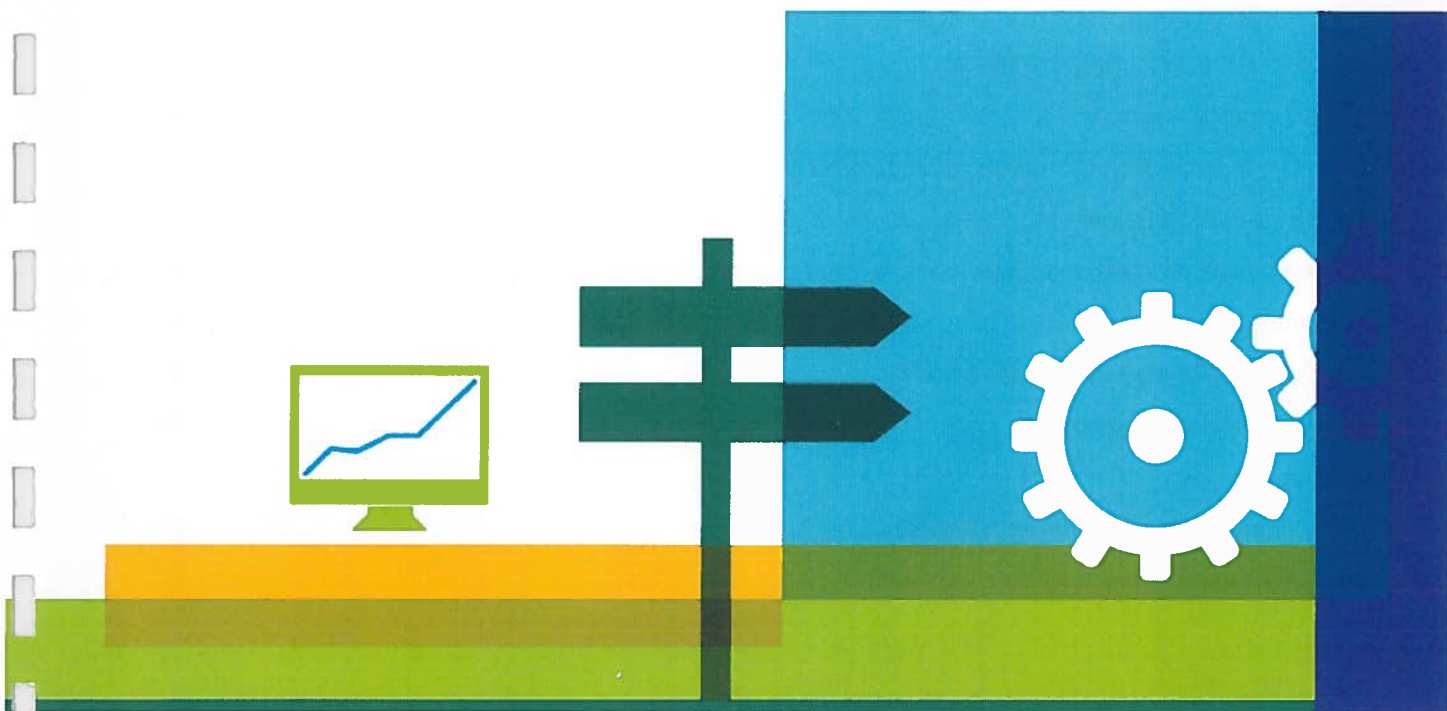


CAPITA



The British Tourist Boards' Staff Pension and Life Assurance Scheme

Scheme Registration Number: 10085336

Trustees' Annual Report and Financial Statements

For the Year Ended 31 March 2016

CONFIDENTIAL

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Foreword by the Chairman and Trustees

As part of improving our communications with members, this is a new section of the Annual Report providing an overview of the activities of your Trustees during the year from 1 April 2015 till 31 March 2016.

Four formal Trustee board meetings took place during the year, three in London at our advisers' offices and one in Sheffield at the offices of Capita, administrators to the scheme. In addition there were five conference calls between the quarterly meetings to deal with urgent matters.

The main activity during the year related to the Triennial Actuarial Valuation which took place on 31 March 2015. This is a statutory obligation for pension schemes to evaluate formally assets and liabilities every three years and then report to The Pension Regulator. The issues raised by the valuation have dominated every meeting and at the time of publishing this Annual Report and Financial Accounts (September 2016), have not been fully resolved.

