20-25	0-2.5	15-20	409	380	28
Manuel Alvarez (Director, China and North East Asia) <sup>6 7</sup>	30-35	0	0	30-35	0	0	0	0	0	0
Robin Johnson (Director, Europe) <sup>5</sup>	110-115	0	6	115-120	15-20	0-2.5	25-30	547	492	53
Gavin Landry (Director, Americas) <sup>5 8</sup>	120-125	0	5	125-130	0	0	0	14	0	5
Debra Lang (Director, Professional Services) <sup>9</sup>	115-120	0	0	115-120	35-40	0	0	0	0	0
Peter Mills (Director, Finance) <sup>9</sup>	115-120	0	0	115-120	35-40	0	0	0	0	0
Clare Mullin (Director, Britain Marketing) <sup>1</sup>	120-125	0	2	120-125	15-20	0-2.5	5-10	127	115	11
Andrew Stokes (Director, England) <sup>1</sup>	115-120	0	2	115-120	15-20	0-2.5	5-10	181	168	12
Tricia Warwick (Director, APMEA Region) <sup>6</sup>	145-150	0	0	145-150	0	0	0	0	0	0
Patricia Yates (Director, Strategy and Communications) <sup>5</sup>	125-130	0	2	125-130	0	0-2.5	20-25	698	698	0

<sup>1</sup> Benefits in kind were paid to two overseas based Directors in 2020/21, Tricia Warwick allowances and medical insurance £25.5k, and Manuel Alvarez allowances £2k.

<sup>2</sup> There were no Bonus payments in 2020/21

<sup>3</sup> Accrued pension benefits are 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

<sup>4</sup> 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 2019/20.

<sup>5</sup> 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

<sup>6</sup> No pension contribution of Tricia Warwick or Manuel Alvarez as there are no pension arrangements for staff not based in UK or USA.

<sup>7</sup> Manuel Alvarez left on July 2020

<sup>8</sup> US pension scheme is non-contributory scheme and members need three years continuous service to accrue benefits.

<sup>9</sup> Peter Mills and Debra Lang are on secondment from DCMS and are not members of the BTA pension scheme



**British Tourist Authority trading as VisitBritain and VisitEngland**

**Annual Report and Financial Statements for the Year Ended 31 March 2021**

**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) <sup>1</sup>	Bonus Payments (£'000) <sup>2</sup>	Accrued pension benefits during the year <sup>3</sup> (£'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) <sup>4</sup>
Sally Balcombe (Accounting Officer BTA/CEO VB) <sup>5</sup>	175-180	5-10	52	235-240	30-35	2.5-5	15-20	378	332	34
Hazel Cunningham (Director, Business Services) <sup>5 6</sup>	100-105	0-5	28	130-135	15-20	0-2.5	10-15	192	190	0
Patricia Yates (Director, Strategy and Communications) <sup>5</sup>	120-125	5-10	32	155-160	15-20	0-2.5	20-25	698	881	0
Robin Johnson (Director, Europe) <sup>5</sup>	110-115	5-10	30	145-150	25-30	0-2.5	25-30	492	574	0
Carol Dray (Director, Commercial) <sup>5 7</sup>	85-90	0-5	17	105-110	15-20	0-2.5	5-10	174	168	0
Clare Mullin (Director, Britain Marketing) <sup>1</sup>	120-125	5-10	35	160-165	25-30	0-2.5	5-10	115	95	12
Andrew Stokes (Director, England) <sup>1</sup>	110-115	0-5	32	145-150	20-25	0-2.5	5-10	168	146	14
Tricia Warwick (Director, APMEA Region) <sup>8</sup>	145-150	5-10	0	150-155	0	0	0	0	0	0
Gavin Landry (Director, Americas) <sup>5 9</sup>	120-125	5-10	14	140-145	5-10	0	0	9	0	9
Manuel Alvarez (Director, China and North East Asia) <sup>8</sup>	110-115	0-5	0	115-120	0	0	0	0	0	0
Peter Mills (Director, Business Services) <sup>6 10</sup>	25-30	0	0	25-30	5-10	0	0	0	0	0
Debra Lang (Director, Human Resources) <sup>10</sup>	20-25	0	0	20-25	5-10	0	0	0	0	0

<sup>1</sup> 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.

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

<sup>3</sup> Accrued pension benefits are 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

<sup>4</sup> 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.

<sup>5</sup> 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. Her accrued pension and transfer value at 31.03.20 have been re-stated to reflect the impact.

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

<sup>7</sup> Carol Dray left on 13 December 2019.

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

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

<sup>10</sup> 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)

'Salary' includes gross salary, consolidated performance pay and any other allowances. No Bonuses were paid. 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 2020/21 was £180,000-£185,000 - CEO (2019/20 - £180,000-£185,000 - CEO). This was 4.3 times (2019/20: 4.5) the median remuneration of the workforce, which was £42,000 (2019/20: £40,195). The median remuneration is based on all UK and overseas staff; it excludes agency workers and contractors.

No employees were paid more than the highest paid director. Remuneration ranged from £9,150.68 to £185,000 (2019/20: £7,064 - £185,000). 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 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 tapers at both ends, resembling a stylized underline or a decorative flourish.

Sally Balcombe  
Accounting Officer  
BTA  
7 July 2021

## Staff Report



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

### Staff costs

Staff costs comprise:

	2021			2020		
	Permanent Staff	Others	Total	Permanent Staff	Others	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs (including Directors) comprise:						
Salaries	9,858	4,786	14,644	9,532	4,822	14,354
Social Security costs	1,012	703	1,715	1,058	670	1,728
Other pension costs	2,170	95	2,265	4,046	108	4,154
<b>Administration operating staff costs</b>	<b>13,040</b>	<b>5,584</b>	<b>18,624</b>	<b>14,636</b>	<b>5,600</b>	<b>20,236</b>

### Consultancy and Contingent labour

There were no consultancy costs included in staff costs, and Contingent labour costs were £317,000 (2019/20 £545,000).

**Staff Report (Continued)**

*Average number of persons employed*

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

	2021	2020
Permanent (UK) staff	197	203
Other Staff	85	99
<b>Total staff numbers</b>	<b>282</b>	<b>302</b>

*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	
	2020/21	(2019/20)	2020/21	(2019/20)	2020/21	(2019/20)
<£10,000	4	-	-	1	4	1
£10,000 - £25,000	4	-	-	-	-4	-
£25,000 - £50,000	3	-	-	1	3	1
£50,000 - £100,000	1	-	-	-	1	-
£100,000- £150,000	-	-	-	-	-	-
£150,000- £200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
<b>Total number of exit packages by type (total cost)</b>	12	-	-	2	12	2
<b>Total resource cost</b>	<b>£281,000</b>	<b>£0</b>	<b>£0</b>	<b>£39,250</b>	<b>£281,000</b>	<b>£39,250</b>

\*\*\* Compulsory redundancy payments were paid to affected employees in May 2021 but accrued for in 2020/21 financial year. Figures proposed for the accrual were based on a 31/03/2021 exit date, however due to the unforeseen delayed turnaround of receiving HMT approval (driven purely by volume of exit proposals during the COVID-19 pandemic) some individuals that were part of the consultation became entitled to an additional redundancy pay out and annual leave entitlement as time progressed.

**Staff Report (Continued)**

*Consultancy Expenditure*

Included within support costs is £87,000 of consultancy expenditure for the year ending 31 March 2021 (2019/20: £109,000).

*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 2021, for more than £245 per day and that last for longer than six months.

<b>No. of existing engagements as of 31 March 2021</b>	<b>5</b>
<b>Of which...</b>	
No. that have existed for less than one year at time of reporting.	<b>0</b>
No. that have existed for between one and two years at time of reporting.	<b>3</b>
No. that have existed for between two and three years at time of reporting.	<b>1</b>
No. that have existed for between three and four years at time of reporting.	<b>0</b>
No. that have existed for four or more years at time of reporting.	<b>1</b>
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.	<b>Confirmed</b>

**Staff Report (Continued)**

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months.

<b>No. of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021</b>	<b>2</b>
<b>Of which...</b>	
No. assessed as caught by IR35	<b>0</b>
No. assessed as not caught by IR35	<b>1</b>
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	<b>1</b>
No. of engagements reassessed for consistency / assurance purposes during the year.	<b>0</b>
No. of engagements that saw a change to IR35 status following the consistency review	<b>0</b>

Table 3: For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021.

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	<b>0</b>
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.	<b>15</b>

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 2020 and 31 March 2021. 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 2021 classified by gender is as follows:

	Male	Female
Senior Executives	4	5
Total number of employees	89	199
	<hr/> 93	<hr/> 204

**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:

<b><u>Table 1</u></b>	
<b>Relevant union officials</b>	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	4
<b><u>Table 2</u></b>	
<b>Percentage of time spent on facility time</b>	<b>Full Time equivalent employee number</b>
0%	-
1%-50%	4
51%-99%	-
100%	-
Number of Employees	4
<b><u>Table 3</u></b>	
<b>Percentage of bill spent on facility time</b>	
Provide the total cost of facility time £'s	33,494
Provide the total pay bill £'s	17,072,672
(Total cost of facility time / total pay bill) X 100	0.2%
<b><u>Table 4</u></b>	
<b>Paid Trade Union activities</b>	
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)**

### *People Strategy*

BTA's aim is to attract and retain a quality workforce by investing in training, development and rewards. The focus is on putting staff first as they are one of the key success factors for high performing organisations and here, at BTA, we are making a long-term commitment to create a culture that prioritises and supports our people globally, ensuring our organisation lives up to its brand promise and is a great place to work. By working across the organisation, we have been able to create our people strategy.

