Fund Account

	Note	2016 £'000	2015 £'000
Contributions and benefits			
Employer contributions		5,048	5,056
Employee contributions		680	699
Total contributions	4	**5,728**	5,755
Transfers in	5	30	44
		5,758	5,799
Benefits paid or payable	6	(8,258)	(7,861)
Payment to and on account of leavers	7	(1,337)	(538)
Administration expenses	8	(606)	(545)
Other payments	9	(46)	(46)
		(10,247)	(8,990)
Net withdrawals from dealings with Members		**(4,489)**	(3,191)
Returns on investments			
Investment income	10	3,394	3,350
Change in market value of investments	11	5,258	34,343
Investment management expenses	12	(486)	(352)
Net returns on investments		**8,166**	37,341
Net increase in the fund during the year		3,677	34,150
Net assets of the Scheme at start of year		279,489	245,339
Net assets of the Scheme at end of year		**283,166**	279,489

The accompanying notes on pages 24 to 37 are an integral part of these financial statements.

Statement of Net Assets available for Benefits

	Note	At 31 March 2016 £'000	At 31 March 2015 £'000
Investment assets:			
Pooled investment vehicles	11	263,260	259,468
AVC investments	11	394	544
Insurance policies - annuities	11	17,222	17,674
Accrued income	11	397	351
Total investments		**281,273**	278,037
Current assets	18	**2,738**	1,611
Current liabilities	19	**(845)**	(159)
Net assets of the Scheme at end of year		**283,166**	279,489

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on pages 16 to 18 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 24 to 37 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 24/10/ 2016.

Signed on behalf of the Trustees: ....

(Trustee)

....

(Trustee)

Notes to the Financial Statements

1. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and with guidance set out in the Statement of Recommended Practice (Revised November 2014). This is the first year FRS 102 and the Revised SORP have applied to the Scheme's financial statements.

In adopting FRS 102, the Trustees have adopted the provisions of 'Amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland – Fair value hierarchy disclosures (March 2016)' early.

2. Transition to FRS 102

	1 April 2014 £'000	31 March 2015 £'000
Net assets of the Scheme as previously stated	227,769	**261,815**
Effect of transition-valuation of annuity policies	17,570	**17,674**
Net assets of the Scheme as restated	245,339	**279,489**

	2015 £'000
Net increase in fund as previously reported	**34,046**
Effect of transition – movement in valuation of annuity policies	**104**
Net increase in fund as restated	**34,150**

Annuity policies were previously included in the Statement of Net Assets at nil value as permitted by the Audited Accounts Regulations and the previous SORP. Under FRS 102 annuity policies are reported at the value of the related obligation to pay future benefits funded by the annuity policies.

3. Accounting policies

The principal accounting policies of the Scheme are as follows:

Contributions

Employee contributions, including AVCs, are accounted for by the Trustees when they are deducted from pay by the Employer, except for the first contribution due where the employee has been auto-enrolled by the Employer in which case it is accounted for when received by the Scheme.

Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as the employees' contributions, in accordance with the Schedule of Contributions in force during the year.

Employer augmentation contributions are accounted for in accordance with the agreements under which they are payable.

Notes to the Financial Statements (continued)

3. Accounting policies (continued)

Contributions (continued)

Employer deficit funding and admin expense contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the employer and Trustees.

Employer S75 debt contributions are accounted for when a reasonable estimate of the amount receivable can be determined.

Payments to members

Benefits are accounted for in the period in which the member notifies the Trustees of his or her decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

Pensions in payment are accounted for in the period to which they relate.

Opt-outs are accounted for when the Scheme is notified of the opt-out.

Individual transfers in or out of the Scheme are accounted for when member liability is accepted or, discharged which is normally when the transfer amount is paid or received.

Group transfers are accounted for in accordance with the terms of the transfer agreement.

Expenses

Expenses are accounted for on an accruals basis.

Investment income

Income from cash and short term deposits is accounted for on an accruals basis.

Investment income arising from the underlying investments of the pooled investment vehicles is rolled up and reinvested within the pooled investment vehicles. This is reflected in the unit price and reported within 'Change in Market Value'.

Receipts from annuity policies held by the Trustees to fund benefits payable to Scheme members are included within investment income on an accruals basis.

Investments

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Notes to the Financial Statements (continued)

3. Accounting policies (continued)

Investments (continued)

Investments are included at fair value as described below:

Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.

Annuities have been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.

Presentation currency

The Scheme functional and presentation currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Scheme year end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.