In common with most Defined Benefit Schemes (based on final salary), the BTB pension fund shows a deficit, the size of which is determined to some extent by the covenant. The covenant measures the strength of the backing for the BTB Scheme and your trustees working with the employers, VisitBritain and VisitScotland, have consulted on this through the year and expect it be resolved by the end of 2016. This has also involved several conference calls, meetings and correspondence with The Pension Regulator.

At each trustee meeting, one or two of our Fund Managers present their results and future plans. This is an opportunity for the trustees to question and discuss future investment with them guided by our investment consultants, Hyman Robertson. Continued volatility in the equity market and low inflation as well as historically low interest rates impacting on gilt yields have led to changes in our investment strategy. In order to create greater stability we have transferred some of our funds into a new Liability Driven Investment scheme with Black Rock from the spring of 2015. Each quarter as well as an update on each Fund Manager's performance, the trustees monitor the progress of the LDI funds.

The VisitLondon section remains a separate part of the scheme and is regularly re-evaluated. As a result some adjustments in the investment strategy were made earlier in 2016 in response to changing market conditions. In addition, VL members received a detailed letter of information on the scheme with an estimated valuation of their particular "pot" prepared by our actuary, Jonathan Seed.

Foreword by the Chairman and Trustees (continued)

The Trustees have kept up to date on issues related to the Pension Liberation legislation of 2015. There is an increased risk of members falling for pension scams and our administrators, Capita, and the Trustees carefully check requests for larger than average transfers. Auto-enrolment was introduced at VisitBritain during the year and from April 2016 contracting out was abolished and active members now make higher NIC contributions. Updates following changes in legislation have included a review of AVCs (Added Value Contributions) held by some members. We have also reviewed and introduced a higher rate of commutation factors from February 2016. At each meeting and email correspondence between meetings your trustees also dealt with a number of personal issues, such as requests for early retirement due to illness.

In May 2015, William Smart joined as an Employer appointed trustee on behalf of Visit England. Sue Garland was re-elected for a third term as a Member Nominated Trustee in the autumn of 2015. Representatives of the employers, VB and VS, were invited and attended at least one of the meetings during the year. Andy Mills who had served as Secretary to the Trustees for five years resigned and was replaced by Mark Jelbert.

The website was updated regularly with the latest pension changes and news and with personal profiles by our trustees and advisers. It also features a quarterly In Memoriam section. Hartlink Online to Capita for members to check information was used by many. The latest version of the Scheme Guide prepared by Richard Lamont and Jonathan Seed is now on the website with several useful fact sheets.

David Kidd
Chairman of Trustees

Trustees' Report

We are pleased to introduce the thirty-second Annual Report of the Trustees which is presented in a format to comply with the Occupational Pension Scheme (Disclosure of Information) Regulations 1996, as amended.

Scheme Management

1. Constitution of the Scheme

The Scheme is a defined benefit scheme and provides retirement and death in service benefits for members (and their dependants). The Scheme, which is legally and financially separate from the Employers, is constituted by a Trust Deed and administered in accordance with Rules by the Trustees. It is contracted-out of the State Second Pension (S2P).

The Scheme is a registered scheme under the Finance Act 2004. Full tax relief is allowed on members' and employers' contributions up to the statutory limit, and on United Kingdom investment income, except for dividends arising from UK equities where tax relief is not available.

2. Participating Employers

The participating employers are:

VisitBritain (The principal employer)

Sanctuary Buildings

20 Great Smith Street

London SW1P 3BT

VisitScotland

Ocean Point One

94 Ocean Drive

Edinburgh EH6 6JH

Welsh Assembly Government (For Pension Protection Fund purposes only)

Crown Building

Cathays Park

Cardiff CF10 3NQ

Trustees' Report (continued)

Scheme Management (continued)

2. Participating Employers (continued)

The Welsh Assembly Government ceased to contribute to the Scheme on 1 February 2009. This employer cessation event triggered a section 75 debt and the Trustees entered into a withdrawal agreement which resulted in the repayment of the then deficit.

In addition, a guarantee has been agreed for the remaining debt on a buy-out basis. The amount of the guarantee has not been calculated, but will be calculated by the Scheme Actuary at the time of any event which triggers payment under the guarantee. In addition, further funding can be requested from the Welsh Assembly Government should the funding of the Scheme significantly worsen in the future. As a result of the financial guarantee by the Welsh Assembly Government they remain a participating employer for PPF purposes.