Our people strategy is future facing, rightly ambitious, but also practical and deliverable. It identifies four goals:

- Motivate our teams.
- Increase our supply of talent.
- Foster inspirational, confident and empowering leadership.
- Embed diversity and inclusion in everything we do.

Although this strategy builds on change already under way, there is still much to do and we are committed to driving tangible and sustained improvement across the organisation to ensure we achieve our vision.

### *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. Whilst performance bonuses were not paid, individuals were subject to performance review. In addition, remuneration and benefits packages are closely monitored to ensure employee benefits are market-related and retention measures are effective.

### *Pension*

From 1 April 2020, BTA introduced for UK based staff a new Defined Contribution pension in agreement with the BTB Pension Trustees, using a Group Personal Pension (which we will refer to as the "Defined Contribution GPP"). The BTA Section will close to future pension accrual from this date.

. 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 2020/21 was 2.91 days compared with 3.91 days in 2019/20. COVID-19 was only 14.95% of total sickness in 2020/21, we believe that as the Coronavirus may have led to additional sickness absence, measures such as social distancing, shielding and homeworking appear to have helped reduce other causes of absence, allowing the sickness absence rate to drop.



**Staff Report (Continued)**

*Health and safety of our people*

BTA strives to offer an inclusive working environment across all of our offices. Embedding Diversity and Inclusion (D&I) in everything we do is a key pillar of the People Strategy. We have already taken significant steps since June 2020, holding 3 listening exercises to understand and share staff experiences. The outcome was the creation of seven staff run networks of allies and advocates:

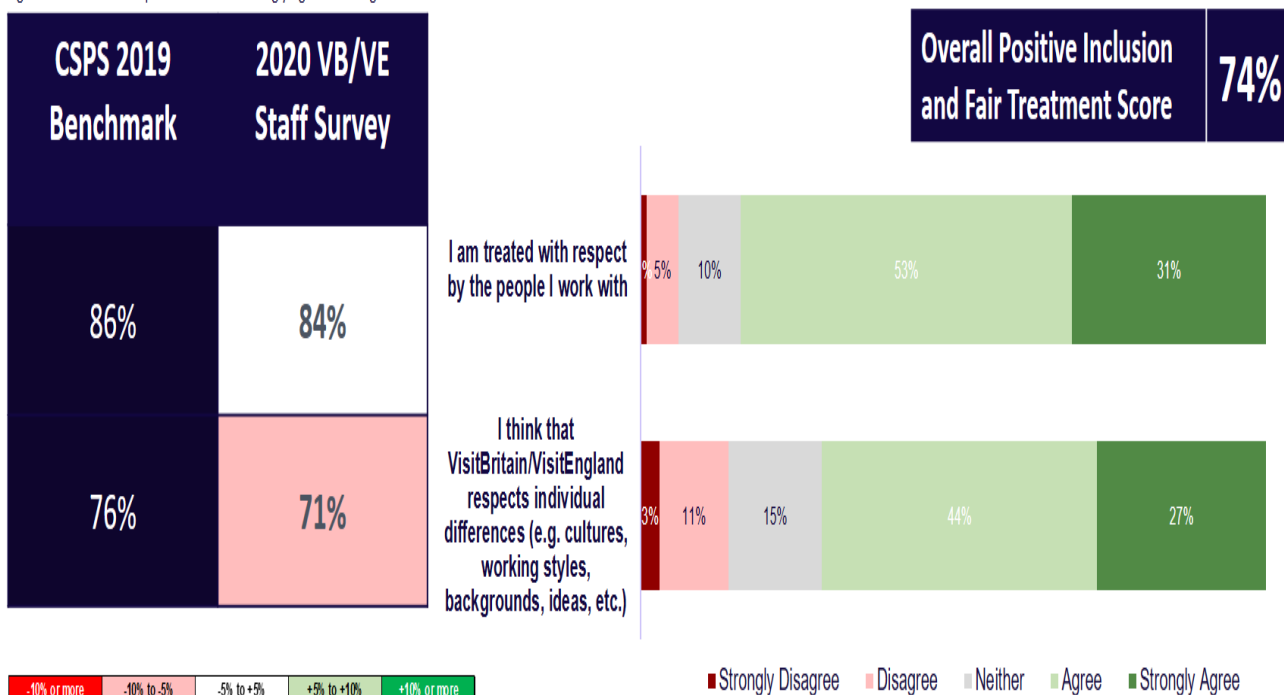
- Accessibility and disability.
- LGBTQI+.
- Race and Minorities.
- Religion and Faith; Harassment and Bullying.
- Gender Equity.
- Youth Engagement and Youth Board.

We will empower our D&I networks and communities to celebrate diversity, creating a rolling programme of events, webinars, workshops and training on subjects like practical actions to take to be a better ally, and marking special events such as Eid, Pride and black history month.

In our 2019/20 staff survey satisfaction with inclusion and fair treatment was felt by around three-quarters of respondents.<sup>6</sup> 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 bullying and harassment in our latest staff survey is comparable with the CSPS benchmark.

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



\*Key Comparing Question score against CSPS 2019 Benchmark

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

<sup>6</sup> The CSPS 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.

## **Staff Report (Continued)**

### *Civil Service Accreditation*

VisitBritain gained accreditation as a Non Departmental Public Body (NDPB) from the Civil Service Commission on 27 January 2021, which will offer our staff across the globe, the opportunity to access internal Civil Service roles. This enhances our talent attraction, because 'Civil Service Jobs' (also referred to as 'Across Government' jobs) are often restricted to Civil Servants, in addition to being subject to each government department's eligibility criteria.

### *Staff turnover*

Turnover data is calculated retrospectively and manually and as a consequence numbers are best estimates; however, these indicate a reduction in staff turnover in 2020/21 to 18% (2019/20: 45%). Clearly a large factor in the reduction is the impact of COVID-19 on employment opportunities in the tourist industry. As part of the Data strategy a data reporting suite will be available from July 2021 enabling real time data extraction and analysis.

### *Diversity and Equal Opportunities*

The Diversity and Equal Opportunities Policy 2014 is being reviewed following the successful creation of Diversity & Inclusion networks, new iRecruit software and further embedding through the People Strategy work. The new policy will ensure that terminology, accessibility and usability are up to date. The introduction of hybrid working also requires emphasis on accessibility to property and employee websites.

Current provisions for workplace adjustments include HR and H&S review to ensure needs are met. A newly procured Occupational Health provider will include workplace adjustments and advice for the organisation in dealing with any changes to needs both in the UK and Globally. PEEP's (Personal Emergency Evacuation Plans) are completed for all vulnerable and disabled individuals and held on file. This will be integrated into the leadership programme to upskill and ensure managers are diligent in working fairly and without discrimination with HR leading and supporting on promoting opportunity for everyone.

### *Succession, training and promotion*

Succession and Learning & Development strategies are in development and suitable training that will support the organisation to be fully inclusive.

### *Employment issues*

In April 2021 HR created an employee relations tracker to maintain a log on varying employment issues, and this was done to compliment the new hotline that is anonymous/ independent and can be used for employment related matters and Whistleblowing.

### *Staff Redeployment*

2 grade E (Purple 5) individuals were seconded to DCMS for Tourism Recovery projects. One was placed Dec - March 2020/21 and the other Dec- May 2020/21

## 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 2020-21 Foreign Exchange losses arose of £207k (2019-20 £104k), these resulted from lower than expected foreign earnings (which normally provide a natural hedge) owing to the pandemic and movements in foreign exchange rates. BTA has subsequently approved a policy providing for future foreign currency hedging to assist in mitigating future risks

In 2020/21 there were a number of contractual losses in relation to COVID-19.

Owing to the impact of the Covid-19 crisis on overall tourism volumes, the group had incurred partial costs for certain tourism promotion activities that had originally been commissioned but which were subsequently cancelled. The losses were: -

- £165k to cover production costs for 50% of the total work that had been done. We have agreed that the finished assets could be used, should we work with the supplier, later this year (pending procurement).
- a loss of £363k in relation to a domestic campaign for media purchased. BTA transferred the media value to the Cabinet Office but received no payment. We have received advice from DCMS Finance that this should be treated as a loss.
- a £50k penalty for moving media budget for marketing campaign ads to a later date.

In addition, we accrued Euro 225,000 (£194k) and provided for a further Euro 5,000 (£4k) in legal costs, for the agreed settlement of a copyright infringement claim relating to activities in period prior to 2017.

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

### Overview of sustainable tourism

The momentum behind the sustainability agenda is growing. New policy initiatives from government, consumer trends, and business commitments all point to a substantial shift in the way industries must act. As a statutory advisor to Government on tourism policy VisitBritain too has a responsibility to understand the direction that the tourism sector is moving in, and set out what our role is in supporting the industry in this change.

Over the past year we have begun to scope out this work, speaking to both internal and external stakeholders in order to establish where the ambition lies and the policy challenges preventing progress.

Early discussions demonstrated the breadth of issues that sustainable tourism covers. Feedback showed the term was used to cover environmental impact, successful destination management, and economic / productivity output.

VisitBritain/VisitEngland's sustainability paper has sought to incorporate each of these issues, and has been guided by directors and BTA board members. A final report will be completed in the new financial year.

The COVID-19 pandemic has also naturally contributed to the organisation's internal sustainability, with travel restrictions requiring the uptake of virtual rather than in-person meetings, and the work from home advice reducing the ability for staff to visit offices – cutting the emissions which may have otherwise been produced in commuting to and using these buildings.

Our input into the Tourism Recovery Plan, due to be published in summer 2021, has also kept sustainability front of mind. Suggested initiatives to fuel industry recovery also seek to tackle seasonality and reduce the outbound deficit.