4. Contributions

	2016 £'000	2015 £'000
Employer contributions		
Normal	2,295	2,408
Augmentation	463	240
Deficit contributions	1,883	1,304
Administration contributions towards administrative costs	257	250
WAG withdrawal	150	854
	5,048	5,056
Employee contributions		
Normal	659	660
Additional voluntary contributions, including added years	21	39
	680	699
	5,728	5,755

The augmentations were paid by the employer to enhance the benefits of individual members.

Under the Schedule of Contributions deficit contributions are payable from 1 April 2014 to 31 March 2033 to eliminate the shortfall. £360,000 p.a. is due from Visit Britain and £140,000 p.a is due from Visit Scotland, increasing by 2.6% annually from 1 April 2015. There are also contributions due from 1 April 2014 to 31 March 2033 in respect of administrative expenses of £180,000 p.a for Visit Britain and £70,000 p.a for Visit Scotland, increasing by 2.6% annually from 1 April 2015.

Visit Britain paid additional deficit contributions in the year to 31 March 2016 of £1,370,000.

Notes to the Financial Statements (continued)

5. Transfers in

	2016 £'000	2015 £'000
Individual transfers from other arrangements	**30**	44

6. Benefits paid or payable

	2016 £'000	2015 £'000
Pensions	7,732	7,378
Commutations of pensions and lump sum retirement benefits	479	483
Lump sum death benefits	40	-
Taxation where lifetime or annual allowance exceeded	7	-
	8,258	7,861

Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Scheme in exchange for the Scheme settling their tax liability.

7. Payments to and on account of leavers

	2016 £'000	2015 £'000
Refunds to members leaving service	85	70
Payments for members joining the State Scheme	-	4
Individual transfers out to other arrangements	1,188	464
Pension sharing on divorce	64	-
	1,337	538

8. Administrative expenses

	2016 £'000	2015 £'000
Administration and processing	129	125
Audit fee	14	13
Legal and other professional fees	124	164
Actuarial expenses	128	89
Other expenses	4	2
PPF levy	170	116
Irrecoverable VAT	37	36
	606	545

Notes to the Financial Statements (continued)

9. Other payments

	2016 £'000	2015 £'000
Life assurance premiums	**46**	46

10. Investment income

	2016 £'000	2015 £'000
Management fee rebate	120	102
Compensation from investment managers	3	-
Interest on cash deposits	2	2
Annuity income	1,725	1,808
Income from pooled investment vehicles	1,544	1,438
	3,394	3,350

11. Reconciliation of investments held at the beginning and end of the year

	Value at 1 April 2015 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 31 March 2016 £'000
Pooled investment vehicles	259,468	101,519	(103,430)	5,703	263,260
Insurance policies - annuities	17,674	-	-	(452)	17,222
AVC investments	544	8	(165)	7	394
	277,686	**101,527**	**(103,595)**	**5,258**	**280,876**
Accrued income	351				397
	278,037				**281,273**

Notes to the Financial Statements (continued)

11. Reconciliation of investments held at the beginning and end of the year (continued)

Concentration of Investments

The Scheme's net assets comprised of the following at the year end.

Investments	2016 £'000	Percentage of Scheme's net assets %
Fidelity World Equities	41,988	14.8
Legal & General UK Equity Index	33,419	11.8
BNY Mellon Newton Real Return Fund	25,838	9.1
Baillie Gifford Diversified Growth Fund	26,981	9.6
Threadneedle Property Unit Trust Class A Units	25,233	8.9
Legal & General Over 15 yr Index-Linked Gilts	23,339	8.2
Fidelity Emerging Markets	4,581	1.6
Legal & General North America Equity Index	3,775	1.3
Legal & General Europe (ex-UK) Equity Index	3,665	1.3
Legal & General Japan Equity Index	2,180	0.8
Legal & General Asia Pacific (ex-Japan) Equity Index	2,433	0.9
Blackrock Fixed Income	6,820	2.4
Blackrock Liability Hedging	63,008	22.3
AVCs	394	0.1
Insurance policies - annuities	17,222	6.1
Accrued income	397	0.1
Invested assets	**281,273**	**99.3**
Current assets less current liabilities	1,893	0.7
Total net assets	**283,166**	**100.0**

The annuity policies above are issued by Prudential, Aviva, Reassure and Friends Life and are valued by the Scheme Actuary. No collateral is held in relation to these assets.

The funds are all UK registered except the Threadneedle Property Unit Trust which is held with Threadneedle Investments (Channel Islands) Limited and registered in Jersey.

Notes to the Financial Statements (continued)

11. Reconciliation of investments held at the beginning and end of the year (continued)

Transaction costs

Transaction costs are included in the cost of purchases and sale proceeds. Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. The Scheme incurs no direct transaction costs.