Members of the Scheme who became deferred as a result of the Welsh Assembly Government cessation on 31 January 2009 and who remain employed by the Welsh Assembly Government continue to enjoy a salary link on their deferred benefits.

VisitLondon was a participating employer until it entered into administration on 1 April 2011. The Greater London Authority paid a rescue payment of £6m to the Scheme, which was the additional amount the Scheme's Actuary anticipated was necessary for the Trustees to pay benefits in full to all VisitLondon members of the Scheme when they fall due. The assets of the VisitLondon Section of the Scheme are now invested in low risk corporate and government bonds, with the aim of ensuring that there are sufficient funds in the Scheme to pay all VisitLondon members' future pension benefits as they become payable.

3. Trustees

The Trustees who served during the year, and subsequently, were:

The Law Debenture Pension Trust Corporation plc (Represented by David Kidd)
(Chair) (Employer Nominated)

Mrs S A Bruce (Member Nominated)

Mrs Y French (Member Nominated)

Mrs S Garland (Member Nominated)

Mr R Lamont (Employer Nominated)

Mr A Murphy (Employer Nominated)

Mr W Smart (Employer Nominated) Appointed 27 May 2015

Secretary to the Trustees

Capita Employee Benefits Limited (represented by Mark Jelbert)

The Trustees are appointed and can be removed by the Principal Employer in accordance with the provisions of the Trust Deed and having regard to the arrangements currently in place for the election of Member Nominated Trustees as required by the Pensions Act 2004. There were four meetings and a number of telephone conference calls, held in the last year. All decisions are decided by a majority of Trustees present. If there is an equality of votes the Chairman of the meeting has the casting vote.

Trustees' Report (continued)

Scheme Management (continued)

4. Technical Assistance

Many of the aspects of administering the Scheme call for specialist help and the following advise the Trustees and the Employers:

(a) Investment

During the year the assets of the Scheme were invested with FIL Pensions Management ("Fidelity"), M&G Investments ("M&G"), Newton Investment Management ("Newton"), Baillie Gifford Life Limited ("Baillie Gifford"), Threadneedle Investments (Channel Islands) Limited ("Threadneedle"), Legal and General Investment Management Limited ("L&G") and BlackRock Investment Management Limited ("Blackrock").

During the year the assets invested with M&G were fully disinvested and reinvested with Blackrock.

All of the managers are authorised under the Financial Services and Markets Act 2000 to undertake investment business as the Scheme's investment managers.

Additional voluntary contributions are invested in policies with the Prudential Assurance Company, Legal and General Society and the Equitable Life Assurance Society. However, no members have paid contributions to the Equitable Life facility since November 2000 following their announcement to close off new business.

Hymans Robertson LLP are the Scheme's appointed Investment Advisor.

(b) Actuarial

The Scheme Actuary is Jonathan Seed of Xafinity Consulting, Scotia House, Castle Business Park, Stirling, FK9 4TZ.

The last actuarial valuation was carried out as at 31 March 2012. Work on the valuation as at 31 March 2015 is currently underway but has not yet been completed. The delay in completing the valuation is due to the time taken by the Employers in attempting to obtain formal support for the Scheme from Government departments (the Department of Culture, Media and Sport in particular). The Employers have also appointed their own covenant advisors in an attempt to help with this process. At this stage, however, the Trustees are unable to complete the valuation as they and the Employers are unable to agree on the assessment of covenant strength to be used.

There is not currently a timescale for completion, and The Pensions Regulator has been made aware of the delay.

(c) Legal

The Trustees are advised on legal matters relating to the Scheme by Squire Patton Boggs (UK) LLP of 7 Devonshire Square, Cutlers Gardens, London, EC2M 4YH.

(d) Audit

The Auditor to the Scheme is haysmacintyre, 26 Red Lion Square, London, WC1R 4AG.

Trustees' Report (continued)

Scheme Management (continued)

(e) **Bank**

The Scheme bank account, managed by Capita is held with National Westminster Bank Plc, Sheffield.