### VB/VE Sustainability metrics

Sustainability area	Units	Performance		
		2020/2021	2019/2020	% Difference
<b>Non-financial indicators</b>				
Total CO <sub>2</sub> emissions	Tonnes	83	612	-86%
Energy consumption	KWh	288,542	588,971	-51%
Total waste	Tonnes	13	38	-65%
Water consumption	Metre <sup>3</sup>	1,245	3,000	-58%
<b>Financial indicators</b>				
Energy consumption costs	£'000	£26.4	£84.5	-69%
Official business travel costs	£'000	£17.5	£358.7	-95%
Waste disposal costs	£'000	£2.92	£3.83	-24%
Water supply costs	£'000	£1.45	£2.98	-51%

## Sustainability Report (Continued)

### Commentary

In 2020/21 the impact of COVID-19 has dwarfed all other impacts, but ultimately has accelerated existing 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. 18 of our 20 overseas offices are located within FCDO or British Council premises. Our London head office was also based within a government department building and a relocation to another shared government building is planned for 2021/22. This shared arrangement of energy usage and waste disposal significantly reduces our carbon footprint.
- **Reducing business travel: VB/VE** travel policy states that staff must consider carbon footprint before deciding if travel is necessary and to use public transport where possible. COVID-19 lockdowns have significantly expanded 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. This will continue, to a reduced extent once lockdowns are lifted.
- **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 2020 most London and overseas based staff have successfully worked primarily from home. Once lockdown restrictions are lifted, hybrid working arrangements (part office and part home working) are planned to capture the benefits of flexible working arrangements for the long term.
- **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.

### *Further information on our carbon footprint and waste disposal*

In March 2021 the lease of Buckingham Palace Road (BPR) ended and BTA vacated the building. BTA was responsible for 13.01% of the BPR building. This was the percentage on which the main sustainability areas attributable to BTA were calculated. This is the same approach that was adopted in previous years. Throughout 2020/21 the building was either not occupied at all (in full lockdown) or only occupied by a skeleton staff.

On 1 October 2020 BTA accepted the surrender of the sublease of 3 Grosvenor Gardens in London. Although the plan is to use this a BTA office, it was not occupied in 2020-21.

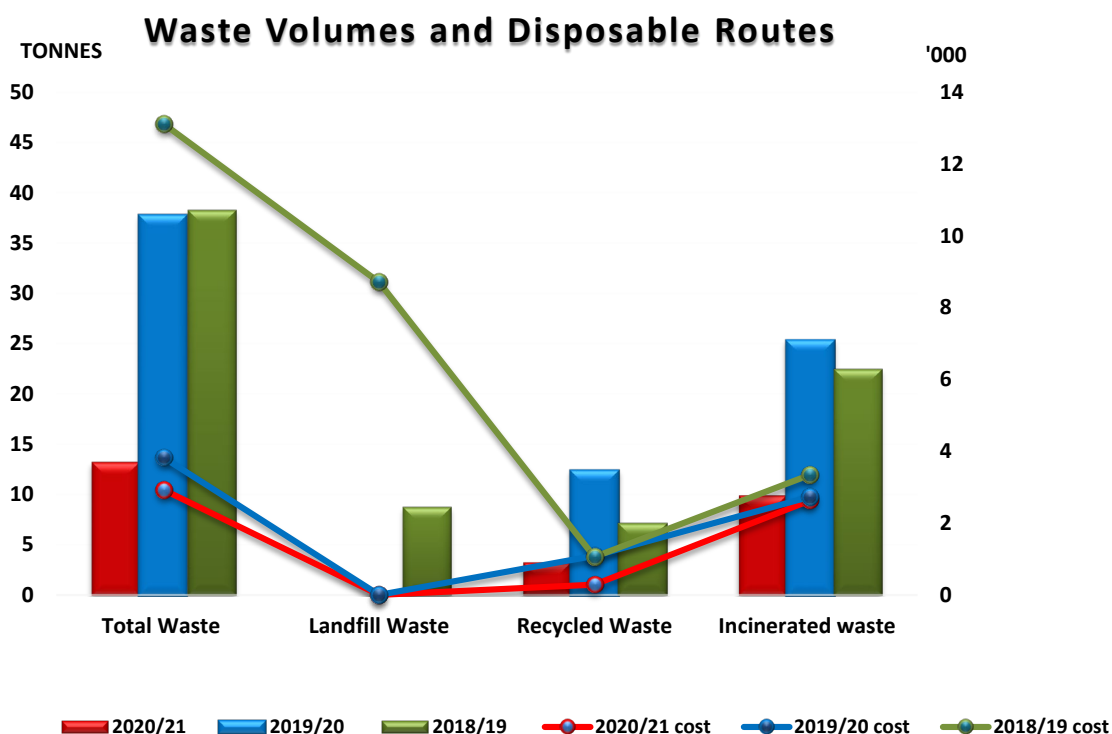
Likewise, most BTA offices worldwide were either unoccupied or occupied by skeleton staff.

Business travel in general and air travel in particular was significantly reduced due to worldwide travel restrictions following the COVID-19 pandemic.

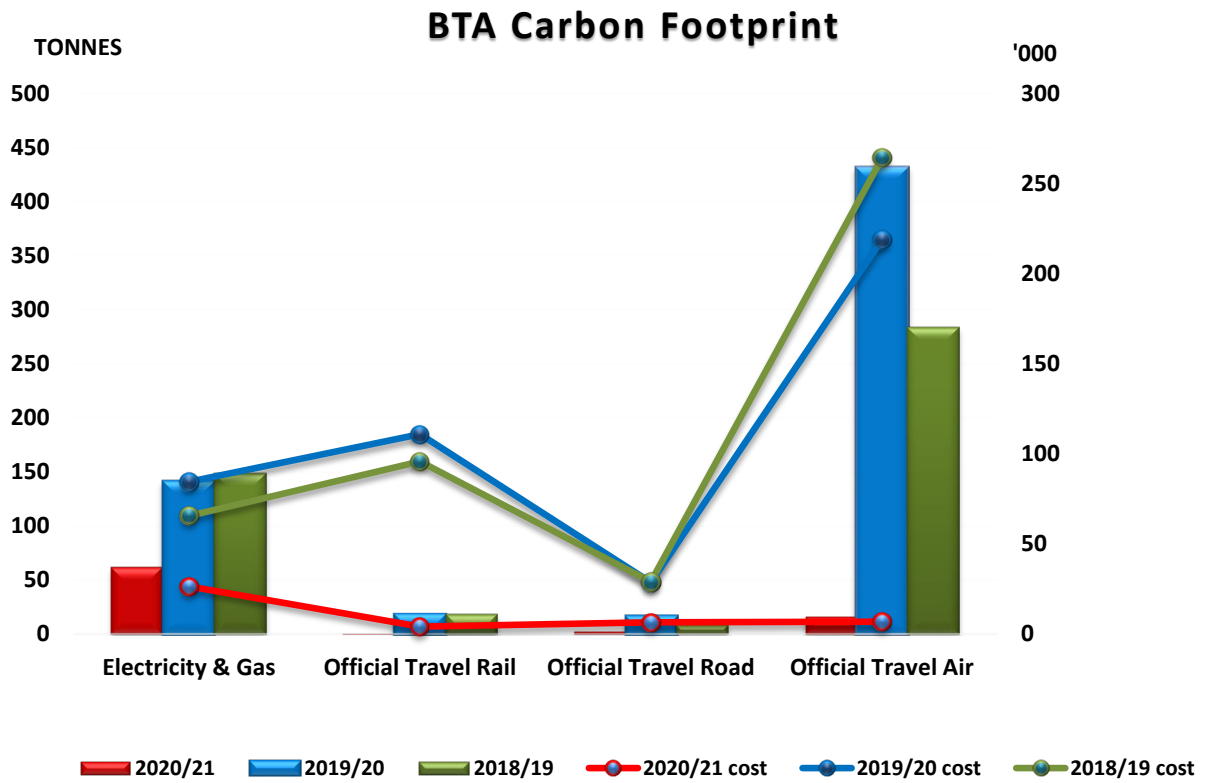
**Sustainability Report (Continued)**

This year sees a significant decrease in total electricity and natural gas usage and therefore the total cost of energy consumption has decreased by £58,000. Total water consumption also decreased materially in 20/21. Clearly this is primarily a consequence of lockdowns, it should be expected that usage and cost will increase next year, however due to ongoing initiatives the underlying trend should be ongoing reductions.

			2020/2021	2019/2020
<b>Non-Financial Indicators (Tonnes)</b>	Total Waste		13.23	37.76
	Hazardous waste	Total	-	-
		Landfill	-	-
		Reused/Recycled	3.30	12.41
		Incinerated/Energy from Waste	9.93	25.35
<b>Financial Indicators £'000</b>	Total disposal cost		2.92	3.83
	Hazardous waste - Total Disposal cost			-
	Non-hazardous waste - Total disposal cost	Landfill	-	-
		Reused/Recycled	0.29	1.09
		Incinerated/Energy from waste	2.63	2.73



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 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 tapers at both ends, resembling a stylized underline or a decorative flourish.

Sally Balcombe  
Accounting Officer  
BTA  
7 July 2021



## 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 2021 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. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted by HM Treasury's Government Financial Reporting Manual.

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 2021 and of the net expenditure for the year then ended;
- 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law 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 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the British Tourist Authority in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that the British Tourist Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the British Tourist Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

### **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. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- 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; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

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 material misstatements in the Performance and Accountability report. 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
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; 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.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the British Tourist Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the British Tourist Authority will not continue to be provided in the future.

### **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.

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the British Tourist Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the British Tourist Authority's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the British Tourist Authority's controls relating to the Development of Tourism Act 1969 and Secretary of State directions issued thereunder and Managing Public Money.
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and accounting estimates in respect of the defined benefit pension obligation;

- obtaining an understanding of the British Tourist Authority's framework of authority as well as other legal and regulatory frameworks that the British Tourist Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the British Tourist Authority. The key laws and regulations I considered in this context included the Development of Tourism Act 1969 and Secretary of State directions issued thereunder and Managing Public Money;
- reviewing the British Tourist Authority's accounting policies; and
- using analytical procedures to identify any unusual or unexpected relationships and transactions.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

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.