(f) **Administration**

The administration for the Scheme is provided by Capita Employee Benefits Limited. Enquiries about the Scheme generally or about an individual's entitlement to benefit should be sent to Capita, Hartshead House, 2 Cutlers Gate, Sheffield, S4 7TL or by e-mail to BTBSPS@capita.co.uk

More information can also be found on the Scheme website at www.btbpensionscheme.org.uk

5. **HM Revenue & Customs**

The Scheme is registered with the HM Revenue & Customs in accordance with the Finance Act 2004. This enables the Scheme, including its membership, to enjoy a number of important and valuable tax advantages.

6. **Growth Of The Fund**

The Statement of Net Assets on page 23 shows that the Scheme had net assets with a value of £283,166,000 at 31 March 2016 (2015: £279,489,000). This represents an increase of £3,677,000 from the position at 31 March 2015. This increase is comprised of a net decrease of £4,489,000 from dealings with members and net returns on investments of £8,166,000.

7. **Contributions**

Following the Actuarial Valuation as at 31 March 2012, a Schedule of Contributions was agreed and certified by the Scheme Actuary on 11 December 2013. This sets out the level of deficit contributions payable from 1 December 2013 to 31 March 2033.

Trustees' Report (continued)

Scheme Management (continued)

8. Membership

A summary of the membership of the Scheme is given below:

	31.3.2016	31.3.2015
Active Contributing Members	383	374
Deferred Members	1,139	1,140
Pensioners	746	715
	<u>2,268</u>	<u>2,229</u>

Active Contributing Members

Number of active members at commencement	374	388
New members from a previous period	91	5
Entrants in period, including those returning from maternity and sabbatical leave	3	82
Members leaving with defined benefits	(37)	(47)
Members leaving with defined benefits from previous period	(4)	(12)
Members leaving with undetermined benefits, or becoming inactive	(15)	(17)
Members leaving with undetermined benefits, or becoming inactive from previous period	(2)	(1)
Members leaving with contribution refunds	(15)	(13)
Retirements	(10)	(9)
Transfer out from previous period	(2)	(2)
Active and contributing members at account date	<u>383</u>	<u>374</u>

Deferred Members

Number of deferred members at commencement	1,140	1,108
New Entrants	37	47
New Entrants from previous period	4	12
Transferred out	(3)	(3)
Retirements	(25)	(19)
Retirements from previous period	(1)	(1)
Commutated Benefits	(1)	(1)
Commutated Benefits from previous period	-	(1)
Unclaimed deferred benefits	(2)	-
Deaths	(5)	(1)
Died in previous period	(2)	(1)
Members reinstated to Active status in previous period	(3)	-
Deferred members at account date	<u>1,139</u>	<u>1,140</u>

Trustees' Report (continued)

Scheme Management (continued)

8. Scheme Membership (continued)

	31.3.2016	31.3.2015
Pensioners		
Number of pensioners at commencement	715	693
Spouse pension during year	10	5
New pensioners in year	35	28
New pensions in previous period	1	1
Pensions reinstated from suspend	1	5
Deaths	(13)	(12)
Suspended pension	(3)	(3)
Ineligible member	-	(1)
Commutated benefits in year	-	(1)
Pensioner members at account date	746	715

9. Increases In Pensions

Certain preserved pensions and all pensions in payment were increased during the Scheme year in accordance with the Pensions Increase Review which reflects the rise in the cost of living linked to the Consumer Prices Index (formerly the Retail Prices Index was used). For pensions that began before 1 April 2016 (and therefore apply to the year covered in this annual report) the increase was 0% (2015 - 1.2%) on benefits accrued prior to 6 April 1997 and 0.8% (2015 - 2.3%) on benefits accrued on or after 6 April 1997. Pensions that began on or after 1 April 2015 received an increase on a pro rata basis.

10. Cash Equivalent (Transfer Value)

The 'Public Sector Transfer Club' arrangements are operated where appropriate and, in the course of the Scheme year, a cash equivalent (transfer value) was calculated on request and verified in the statutory manner for each member entitled to preserved benefits whom, having left service, did not wish to leave those benefits preserved under the Scheme.

Each cash equivalent was not less than the full statutory amount appropriate to the member's preserved benefits.

There were no discretionary benefits granted in the year.

11. Complaints

The Scheme administrators should be able to resolve any queries in connection with the Scheme or member's entitlement to benefits. However, a formal Internal Disputes Resolution Procedure (IDRP) has been set up for members should they feel that a problem has not been resolved to their satisfaction. Details of the IDRP can be obtained from the Secretary to the Trustees, Mark Jelbert, at Capita.