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.

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**

**Date 9 July 2021**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London

### 3. FINANCIAL STATEMENTS

#### Statement of Comprehensive Net Expenditure

	<i>Note</i>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
Revenue from contracts with customers	6	820	17,574
Other income	7	1,631	567
		<b>2,451</b>	<b>18,141</b>
Employee benefits costs	8	(18,624)	(20,236)
Depreciation and amortisation	17,18,19	(1,461)	(1,161)
Other operating charges	9	(16,708)	(47,683)
Grants paid	11	(4,385)	(2,242)
Re-organisation costs	12	(281)	(39)
		<b>(41,459)</b>	<b>(71,361)</b>
<b>Net Expenditure before finance income</b>	<b>13</b>	<b>(39,008)</b>	<b>(53,220)</b>
Finance income	15	10	45
Finance expense	15	(98)	(447)
<b>Net Expenditure for the year</b>		<b>(39,096)</b>	<b>(53,622)</b>
<b>Other Comprehensive Income / (Expenditure)</b>			
<i>Items that will not be reclassified to net expenditure</i>			
Decrease in liability on unfunded schemes	27.5	2	28
Re-measurements of defined benefit pension obligations	27.5	(20,652)	16,369
<b>Other Comprehensive Expenditure</b>		<b>(20,650)</b>	<b>16,397</b>
<b>Total Comprehensive Net Expenditure for the year</b>		<b>(59,746)</b>	<b>(37,225)</b>

All income and expenditure derived from continuing activities.

The Notes on pages 86 to 132 form part of these financial statements.

## Statement of Financial Position

	Note	2021 £'000	2020 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	470	317
Right of use assets	18	1,177	652
Intangible Assets	19	229	189
Investment in subsidiary	20	1	1
Trade and other receivables	22	-	648
<b>Total non-current assets</b>		<b>1,877</b>	<b>1,807</b>
<b>Current assets</b>			
Inventories	21	8,277	8,292
Trade and other receivables	22	1,294	2,416
Contract assets	25	-	120
Cash and cash equivalents	23	2,874	4,650
<b>Total current assets</b>		<b>12,445</b>	<b>15,748</b>
<b>Total assets</b>		<b>14,322</b>	<b>17,285</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	24	(4,722)	(9,871)
Contract liabilities	25	(234)	(321)
Provisions	26	-	-
<b>Total current liabilities</b>		<b>(4,956)</b>	<b>(10,192)</b>
<b>Total Assets less Current Liabilities</b>		<b>9,366</b>	<b>7,093</b>
<b>Non-current liabilities</b>			
Trade and other payables	24	(807)	(1,139)
Provisions	26	(570)	(162)
Net retirement benefit liabilities	27.4	(23,610)	(1,984)
<b>Total non-current liabilities</b>		<b>(24,987)</b>	<b>(3,285)</b>
<b>Total liabilities</b>		<b>(29,943)</b>	<b>(13,447)</b>
<b>Total Net (Liabilities) / Asset</b>		<b>(15,621)</b>	<b>3,808</b>
<b>Taxpayers' Equity</b>			
Income and expenditure reserve		(15,621)	3,808
		<b>(15,621)</b>	<b>3,808</b>

The financial statements were approved by the Board on 24 June 2021 and were signed on its behalf by:



Sally Balcombe  
Accounting Officer BTA  
7 July 2021

The Notes on pages 86 to 132 form part of these financial statements.

## Statement of Cash Flows

	<i>Note</i>	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Cash flows from operating activities</b>			
Net expenditure for the year		(39,096)	(53,622)
Adjustments for:			
Depreciation and amortisation	17,18,19	1,461	1,161
Gain on termination of lease		(527)	-
Defined benefit pension cost	27	1,072	3,112
Net finance costs – UK & US pension scheme	27	52	383
Unrealised foreign exchange difference on US pensions scheme	27	47	(11)
Defined benefit employer pension contribution	27	(200)	(772)
Fair value adjustment on financial assets		35	-
<b>Cash flows from operating activities before changes in working capital and provisions</b>		<b>(37,156)</b>	<b>(49,479)</b>
(Increase)/Decrease in trade and other receivables	22	1,122	798
Decrease in inventories	21	15	(3,187)
Increase/(Decrease) in trade and other payables	24	(5,481)	(4,282)
Decrease in contract assets	25	120	(18)
Increase in contract liabilities	25	(87)	(574)
Increase in Provisions	26	408	162
<b>Net cash flows from operating activities</b>		<b>(41,059)</b>	<b>(56,830)</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment	17	(545)	(213)
Purchases of Intangible Assets	19	(267)	(152)
Lease debtor adjusted on termination		787	-
Lease payments received from finance leases		54	203
<b>Net cash (outflows) from investing activities</b>		<b>29</b>	<b>(162)</b>
<b>Financing activities</b>			
Grant-in-aid received from the DCMS	5	40,317	54,268
Payment of lease liabilities		(1,063)	(1,016)
<b>Net cash flows from financing activities</b>		<b>39,254</b>	<b>53,252</b>
<b>Net increase in cash and cash equivalents</b>		<b>(1,776)</b>	<b>(3,740)</b>
<b>Cash and cash equivalents at beginning of the year</b>	23	4,650	8,390
<b>Cash and cash equivalents at end of the year</b>	28	<b>2,874</b>	<b>4,650</b>

The Notes on pages 86 to 132 form part of these financial statements.

## Statement of Changes in Taxpayers' Equity

	Income and Expenditure £'000	Total Taxpayer's deficit £'000
<b>Balance as at 1 April 2019</b>	(13,185)	(13,185)
<b>Changes in reserves 2019/20</b>		
IFRS 16 adjustment	(50)	(50)
Total comprehensive net expenditure for the year	(37,225)	(37,225)
Grant in Aid - Resource (see note 5)	53,982	53,982
Grant in Aid - Capital (see note 5)	286	286
	<hr/>	<hr/>
<b>Balance as at 31 March 2020</b>	<b>3,808</b>	<b>3,808</b>
<b>Changes in reserves 2020/21</b>		
Total comprehensive net expenditure for the year	(59,746)	(59,746)
Grant in Aid - Resource (see note 5)	39,473	39,473
Grant in Aid - Capital (see note 5)	844	844
	<hr/>	<hr/>
<b>Balance as at 31 March 2021</b>	<b>(15,621)</b>	<b>(15,621)</b>
	<hr/>	<hr/>

The Notes on pages 86 to 132 form part of these financial statements.



## NOTES TO THE ACCOUNTS

### 1 Accounting Policies

These financial statements have been prepared in accordance with the 2020/21 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.

#### *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 2021, BTA had net liabilities of £15,621k compared to net assets of £3,808k in 2019/20. This movement is primarily a result of the net deficit on the UK defined benefits pension scheme increasing from £1,984k to £23,835k on an IAS19 basis, offset by a significant reduction in trade payables.

- The IAS19 valuation of pension scheme liabilities, used updated assumptions as detailed in note 27, results in a deficit of £23,610k.
- These valuations are subject to movements in key assumptions from time to time.
- The last triennial valuation assumes that investment returns are expected to recover and no further contributions were required by the pension trustees at this time.
- BTA will continue to monitor the position.

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, remain positive and, based on current forecasts and budgets, will continue to do so for the foreseeable future.
- In 2020/21 retail income was significantly lower than in previous years due to COVID-19 and this is expected to continue into 2021/22. In 2020/21 the income was £930K and net loss £486K, 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.

## Accounting Policies (Continued)

### *New Accounting standards*

There have been no applicable new standards, amendments to standards and interpretations effective from 1 April 2020 that have been applied by BTA which have resulted in a significant impact on its results or financial position.

### *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.

### *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.

### *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.

### *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).

### Accounting Policies (Continued)

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:

- 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.

#### *Inventories*

Inventories consist of transport and attraction 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.

#### *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.

#### *Financial Assets*

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

*Financial assets at fair value through profit and loss:* This category comprises only in-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 charges. Other than derivative financial instruments which are not designated as a hedging instrument, BTA does not have any financial assets at fair value through profit or loss nor does it voluntarily classify any financial assets as being at fair value through profit and loss.

*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.

## Accounting Policies (Continued)

### *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 2020 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.

### *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.

### *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.

### *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.

### *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.

### **Accounting Policies (Continued)**

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.

#### *Leases*

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

#### *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.

#### *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.

#### *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.

#### *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.

## **Accounting Policies (Continued)**

### *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.

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.

#### *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.

#### *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.

#### *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.

In respect of the comparative information the accounting policy was as follows:

Revenue represents the fair value of consideration received or receivable for services provided and goods sold, net of discount and sales taxes. Revenue from long term contractual arrangements is recognised based on the percentage of completion method.

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

## Accounting Policies (Continued)

### 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.

#### 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.

#### 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 compensation.

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 or (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.

### **Accounting Policies (Continued)**

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<sup>st</sup> March 2020. Overseas pension schemes are treated similarly.

#### *Standards, Amendments and Interpretations to Existing Standards not yet Effective*

The application of any new or amended IFR 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:

- COVID-19 Related Rent Concessions - amendment to IFRS 16 (from 01 June 2020)
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7 (from 01 January 2021)
- Insurance Contracts – amendments to IFRS 17 (from 01 January 2023)

BTA has undertaken a preliminary assessment of the impact of these and determined that they are unlikely to have a material impact on the BTA Financial Statements.