Trustees' Report (continued)

Scheme Management (continued)

11. Complaints (continued)

Members and beneficiaries of Occupational Pension Schemes who have problems concerning their Scheme which are not satisfied by the information or explanation given by the administrator or the Trustees, can consult with The Pensions Advisory Service ('TPAS'). A local TPAS advisor can usually be contacted through a Citizen's Advice Bureau. Alternatively TPAS can be contacted at:

11 Belgrave Road
London SW1V 1RB

Telephone: 0300 123 1047

Website address: www.pensionsadvisoryservice.org.uk

In cases where a complaint or dispute cannot be resolved normally after the intervention of TPAS, an application can be made to the Pension Ombudsman for them to investigate and determine any complaint or dispute of fact or law involving Occupational Pension Schemes. The Ombudsman's address is:

11 Belgrave Road
London SW1V 1RB

Telephone: 020 7630 2200

Website address: www.pensions-ombudsman.org.uk

12. Summary Funding Statement

In accordance with legislation, a Summary Funding Statement relating to the Actuarial Update as at 31 March 2014 (Main section) and 31 March 2015 (Visit London section) has been sent to all members of the Scheme within the statutory timescales. This is included in this report on pages 38 to 43.

13. Commutation factors

With effect from February 2016, the Trustees updated the Scheme's commutation factors, which are used when a member wishes to exchange part of their pension for a tax free cash sum at retirement. Previously the Scheme used a single factor of 9 to 1 so that members could exchange pension for cash at a rate of £1 of pension for a cash sum of £9. The 9 to 1 factor applied on retirement at any age and had been in place since the Scheme's establishment.

Having taken advice from the Scheme Actuary, the Trustees have put in place new factors which apply to current and future retirements. The new factors are age-related so that the cash sum provided takes into account the period over which the pension would have been paid. For members retiring at age 60, each £1 of pension given up will provide a cash sum of £15. For members retiring at 65, each £1 of pension given up will provide a cash sum of £13.50. Please note that the amount of tax free cash taken at retirement is subject to HMRC limits. Retirement quotation will show the maximum amount of cash that a member can take.

Members should consider taking independent financial advice when deciding whether to exchange part of their pension for a tax free cash sum. Members should also note that the Trustees will review the factors again from time and may update the factors again in future.

Trustees' Report (continued)

Scheme Management (continued)

Summary of Contributions payable for the Scheme Year ended 31 March 2016

During the Scheme year, the contributions payable to the Scheme by the Employer were as follows:

	Employee	Employer	Total
Required by the Schedule of Contributions	£'000	£'000	£'000
Normal contributions	659	2,295	2,954
Deficit funding contributions	-	513	513
Contributions towards administrative costs	-	257	257
Total	659	3,065	3,724

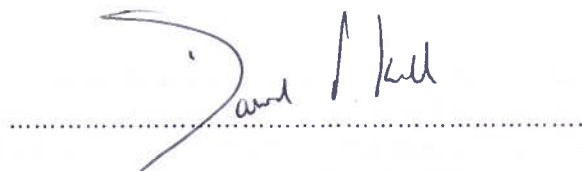
Other contributions payable

Deficit funding contributions not required under the Schedule of Contributions	-	1,370	1,370
Augmentations	-	463	463
Additional voluntary contributions, including added years	21	-	21
WAG withdrawal agreement	-	150	150
Total	680	5,048	5,728

Signed on behalf of the Trustees:



(Trustee)



(Trustee)

Date:

24/10/16

Trustees' Report (continued)

Investment Matters

Overview

The Trustees, with the assistance of their appointed investment adviser, determine the overall investment strategy for the Scheme and sets out the broad policy to be adopted by each of the appointed fund managers.

Investment managers

The names of those who have managed the Scheme's investments during the year are listed on page 6. The Trustees have delegated the day-to-day management of investment to their appointed fund managers. A written agreement between the Trustees and each manager sets out the terms on which the manager will act.

The managers' duties include the consideration of social, environmental or ethical issues in the selection, retention and realisation of investments as well as voting and corporate governance in relation to the Scheme's assets. The Trustees have reviewed each of the investment managers' policies on these issues. The Trustees believe that the policies adopted by the managers are consistent with their own views.

Investment principles

In accordance with Section 35 of the Pensions Act 1995, the Trustees have prepared a Statement of Investment Principles which includes the Trustees' policy relating to ethical investment and the exercise of the rights attaching to investments. Any member may request a copy. This Statement may change from time to time according to advice received from the investment manager or consultants.

Departures from investment principles

To the best of their knowledge, the Trustees can report that there has not been any material departure from the SIP by the Scheme's investment managers during the year ended 31 March 2016.

Employer-related investments

The Scheme did not hold any employer related investments at the end of the Scheme year (2015: Nil).

Asset allocation

The value of the Fund's assets as at 31 March 2016 was £236.7m (this excludes Visit London assets of £26.6m). Details are as follows:

Investment Manager	Mandate	Valuation (£m)	Total Fund 31 March 2016 (%)	Strategic Benchmark (%)
Fidelity	Global Equity	46.6	19.7	20.0
Baillie Gifford	Diversified Growth	23.8	10.1	12.5
Newton	Diversified Growth	25.8	10.9	12.5
L&G	Multi-Asset	45.5	19.2	19.8
Threadneedle	Property	25.2	10.6	10.0
Blackrock	LDI	69.8	29.5	25.2
	Total	236.7	100.0	100.0

Trustees' Report (continued)

Investment Matters (continued)

Asset allocation (continued)

The value of the invested assets of Visit London Scheme as at 31 March 2016 was £26.6m. Visit London had £3.2m invested in Baillie Gifford's Diversified Growth fund and held £23.4m in a separate index-linked gilts account managed by L&G.

The total value of the invested assets of the Fund excluding Visit London assets shown on the previous page for £236.7m plus the Visit London assets shown above for £26.6m total the £263.3m shown for pooled investment vehicles on the Statement of Net Assets available for Benefits page 23.

At the year end, all of the Fund's investments were considered to be marketable on a short term basis.

Review of investment performance

The table below shows a summary of the performance of each of the Scheme's investment managers. These performance figures are shown gross of annual management fees.

Investment Mandate	1 Year (%)		3 Year (% per annum)		5 Year (% per annum)	
	Performance	Benchmark	Performance	Benchmark	Performance	Benchmark
Fidelity select global fund	-1.8	-1.2	8.6	7.5	8.1	7.5
L&G Multi-asset	-3.7	-3.8	5.2	4.9	8.7	N/A
Baillie Gifford Diversified Growth Fund	-0.9	4.1	3.1	4.1	5.1	4.0
BlackRock LDI	8.3	8.3	32.9	32.9	N/A	N/A
Newton Real Return Fund	1.8	4.6	3.5	4.5	4.0	4.6
BlackRock LSF Diversified Credit Fund	1.4	0.5	N/A	N/A	N/A	N/A
Threadneedle Property Unit Trust	12.5	10.6	14.1	12.6	9.7	8.8

Gross returns have been estimated for managers that produce net returns only. BlackRock LSF Diversified Credit Fund 12 month performance figure is since inception 10 March 2015. BlackRock LDI 3 year performance figure is since inception 10 March 2015.

L&G are unable to provide 5 year benchmark performance figures for the total L&G portfolio

Investment risk disclosures

Investment risks are disclosed in note 17 on pages 33 to 36.

Trustees' Report (continued)

Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Pension scheme regulations require the Trustees to make available to Scheme members, beneficiaries and certain other parties, audited financial statements for each Scheme year which:

- Show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and
- Contain the information specified in the Schedule to The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice 'Financial Reports of Pension Schemes' (Revised November).

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis. The Trustees are also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

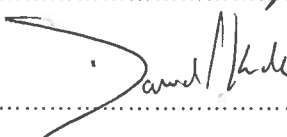
Approval of the Trustees' Report

The Scheme information, membership information, Statement of the Trustees' Responsibilities and Executive Summary of the Actuarial Valuation included in this document form part of the Trustees' Report.

Signed as approved on behalf of the Trustees on

24 / 10 / 2016.