## 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) Property, Plant and Equipment, right of use assets and Intangible Assets

Property, plant and equipment and intangible assets are measured at fair value depreciated over their useful lives to their estimated residual values. Fair values, useful lives and residual values are based on management's estimates and are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in carrying value and amounts charged to the Statement of Comprehensive Net Expenditure in specific periods.

### (b) Inventories

The net realisable value of, and demand for, inventories are reviewed on a regular basis and particularly at the year end to provide assurance that it is stated at the lower of cost and net realisable value. Factors that could impact estimated demand and selling prices include the timing and success of innovations, competitor activities, supplier prices and economic trends.

### (c) 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.

### (d) 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:

	2021			2020		
	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	679	-	679	933	-	933
Finance Lease Receivables	-	-	-	874	-	874
Cash and cash equivalents	2,874	-	2,874	4,650	-	4,650
	<b>3,553</b>	<b>-</b>	<b>3,553</b>	<b>6,457</b>	<b>-</b>	<b>6,457</b>

	2021			2020		
	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	3,601	-	3,601	7,742	-	7,742
Finance Lease Payables	1,187	-	1,187	2,186	-	2,186
	<b>4,788</b>	<b>-</b>	<b>4,788</b>	<b>9,928</b>	<b>-</b>	<b>9,928</b>

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.

### 3 Financial Instruments and Risk Management (*Continued*)

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

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 £356k (2019/20: £483k) of trade receivables which are spread over a range of customers and countries. BTA has recovered more than 99% of trade receivables over the last 2 years and no amounts were provided or written off to profit or loss in the year 2020/21 (£Nil in 2019/20).

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 & Risk Committee. The latter receives reports at each meeting of the Committee 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 2020 and 2021, 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

- *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.
- *Commercial*: has responsibility for partnership activities, product development and distribution and organising events and missions as well as trade support.
- *Retail*: Maximise public investment through commercial activity.
- *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.
- *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.
- *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.
- *Support Services and the Boards*: 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 2021

4 Segment Information (Continued)

VisitBritain & VisitEngland Total

	Commercial Division	England	Global Network	Marketing	Retail	Strategy & Communication	Support Services & Boards		BTA Total
2020/21	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Revenue	4	38	-	-	-	-	-		42
Partnership marketing, media & publicity revenue	14	-	-	-	-	32	-		46
Revenue from exhibition, fairs & workshops	-	4	-	-	838	(12)	-		830
Revenue from Commercial activities	-	(98)	-	-	-	-	-		(98)
Quality Scheme revenue	-	-	-	-	-	-	-		-
Other grants	-	-	-	-	-	88	-		88
Office rental income	-	-	73	-	-	-	19		19
Other income	-	-	-	10	92	61	1,288		1,524
<b>Income from external customers</b>	<b>18</b>	<b>(56)</b>	<b>73</b>	<b>10</b>	<b>930</b>	<b>169</b>	<b>1,307</b>		<b>2,451</b>
Segment deficit for the year	(925)	(6,515)	(6,602)	(9,739)	(486)	(3,388)	(8,820)		(36,475)
Net finance (costs)/income	-	-	-	-	-	-	-		(88)
Depreciation and amortisation	-	-	-	-	-	-	-		(1,461)
Defined benefit pension costs	-	-	-	-	-	-	-		(872)
Defined benefit pension contribution adjustment	-	-	-	-	-	-	-		(200)
<b>Segment net expenditure for the year</b>	<b>(925)</b>	<b>(6,515)</b>	<b>(6,602)</b>	<b>(9,739)</b>	<b>(486)</b>	<b>(3,388)</b>	<b>(8,820)</b>		<b>(39,096)</b>

British Tourist Authority trading as VisitBritain and VisitEngland

Notes Forming Part of the Financial Statements for the Year Ended 31 March 2021

4 Segment Information (Continued)

VisitBritain & VisitEngland Total

VisitBritain & VisitEngland Total	Commercial Division	England	Global Network	Marketing	Retail	Strategy & Communication	Support Services & Boards	BTA Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue								
Partnership marketing, media & publicity revenue	294	-	-	665	-	-	-	959
Revenue from exhibition, 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	-	3	74	50	150	3	88	368
<b>Income from external customers</b>	<b>840</b>	<b>230</b>	<b>128</b>	<b>1,786</b>	<b>14,907</b>	<b>108</b>	<b>142</b>	<b>18,141</b>
Segment deficit for the year	(9,962)	(3,004)	(6,867)	(16,500)	973	(3,660)	(10,663)	(49,683)
Net finance (costs)/income	-	-	-	-	-	-	-	(402)
Depreciation and amortisation	-	-	-	-	-	-	-	(1,161)
Defined benefit pension costs	-	-	-	-	-	-	-	(3,098)
Defined benefit pension contribution adjustment	-	-	-	-	-	-	-	722
<b>Segment net expenditure for the year</b>	<b>(9,962)</b>	<b>(3,004)</b>	<b>(6,867)</b>	<b>(16,500)</b>	<b>973</b>	<b>(3,660)</b>	<b>(10,663)</b>	<b>(53,622)</b>

#### 4 Segment Information (Continued)

Geographical Information (Revenue by Region):

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
United Kingdom	1,858	8,325
Europe	478	7,189
Americas	70	1,311
Asia Pacific	45	1,316
Rest of the world	-	-
	<b>2,451</b>	<b>18,141</b>

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 £40,317k including £844k capital (2019/20: £54,268k including £286k capital grant-in-aid).

Other grants received, (see Note 7), include £88k (2019/20: £91k) Section 106 grant funding received from North York Moors National Park Authority.



## 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.

2020/21	Commercial Division	England	Marketing	Retail	Strategy & Comms	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Nature of goods and services</b>						
Partnership marketing, media & publicity revenue	4	38	-	-	-	42
Revenue from exhibition, fairs & workshops	14	-	-	-	32	46
Revenue from Commercial activities	-	4	-	838	(12)	830
Quality scheme revenue	-	(98)	-	-	-	(98)
	<b>18</b>	<b>(56)</b>	<b>-</b>	<b>838</b>	<b>20</b>	<b>820</b>
<b>2020/21 Primary geographical markets</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
United Kingdom	-	(56)	-	244	20	208
Europe	19	-	-	479	-	498
Americas	(1)	-	-	70	-	69
Asia Pacific	-	-	-	45	-	45
	<b>18</b>	<b>(56)</b>	<b>-</b>	<b>838</b>	<b>20</b>	<b>820</b>
<b>2020/21 Timing of revenue recognition</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Goods transferred at a point in time	14	(94)	-	838	20	778
Services transferred over time	4	38	-	-	-	42
	<b>18</b>	<b>(56)</b>	<b>-</b>	<b>838</b>	<b>20</b>	<b>820</b>

**6 Revenue from contracts with customers (Continued)**

2019/20	Commercial Division	England	Marketing	Retail	Strategy & Comms	Total
Nature of goods and services	£'000	£'000	£'000	£'000	£'000	£'000
Partnership marketing, media & publicity revenue	294	-	665	-	-	959
Revenue from exhibition, fairs & workshops	546	-	1,068	-	14	1,628
Revenue from Commercial activities	-	6	3	14,756	-	14,765
Quality scheme revenue	-	222	-	-	-	222
	<b>840</b>	<b>228</b>	<b>1,736</b>	<b>14,756</b>	<b>14</b>	<b>17,574</b>
<b>2019/20 Primary geographical markets</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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
	<b>840</b>	<b>228</b>	<b>1,736</b>	<b>14,756</b>	<b>14</b>	<b>17,574</b>
<b>2019/20 Timing of revenue recognition</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Goods transferred at a point in time</b>	546	228	1,273	14,756	14	16,817
<b>Services transferred over time</b>	294	-	463	-	-	757
	<b>840</b>	<b>228</b>	<b>1,736</b>	<b>14,756</b>	<b>14</b>	<b>17,574</b>

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.

**7 Other Income**

	2021	2020
	£'000	£'000
Other grants	88	91
Office rental income	19	108
Other income	1,524	368
<b>Total other operating income</b>	<b>1,631</b>	<b>567</b>

BTA received rental income from London & Partners, Visit Wales and Marketing Manchester in the USA and China. For the year ended 31 March 2021, the total rental income from the sub-let of properties was £19k (2019/20: £108k).

## 8 Employee Benefits Costs

	2021			2020		
	Permanent Staff	Others	Total	Permanent Staff	Others	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs (including Directors) comprise:						
Salaries	9,858	4,786	14,644	9,533	4,822	14,354
Social Security costs	1,012	703	1,715	1,058	670	1,728
Other pension costs	2,170	95	2,265	4,046	108	4,154
<b>Administration operating staff costs</b>	<b>13,040</b>	<b>5,584</b>	<b>18,624</b>	<b>14,636</b>	<b>5,600</b>	<b>20,236</b>

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

	2021	2020
	Number	Number
Permanent (UK) staff	197	203
Other Staff	85	99
<b>Total staff numbers</b>	<b>282</b>	<b>302</b>

## 9 Other Operating Charges

	2021	2020
	£'000	£'000
Partnership marketing, media & publicity costs	7,305	21,604
Publishing	279	1,068
Commercial cost of sales and overhead cost*	778	14,343
Quality Scheme costs	327	63
Distribution costs	-	112
Research and evaluation	1,651	2,313
Property and support costs – overseas	1,168	2,193
Property and support costs – UK	2,565	2,110
VisitEngland Board secretariat operation costs	2	10
Irrecoverable VAT (UK and overseas)	1,948	3,989
Provisions	409	162
Prior year creditors provision written off	21	(375)
Foreign exchange loss	255	91
<b>Total other operating charges</b>	<b>16,708</b>	<b>47,683</b>