..... Trustee


..... Trustee

Trustees' Report (continued)

Contact for Further Information

Contact for Further Information

Any enquiries or complaints about the Scheme, including requests from individuals for information about their benefits or scheme documentation, should be sent to:

Capita Employee Benefits Limited
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

BTBSPS@capita.co.uk

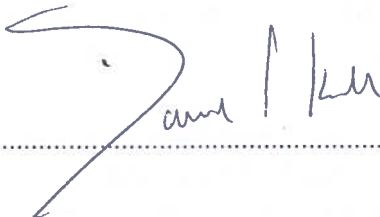
Signed on behalf of the Trustees by:



Date:

24/10/15

Trustee



Date:

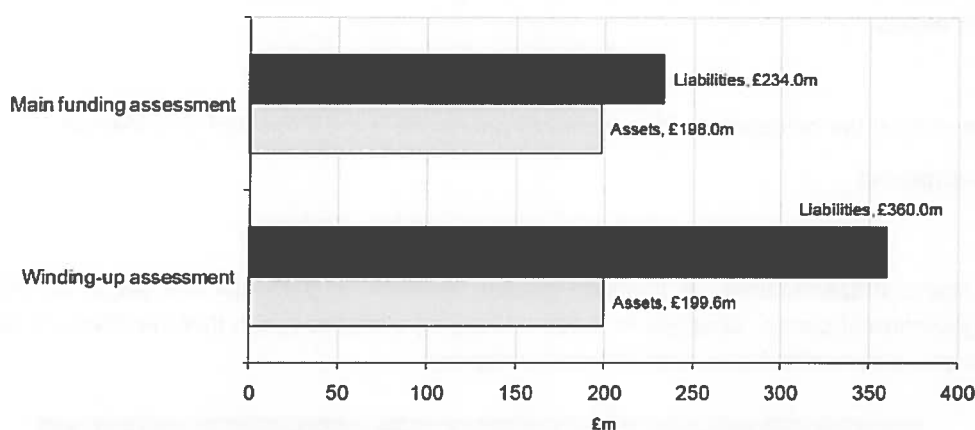
24/10/15

Trustee

Report on Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date, assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 31 March 2012. The key results are as follows:



Main funding assessment

In funding the Scheme, the Trustees' key objective is to ensure that there will be sufficient assets to meet all benefit payments as they fall due. With this in mind, the Trustees have set a target reserve for the Scheme based on a prudent estimate of the amount needed to meet all payments in respect of the benefits earned up to the valuation date.

The Funding Assessment gives a target reserve of £233,972,000 as at 31 March 2012. This compares with an asset value as at the same date of £198,014,000. Thus, there was a funding shortfall of £35,958,000 and a funding level (assets as a percentage of the target reserve) of 84.6%.

The previous valuation was undertaken as at 31 March 2009. That valuation revealed a funding shortfall of £36,777,000.

The funding shortfall as at 31 March 2009 relating to the Main section of the Scheme only was £34,404,000. We have arrived at this figure after deducting approximate results in relation to the Visit London section. The key influences on the funding position between the two valuations were as follows:

- A significant fall in gilt yields on which the valuation assumptions are set has resulted in an increase to the deficit;
- This increase was partially offset by greater than expected returns on the invested assets, and deficit reduction contributions made by the employers.

To fund the continuing accrual of benefits, the employers contribute 24.4% of pensionable salary for members with a normal retirement age of 60 and 13.1% for members with a normal retirement age of 65. This is in addition to member contributions of 5%, the contributions required under the Recovery Plan and contributions towards Scheme expenses.

Report on Actuarial Liabilities (continued)

Winding-up assessment

We have also completed a winding-up assessment of the Scheme as at 31 March 2012. This determines the extent to which the Scheme's assets would be sufficient to secure members' benefits by the purchase of insurance policies if the Scheme were to be closed and wound up. The winding-up assessment places a value on the Scheme's liabilities of £360,045,000 compared with the asset value of £199,647,000. This gives a winding-up funding level of 55.5%.

The winding-up liabilities are much higher than the ongoing funding liabilities because the estimated cost of purchasing insurance policies to secure the benefits is significantly higher than the anticipated cost of providing benefits from the Scheme's assets.

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

Significant actuarial assumptions

Financial assumptions

The Trustees base their financial assumptions on financial market statistics, in particular the yields on fixed interest and index-linked government bonds. Changes in these underlying statistics mean that the discount rate before and after retirement are lower whilst future price inflation is higher.

	Funding Assumptions at 31 March 2012		Funding Assumptions at 31 March 2009	
	Past Service	Future Service	Past Service	Future Service
Discount rate before retirement	5.20%	5.50%	6.5%	7.0%
Discount rate after retirement	3.85%		5.2%	5.0%
Future price inflation (RPI)	3.20%		2.7%	
Future price inflation (CPI)	2.60%		n/a	

Report on Actuarial Liabilities (continued)

Demographic assumptions

The most important demographic assumption is that for the future life expectancy of members. As part of the valuation process the Trustees reviewed the prospects for members' life expectancies. As a result, the Trustees have updated their assumptions to take account of the most recently available data. Sample assumed life expectancies are set out in the table below, along with some of the other key demographic assumptions:

	Funding Assumptions at 31 March 2012	Funding Assumptions at 31 March 2009
Sample life expectancies from age 65		
- Male currently age 65	22.5	22.5
- Female currently age 65	24.7	24.3
- Male currently age 45	24.2	24.9
- Female currently age 45	26.6	25.8
Commutation for cash lump sum on retirement	All members will elect to exchange 10% of their pension for cash at retirement at a rate of £9 cash per £1 pension.	All members will elect to exchange 10% of their pension for cash at retirement at a rate of £9 cash per £1 pension.
Retirement	All members will retire at their Normal Retiring Dates.	All members will retire at their Normal Retiring Dates.

A deed of amendment was signed on 27 January 2016 to change the level of cash lump sum for commutation payments. The cash amount is now variable according to the member's age at the payment date of their pension.

Actuary's Certification of the Schedule of Contributions



Certification of Schedule of Contributions

The British Tourist Boards' Staff Pension and Life Assurance Scheme (Main Section) – ("the Scheme")

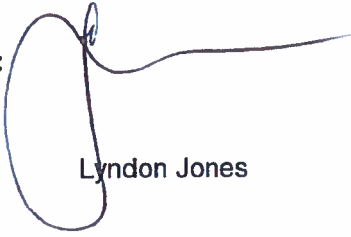
Adequacy of Rates of Contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the Recovery Plan dated 11 December 2013.

Adherence to Statement of Funding Principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 6 December 2013.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature:		Date:	11 December 2013
Name:	Lyndon Jones	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	42 Greyfriars Road Reading RG1 1NN	Employer:	Xafinity

Independent Auditors' Report to the Trustees of the British Tourist Board Staff Pension and Life Assurance Scheme

We have audited the financial statements of the British Tourist Boards' Staff Pension and Life Assurance Scheme for the year ended 31 March 2016 which comprise the fund account, the statement of net assets available for benefits and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

This report is made solely to the Scheme's Trustees, as a body, in accordance with The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Scheme's Trustees are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with Financial Reporting Council's Ethical Standards for Auditors.

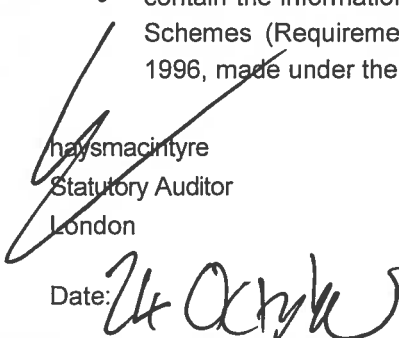
Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2016, and of the amount and disposition at that date of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulations 3 and 3A of the Schedule to The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.


Inaismacintyre
Statutory Auditor
London

Date: 24 October 2016

Independent Auditor's Statement about Contributions to the Trustees of the British Tourist Board Staff Pension and Life Assurance Scheme

We have examined the Summary of Contributions payable to the British Tourist Boards' Staff Pension and Life Assurance Scheme, for the Scheme year ended 31 March 2016 which is set out on page 11.

This statement is made solely to the Scheme's Trustees, as a body, in accordance with The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our work has been undertaken so that we might state to the Scheme's Trustees those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustees, as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of the Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions which sets out the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

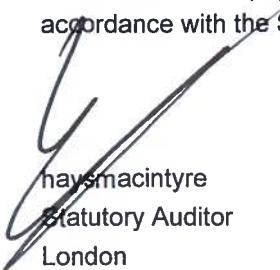
It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions paid to the Scheme and the timing of those payments under the Schedule of Contributions.

Statement about contributions payable under the schedules of contributions

In our opinion contributions for the Scheme year ended 31 March 2016, as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the former Scheme Actuary on 11 December 2013.



Nays Macintyre
Statutory Auditor
London

Date:  2016