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

**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
	2021	2021	2021	2020	2020	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Partnership marketing, media & publicity costs	2,307	4,998	7,305	7,411	14,193	21,604
Publishing	108	171	279	188	880	1,068
Commercial cost of sales and overhead cost	778	-	778	14,259	84	14,343
Quality scheme costs	327	-	327	63	-	63
Distribution costs	-	-	-	112	-	112
Research and evaluation	1,488	163	1,651	1,671	642	2,313
Property and support costs – Overseas	1,033	135	1,168	1,744	449	2,193
Property and support costs – UK	2,565	-	2,565	2,110	-	2,110
VisitEngland Board secretariat operation costs	2	-	2	10	-	10
Irrecoverable VAT (UK and overseas)	1,254	694	1,948	2,082	1,907	3,989
Provisions	66	(45)	21	162	-	162
Prior year creditors provision written off	409	-	409	(262)	(113)	(375)
Foreign exchange (gain)/loss	255	-	255	91	-	91
Employee Benefits Costs	17,392	1,232	18,624	18,761	1,475	20,236
Depreciation and amortisation	1,461	-	1,461	1,162	-	1,162
Grants Paid	386	3,999	4,385	25	2,216	2,241
Re-organisation costs	281	-	281	39	-	39
<b>Total other operating charges</b>	<b>30,112</b>	<b>11,347</b>	<b>41,459</b>	<b>49,628</b>	<b>21,733</b>	<b>71,361</b>

**11 Grants Paid**

	2021	2020
	£'000	£'000
General grants relating to Regional Tourism entities	437	255
Discover England grants relating to Destination entities	3,948	1,987
<b>Total grant payments to regional and other tourism bodies</b>	<b>4,385</b>	<b>2,242</b>

**12 Reorganisation Costs**

	2021	2020
	£'000	£'000
Staff redundancy costs*	281	39
Other staff & recruitment costs	-	-
	<b>281</b>	<b>39</b>

\*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	
	2020/21	(2019/20)	2020/21	(2019/20)	2020/21	(2019/20)
<£10,000	4	-	-	1	4	1
£10,000 - £25,000	4	-	-	-	4	-
£25,000 - £50,000	3	-	-	1	3	1
£50,000 - £100,000	1	-	-	-	1	-
£100,000- £150,000	-	-	-	-	-	-
£150,000- £200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
<b>Total number of exit packages by type (total cost)</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>12</b>	<b>2</b>
<b>Total resource cost</b>	<b>£281,000</b>	<b>-</b>	<b>-</b>	<b>£39,250</b>	<b>£281,000</b>	<b>£39,250</b>

### 13 Net Expenditure before Finance income / (expense)

	2021	2020
	£'000	£'000
Net expenditure before finance cost	(39,008)	(53,220)
This has been arrived at after charging/ (crediting):		
VisitBritain Board Members' remuneration	67	65
VisitEngland Board Members' remuneration	42	42
Auditors' remuneration*	80	86
Variable lease payments not included in measurement of lease liabilities:		
- Land and buildings	725	724
- Vehicles and equipment	-	-
Travel, subsistence and hospitality:		
- Chairman and Board Members (VisitBritain)	1	6
- Chairman and Board Members (VisitEngland)	2	9
- Employees	49	943
Depreciation (note 17)	392	366
Right of use assets depreciation (note 18)	842	658
Amortisation (note 19)	227	137

\*The external audit fee includes £80k (2019/20: £86k) 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

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

2020/21	Britain	England	England	Total
	International	Domestic	International	
	£'000	£'000	£'000	
Employee benefit costs (see note 8)	14,567	4,057	-	18,624
Reorganisation costs (see note 12)	281	-	-	281
Project costs*	3,604	9,560	5	13,169
Operational costs**	6,979	2,395	11	9,385
<b>Gross expenditure per the Statement of Comprehensive Net Expenditure</b>	<b>25,431</b>	<b>16,012</b>	<b>16</b>	<b>41,459</b>
Less: -				
Other grant income	-	88	-	88
Non-Government Funding (NGF) (see note 6 & 7)	2,406	(43)	-	2,363
Net finance cost (see note 15)	(88)	-	-	(88)
<b>Net expenditure per the Statement of Comprehensive Net Expenditure</b>	<b>23,113</b>	<b>15,967</b>	<b>16</b>	<b>39,096</b>
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*	31,262	6,264	704	38,230
Operational costs**	8,906	3,885	65	12,856
<b>Gross expenditure per the Statement of Comprehensive Net Expenditure</b>	<b>55,901</b>	<b>14,559</b>	<b>901</b>	<b>71,361</b>
Less: -				
Other grant income	-	91	-	91
Non-Government Funding (NGF) (see note 6 & 7)	17,284	694	72	18,050
Net finance cost (see note 15)	(333)	(67)	(2)	(402)
<b>Net expenditure per the Statement of Comprehensive Net Expenditure</b>	<b>38,950</b>	<b>13,841</b>	<b>831</b>	<b>53,622</b>

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

\*\*Operational costs relate to overhead costs, depreciation and amortisation (see notes 9, 17, 18 and 19)



#### 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 that is a shared resource for economic or control reasons is allocated using various ratios that recognise the underlying impact. The criteria used for such allocation includes; time, space or allocation recognising use of corporate resources;
3. It is not possible to split capital expenditure between domestic and international activity as the fixed assets are shared between all areas.

	2021	2020
	£'000	£'000
Staff costs (see note 8)	18,624	20,236
Exceptional re-organisation staff costs (see note 12)	281	39
Other operating charges (see note 9)	16,708	47,683
Depreciation and amortisation (see notes 17,18 and 19)	1,461	1,161
Grant paid to Regional Tourist Boards (see note 11)	4,385	2,242
<b>BTA expenditure per Statement of Comprehensive Income</b>	<b>41,459</b>	<b>71,361</b>

	2021	2020
	£	£
<b>VisitEngland Board Member's expenditures</b>		
Board Members' remuneration	41,945	42,189
Employers NI & other taxes	1,141	1,336
Travel & subsistence and secretariat	2,441	9,458
<b>Total expenditure</b>	<b>45,527</b>	<b>52,983</b>

## 15 Finance Income and Expense

	2021	2020
	£'000	£'000
<i>Finance Income:</i>		
<i>Interest on lease receivables</i>	9	21
Interest received on bank deposits	1	24
	<hr/> 10	<hr/> 45
<i>Finance expense:</i>		
<i>Interest on lease liabilities</i>	(46)	(64)
Net interest cost on UK & US pension schemes (see note 27)	(52)	(383)
	<hr/> (98)	<hr/> (447)
<b>Net finance expense</b>	<hr/> <b>(88)</b>	<hr/> <b>(402)</b>

## 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 2020/21 amount to £121.9m (2019/20: £114.4m) and the estimated taxable losses for 2020/21 are approximately £6.9m.

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
<b>Cost or valuation</b>				
Balance at 31 March 2019	17	1,365	175	1,557
Additions	-	209	4	213
Disposals	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>17</b>	<b>1,574</b>	<b>179</b>	<b>1,770</b>
Additions	-	545	-	545
Disposals	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>17</b>	<b>2,119</b>	<b>179</b>	<b>2,315</b>
<b>Accumulated depreciation</b>				
Balance at 31 March 2019	17	1,004	66	1,087
Charge for the year	-	332	44	366
Disposals	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>17</b>	<b>1,326</b>	<b>110</b>	<b>1,453</b>
Charge for the year	-	362	30	392
Disposals	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>17</b>	<b>1,688</b>	<b>140</b>	<b>1,845</b>
<b>Net carrying value</b>	-	-	-	-
<b>At 31 March 2020</b>	-	248	69	317
<b>At 31 March 2021</b>	-	431	39	470

**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 2021, BTA had no contractual commitment to purchase property, plant and equipment.

**18 Right of Use Assets**

	Leasehold	Total
	£'000	£'000
<b>Cost or valuation</b>		
Balance at 31 March 2019	-	-
Opening balance adjustment IFRS16	1,310	1,310
<b>Balance at 31 March 2020</b>	<b>1,310</b>	<b>1,310</b>
Additions	1,367	1,367
Disposals	(1,310)	(1,310)
<b>Balance at 31 March 2021</b>	<b>1,367</b>	<b>1,367</b>
<b>Accumulated amortisation</b>		
Balance at 31 March 2019	-	-
Charge for the year	658	658
<b>Balance at 31 March 2020</b>	<b>658</b>	<b>658</b>
Charge for the year	842	842
Disposals	(1,310)	(1,310)
<b>Balance at 31 March 2021</b>	<b>190</b>	<b>190</b>
<b>Net carrying value</b>		
<b>At 31 March 2020</b>	<b>652</b>	<b>652</b>
<b>At 31 March 2021</b>	<b>1,177</b>	<b>1,177</b>

**19 Intangible Assets**

	Computer software £'000	Total £'000
<i>Cost or valuation</i>		
Balance at 31 March 2019	911	911
Additions	152	152
<b>Balance at 31 March 2020</b>	<b>1,063</b>	<b>1,063</b>
Additions	267	267
<b>Balance at 31 March 2021</b>	<b>1,330</b>	<b>1,330</b>
<i>Accumulated amortisation</i>		
Balance at 31 March 2019	737	737
Charge for the year	137	137
<b>Balance at 31 March 2020</b>	<b>874</b>	<b>874</b>
Charge for the year	227	227
<b>Balance at 31 March 2021</b>	<b>1,101</b>	<b>1,101</b>
<i>Net carrying value</i>		
<b>At 31 March 2020</b>	<b>189</b>	<b>189</b>
<b>At 31 March 2021</b>	<b>229</b>	<b>229</b>

## 20 Investment in Subsidiary Undertakings

	2021	2020
	£'000	£'000
<b>Cost</b>		
At beginning of the year	1	1
<b>At end of the year</b>	<u>1</u>	<u>1</u>

Subsidiary undertaking	Country of Incorporation	Proportion of ownership interest at 31 March	
		2019	2018
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	
		2021	2020
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

	2021	2020
	£'000	£'000
Finished goods and goods for resale	8,277	8,292
<b>Total inventories</b>	<u>8,277</u>	<u>8,292</u>

**22 Trade and Other Receivables**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts due within one year:</b>		
Trade receivables	363	493
Less: provision for impairment of trade receivables	(7)	(10)
	<hr/>	<hr/>
<b>Trade receivables – net</b>	<b>356</b>	<b>483</b>
VAT receivables	110	463
Other receivables	323	450
Prepayments	500	789
Finance lease receivables <sup>1</sup>	-	226
HM Government – Section 4 grants recoverable	5	6
Less provisions for irrecoverable section 4 grants	-	(1)
	<hr/>	<hr/>
	<b>1,294</b>	<b>2,416</b>
<b>Amounts due after more than one year:</b>		
Finance lease receivables	-	648
	<hr/>	<hr/>
<b>Total trade and other receivables</b>	<b>1,294</b>	<b>3,064</b>
	<hr/>	<hr/>

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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April beginning of the year	10	4
Income and Expenditure statement release	-	7
Provision utilised	(3)	(1)
	<hr/>	<hr/>
<b>At 31 March end of the year</b>	<b>7</b>	<b>10</b>
	<hr/>	<hr/>

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 31st March 2021 trade receivables of £1k (2019/20: £20k) were past due but not impaired. The ageing analysis of these receivables are as follows:

	2021 £'000	2020 £'000
Up to 90 days	1	17
Over 90 days	-	3
	1	20

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

	2021 £'000	2020 £'000
<b>VisitBritain (BTA)</b>		
Pound sterling	914	2,668
US dollar	57	60
Euro	133	129
Other	190	207
	1,294	3,064

## 23 Cash and cash equivalents

	2021 £'000	2020 £'000
Opening Cash at bank and in hand	4,650	8,390
Movement	(1,776)	(3,740)
<b>Closing Cash at bank and in hand</b>	<b>2,874</b>	<b>4,650</b>

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**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts due within one year:</b>		
Trade payables	1,424	2,872
Other taxes and social security taxes	736	1,077
Other payables	150	121
Finance lease payables	380	1,047
Accruals	2,027	4,749
HM Government – Section 4 grants payable*	5	6
Less provisions for irrecoverable section 4 grants	-	(1)
	<b>4,722</b>	<b>9,871</b>
<b>Amounts due after more than one year:</b>		
Finance lease payables	807	1,139
<b>Total trade and other payables</b>	<b>5,529</b>	<b>11,010</b>

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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Up to 30 days	930	247
30 to 90 days	389	2,312
Over 90 days	3,469	7,369
	<b>*4,788</b>	<b>*9,928</b>

\* Taxes and grants are excluded

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Pound sterling	5,109	9,044
Euro	204	1,139
US dollar	2	25
Other	214	850
	<b>5,529</b>	<b>11,010</b>

## 25 Contract balances

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

	2021	2020
	£'000	£'000
<b>Amounts included in trade and other receivables (note 21)</b>		
Net trade receivables	356	483
<b>Contract assets</b>		
Accrued revenue	-	120
<b>Contract liabilities</b>		
Deferred revenue	(234)	(321)

### *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 are usually minimal.

Revenue from exhibition, 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.

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:

	2021 £'000	2020 £'000
<b>Contract assets</b>		
Increase as a result of reclassification from trade and other receivables	-	-
Decrease as a result of transfers from contract assets recognised to receivables	(120)	18
<b>Contract liabilities</b>		
Increase as a result of reclassification from trade and other payables	-	-
Increase as a result change in timing of satisfaction of performance obligations	(87)	(574)

**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 2021.

**26 Provisions**

	2021 £'000	2020 £'000
Balance at 1 April	(162)	(764)
IFRS 16 adjustment	-	764
Provided in year	(408)	(162)
Balance at 31 March	(570)	(162)
Current liabilities	-	-
Non-current liabilities	(570)	(162)

The provision in the year relates to the dilapidations provision as a result of the move into 3 Grosvenor Gardens during the year. The rest of the provisions comprise end of service employee entitlements in UAE and a small amount (£5k) of potential legal costs.

## 27 Retirement Benefits

### 27.1 Overview

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 £1.39m (2019/20: £1.19m), of which £nil (2019/20: £546k) is normal contributions related to BTA's main defined benefit pension scheme, the British Tourist Boards' Staff Pension and Life Assurance Scheme. There was also £200k (2019/20- £226k) paid to reduce the pension deficit as agreed with the Trustees (see Note 1). Contributions towards defined contribution and overseas pension schemes amounted to £1,186k (2019/20: £419k).

Total amounts charged for contributions to pension schemes were as follows:

	2021	2020
	£'000	£'000
Normal contribution	-	546
Pension deficit recovery contribution*	200	226
Total pension contribution to the BTBPS	200	772
Pension deficit recovery contribution accrued	8	-
Normal contribution - UK defined contribution	1,131	362
Normal contribution - Overseas pension schemes	55	57
Total Pension contribution	<b>1,394</b>	<b>1,191</b>

BTA is a participant in the British Tourist Boards' Staff Pension and Life Assurance Scheme (BTBSPLA Scheme) providing pension benefits and life assurance for UK permanent staff employed on or before [date], 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. A full triennial valuation of the BTBSPLA Scheme as at 31 March 2020 was undertaken and received in April 2021, and it reported a deficit of £1.09m. Investment returns are expected to be sufficient to address this outcome and no recovery plan is required.

The US pension scheme will undergo an actuarial valuation in January 2022. The valuation using IAS 19 assumptions and methodology forms the basis of this disclosure.

BTA also has additional pension liability of £118k (2019/20: £120k) 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)

### 27.2 UK BTBSPLA defined benefit Scheme

This 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. 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 31st 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.

The Trustees (and BTA) 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.

## 27 Retirement Benefits (Continued)

BTA's share of the deficit in the UK scheme at the measurement date under the assumptions used is £23.6m (2019/20: £1.9m). The increase 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 losses of £21.1m (2019/20: gain of £17.0m) being recognised in the year. Actual return on assets amounted to £10.3m (2019/20: £2.6m) compared with an expected return of £3.9m (2019/20: £4.3m), while interest on the defined benefit obligation component amounted to £4.1m (2019/20: £4.8m), resulting in a net interest cost recognised in the Net expenditure for the year of £51k (2019/20: £411k).

### 27.3 US Pension defined benefit Scheme

Similar to the UK scheme, the US pension scheme is administered by a separate fund. The 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 net assets of £343k (2019/20: £24k net liability). The asset movement in the current year was primarily due to the positive return on assets – there were no movements in the actuarial assumptions since the prior year. 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)****27.4 Details of BTA's defined benefit schemes are as follows:**

	UK scheme	2021 Overseas (US) scheme	Total	UK scheme	2020 Overseas (US) scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Reconciliation to statement of financial position</b>						
Fair value of plan assets	188,721	3,021	<b>191,742</b>	180,384	2,082	<b>182,466</b>
Present value of funded obligations	(212,556)	(1,957)	<b>(214,513)</b>	(182,224)	(2,106)	<b>(184,330)</b>
Total of funded schemes	(23,835)	1,064	<b>(22,771)</b>	(1,840)	24	<b>(1,864)</b>
Effect of asset ceiling	-	(721)	<b>(721)</b>	-	-	<b>-</b>
Present value of unfunded obligations	(118)	-	<b>(118)</b>	(120)	-	<b>(120)</b>
Net assets/ (liabilities)	<b>(23,953)</b>	<b>343</b>	<b>(23,610)</b>	<b>(1,960)</b>	<b>(24)</b>	<b>(1,984)</b>

**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	2021 Overseas (US) scheme	Total	UK scheme	2020 Overseas (US) scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At the beginning of the year	180,384	2,082	<b>182,466</b>	184,264	2,519	<b>186,783</b>
Interest income	3,991	58	<b>4,049</b>	4,341	93	<b>4,437</b>
Administrative expenses paid	(262)	(3)	<b>(265)</b>	(490)	(16)	<b>(506)</b>
Remeasurements:						
Transfers in	-	-	<b>-</b>	35	-	<b>35</b>
Return on plan assets (excluding interest)	10,340	1,176	<b>11,516</b>	(1,711)	(561)	<b>(2,272)</b>
Exchange gain/(loss)	-	(234)	<b>(234)</b>	-	106	<b>106</b>
Contributions by participants	-	-	<b>-</b>	247	-	<b>247</b>
Contributions by BTA	200	-	<b>200</b>	772	-	<b>772</b>
Benefits paid	(5,932)	(58)	<b>(5,990)</b>	(7,077)	(59)	<b>(7,136)</b>
At end of year	<b>188,721</b>	<b>3,021</b>	<b>191,742</b>	<b>180,384</b>	<b>2,082</b>	<b>182,466</b>

**27 Retirement Benefits (Continued)**

	UK scheme	2021 Overseas (US) scheme	Total	UK scheme	2020 Overseas (US) scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Composition of plan assets</b>						
Equity	93,812	3,013	<b>96,825</b>	84,545	2,051	<b>86,596</b>
Bonds	-	-	-	-	-	-
Gilts	-	-	-	-	-	-
Liability Driven Investment funds	51,095	-	<b>51,095</b>	53,547	-	<b>53,547</b>
Property	14,150	-	<b>14,150</b>	14,478	-	<b>14,478</b>
Annuities	9,170	-	<b>9,170</b>	9,812	-	<b>9,812</b>
Cash in bank	20,494	8	<b>20,502</b>	18,002	31	<b>18,033</b>
	<b>188,721</b>	<b>3,021</b>	<b>191,742</b>	<b>180,384</b>	<b>2,082</b>	<b>182,466</b>

**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	2021 Overseas (US) scheme	Total	UK scheme	2020 Overseas (US) scheme	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At the beginning of the year	(182,224)	(2,106)	<b>(184,330)</b>	(200,148)	(1,791)	<b>(201,939)</b>
Interest cost	(4,042)	(59)	<b>(4,101)</b>	(4,752)	(66)	<b>(4,818)</b>
Current service cost	-	(37)	<b>(37)</b>	(2,571)	(35)	<b>(2,606)</b>
Past service cost	(770)	-	<b>(770)</b>	-	-	-
Remeasurements:						
Transfers in	-	-	-	(35)	-	<b>(35)</b>
Actuarial (loss)/gain from changes in demographic assumptions	3,062	-	<b>3,062</b>	5,339	-	<b>5,339</b>
Actuarial (loss)/gain from changes in financial assumptions	(37,343)	-	<b>(37,343)</b>	13,893	(180)	<b>13,713</b>
Actuarial (loss)/gain from experience adjustments	2,830	-	<b>2,830</b>	(780)	(1)	<b>(781)</b>
Exchange gain/(loss)	-	186	<b>186</b>	-	(92)	<b>(92)</b>
Contributions by plan participants	-	-	-	(247)	-	<b>(247)</b>
Benefits paid	5,931	58	<b>5,990</b>	7,077	59	<b>7,136</b>
At end of year	<b>(212,556)</b>	<b>(1,957)</b>	<b>(214,513)</b>	<b>(182,224)</b>	<b>(2,106)</b>	<b>(184,330)</b>



**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	2021 Overseas (US) scheme	Total
	£'000	£'000	£'000
At the beginning of the year	-	-	-
Remeasurements:			
Changes in asset ceiling	-	754	754
Exchange gain/(loss)	-	(33)	(33)
At end of year	-	721	721

The weighted average duration of the UK and US schemes are 19 and 13.82 years respectively (2019/20: 19 and 13.82 years).

The significant actuarial assumptions were as follows:

Principal actuarial assumptions	2020/21		2019/20	
	UK Scheme	Overseas (US) scheme	UK Scheme	Overseas (US) scheme
Discount rate on defined benefit obligation	2.00%	3.00%	2.25%	3.00%
Salary growth rate	2.95%	2.75%	2.50%	2.75%
Inflation / Pension growth rate (RPI)	3.20%	2.20%	2.50%	2.20%
Inflation / Pension growth rate (CPI)	2.45%	2.20%	2.15%	2.20%
Life expectancy on UK scheme mortality assumptions:				
Retiring at the end of the reporting period:				
- Male	22.2		22.5	
- Female	24.2		24.3	
Retiring 20 years after the reporting period:				
- Male	23.8		24.2	
- Female	26.0		26.1	

**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
<b>UK Scheme</b>			
<b>2020/2021</b>			
Discount rate	0.50%	£19.4m decrease	£22.5m increase
RPI Inflation rate	0.50%	£21m increase	£18.7m decrease
Mortality rate	1 Year	£10.3m increase	£10.3m decrease
<b>2019/2020</b>			
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
<b>US Scheme</b>			
<b>2020/2021</b>			
<b>Discount rate</b>	0.50%	£0.125m decrease	£0.140m increase
<b>2019/2020</b>			
<b>Discount rate</b>	0.50%	£0.134m decrease	£0.151m 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.

**27 Retirement Benefits (Continued)****27.5 Analysis of total pension cost recognised in the Statement of Comprehensive Net Expenditure**

<b>Pension cost recognised in Net Comprehensive Expenditure</b>	<b>2021 £000 Unfunded</b>	<b>2021 £000 UK</b>	<b>2021 £000 US</b>	<b>2021 £000 Total</b>
Net interest cost	-	52	-	52
Foreign exchange loss	-	-	47	47
Administration cost	-	262	3	265
Past service cost	-	770	-	770
BTA contribution	-	(200)	-	(200)
Current service cost	-	-	37	37
<b>Total</b>	<b>-</b>	<b>884</b>	<b>87</b>	<b>971</b>

<b>Remeasurements recognised in Other Comprehensive Expenditure</b>	<b>2021 £000 Unfunded</b>	<b>2021 £000 UK</b>	<b>2021 £000 US</b>	<b>2021 £000 Total</b>
<i>Pension liabilities</i>				
Return on plan assets	-	(10,340)	(1,176)	(11,516)
Loss/(Gain) from changes in demographic assumptions	(2)	(3,062)	-	(3,064)
Gain from experience adjustments	-	(2,830)	-	(2,830)
<i>Pension assets</i>				
Loss from changes in financial assumptions	-	37,339	-	37,339
Effect of change in asset ceiling	-	-	721	721
<b>Total</b>	<b>(2)</b>	<b>21,107</b>	<b>(455)</b>	<b>20,650</b>

<b>Pension cost recognised in Net Expenditure</b>	<b>2020 £000 Unfunded</b>	<b>2020 £000 UK</b>	<b>2020 £000 US</b>	<b>2020 £000 Total</b>
Net interest cost	-	381	-	381
Foreign exchange loss	-	-	14	14
Administration cost	-	490	16	506
BTA contribution	-	(772)	-	(772)
Current service cost	-	2,571	35	2,606
<b>Total</b>	<b>-</b>	<b>2,670</b>	<b>65</b>	<b>2,735</b>

<b>Remeasurements recognised in Other Comprehensive Expenditure</b>	<b>2020 £000 Unfunded</b>	<b>2020 £000 UK</b>	<b>2020 £000 US</b>	<b>2020 £000 Total</b>
<i>Pension liabilities</i>				
Return on plan assets	-	1,711	561	2,272
Gain from changes in demographic assumptions	(28)	(5,339)	-	(5,367)
Gain from experience adjustments	-	780	1	781
<i>Pension assets</i>				
Loss from changes in financial assumptions	-	(13,893)	180	(13,713)
Effect of change in asset ceiling	-	-	(370)	(370)
<b>Total</b>	<b>(28)</b>	<b>(16,741)</b>	<b>372</b>	<b>(16,397)</b>

**27 Retirement Benefits (Continued)****Defined Contribution Schemes**

Other schemes in place during the year to 31 March 2021 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 £55k (2019/20: £57k) and are included within the total pension cost for the year.

The contribution amounts paid to the Defined Contribution UK Scheme are as follows:

*Post 2017 and new employees' contributions*

<b>Employee Contribution</b>	<b>Employer contribution</b>	<b>Total contribution</b>
3%	9%	12%
4%	10%	14%
5	11%	16%
6%+	11%	17%+

*Pre 2017 contributions*

<b>Pre-2017 contribution</b>	<b>When</b>	<b>Company contribution</b>	<b>Total contribution</b>
3% (minimum contribution)	Until 31 March 2021	14%	17%
	1 April 23 to 31 March 24	12%	15%
	1 April 24 to 31 March 25	11%	14%
	1 April 25 to 31 March 26	10%	13%
	1 April 26 onwards	9%	12%
4%	Until 31 March 2021	15%	19%
	1 April 23 to 31 March 24	13%	17%
	1 April 24 to 31 March 25	12%	16%
	1 April 25 to 31 March 26	11%	15%
	1 April 26 onwards	10%	14%
5%	Until 31 March 2021	16%	21%
	1 April 23 to 31 March 24	14%	19%
	1 April 24 to 31 March 25	13%	18%
	1 April 25 to 31 March 26	12%	17%
	1 April 26 onwards	11%	16%

## 28 Notes Supporting the Statement of Cash Flow

Cash and cash equivalents for purposes of the cash flow statement comprise the following:

	2021	2020
	£'000	£'000
Cash available on demand	2,874	4,650
	<u>2,874</u>	<u>4,650</u>

The total future values of minimum lease payments (undiscounted) under non-cancellable operating leases are due as follows:

	Land & Buildings 2021 £'000	Other 2021 £'000	Land & Buildings 2020 £'000	Other 2020 £'000
Not later than one year	380	-	1,047	-
Later than one year and not later than five years	807	-	1,139	-
Later than five years	-	-	-	-
	<u>1,187</u>	<u>-</u>	<u>2,186</u>	<u>-</u>

### Finance lease income

	Land & Buildings 2021 £'000	Land & Buildings 2020 £'000
Not later than one year	9	226
Later than one year and not later than five years	-	648
Later than five years	-	-
	<u>9</u>	<u>874</u>

BTA had previously sub-leased an office building for the whole of the remaining term of the head lease and hence it was classified as a finance lease. During the 2021 financial year, the sub-lease was surrendered, which explains the reduction in finance lease income.

Included in lease commitments above are obligations under operating lease agreements in respect of the BTA's premises in the UK and overseas as well as 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 include rental and related costs only.

## 29 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 57 to 63 contain 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 ETB 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
<b>2020/21</b>							
London & Partners Ltd	Mark Taylor	Non-Executive Director	Marketing promotions	29	-	28	-
Welsh Government	Ian Edwards	Board member	Marketing promotions	260	21	2	-
Visit East of England	Andy Wood	Non-Executive Director	Marketing promotions	-	-	120	-
Peak District National Park Authority	Allan Lambert	Trustee	Marketing promotions	-	-	148	-
				<b>289</b>	<b>21</b>	<b>298</b>	<b>-</b>

Company name	Representatives	Role	Nature of supply	Sales to £'000	Debtor balance £'000	Purchases from £'000	Creditor balance £'000
<b>2019/20</b>							
English Heritage	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	-
				<b>860</b>	<b>32</b>	<b>990</b>	<b>3</b>

### **30 Contingent liabilities**

There are no contingent liabilities that meet the disclosure criteria of IAS37.

### **31 Events after the Statement of Financial Position date**

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.

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