12. Investment management expenses

	2016 £'000	2015 £'000
Administration, management and custody	**486**	352

13. Taxation

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax. The tax charge in the Revenue Account represents irrecoverable withholding taxes arising on investment income.

14. Pooled investment vehicles

The Scheme's investments in pooled investment vehicles at the year end comprised:

	2016 £'000	2015 £'000
Equity	92,041	97,666
Bonds	93,167	86,020
Property	25,233	22,610
Absolute Return	52,819	53,172
	263,260	259,468

Notes to the Financial Statements (continued)

15. AVC investments

AVC investments are identified and accounted for separately from the investments of the Scheme. They are used to provide additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in these arrangements each receive an annual statement made up to 31 March confirming the amounts held in their AVC fund and the movements in the year. The aggregate amounts of AVC investments are as follows

The aggregate amounts of AVC investments are as follows:

	2016 £'000	2015 £'000
The Equitable Life Assurance Society	5	7
Prudential Assurance Company	383	531
Legal & General	6	6
	394	544

Members may also purchase additional years with contributions to the main fund.

Notes to the Financial Statements (continued)

16. Fair value determination

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets and liabilities have been fair valued using the above hierarchy levels as follows:

As at 31 March 2016	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Pooled investment vehicles	-	238,027	25,233	263,260
AVC investments	-	90	304	394
Insurance policies - annuities	-	-	17,222	17,222
Other investment balances	397	-	-	397
	397	**238,117**	**42,759**	**281,273**

As at 31 March 2015	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Pooled investment vehicles	-	236,858	22,610	259,468
AVC investments	-	89	455	544
Insurance policies - annuities	-	-	17,674	17,674
Other investment balances	351	-	-	351
	351	**236,947**	**40,739**	**278,037**

Notes to the Financial Statements (continued)

17. Investment risk disclosures

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

- **Currency risk:** the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- **Other price risk**: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Credit risk

The Scheme invests through pooled investment vehicles in assets that contain credit risk through its liability driven investment mandate and diversified credit mandate both managed by BlackRock. The credit risk from the liability driven investment mandate is mitigated by investing solely in index-linked gilts that are high quality investment grade bonds backed by the full credit and faith of the United Kingdom government and cashflow swaps with a wide range of counterparties monitored by BlackRock in order to obtain leverage in each fund. The credit risk from the diversified credit mandate is mitigated by investing in investment grade rated issuers and through the investment managers' continuous analysis on the credit quality of the securities held within this mandate.

The total indirect credit risk is as follows:

31 March 2016	**Investment Grade**	**Non-investment Grade**	**Unrated**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
PIVs	69,828	-	-	**69,828**

31 March 2015	**Investment Grade**	**Non-investment Grade**	**Unrated**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
PIVs	62,554	-	-	**62,554**

Notes to the Financial Statements (continued)

17. Investment risk disclosures (continued)

Credit risk (continued)

The Scheme also invests in two absolute return mandates managed by Baillie Gifford and Newton. The underlying assets held in these mandates may contain indirect credit risk, however due to the dynamic asset allocation and holistic risk management focus employed by both managers a look-through basis has not been used for these mandates. Instead, the risks have been accounted for in 'other price risk'.

The Scheme is also exposed to the credit risk arising from the financial instruments the investment manager uses in the efficient management of the Scheme's pooled investment vehicles; this mostly concerns the use of derivative instruments.

Direct credit risk on units held in pooled investment vehicles is mitigated by the underlying assets held in trust and separate from the assets of the investment manager. The risk is further mitigated by the Trustees investing in regulated markets and regularly reviewing the investment managers in conjunction with their investment advisor.

Currency risk

The Scheme is subject to currency risk because it invests through pooled investment vehicles in equity assets denominated in a foreign currency. Accordingly, the value of the Scheme's assets may be affected favourably or unfavourably by fluctuations in currency rates.

The Scheme's liabilities are denominated in Sterling. The Scheme is subject to indirect currency risk from the underlying equity holdings in the pooled investment vehicles managed by Fidelity and Legal and General. It is the Trustees' policy not to hedge the currency risk arising from these mandates.

The Scheme's total net unhedged exposure at the year-end was as follows:

	31 March 2016 £'000	31 March 2015 £'000
Currency		
PIVs	**55,688**	57,025

The Scheme also invests in two absolute return mandates managed by Baillie Gifford and Newton. The underlying assets held in these mandates may contain indirect currency risk, however due to the dynamic asset allocation and holistic risk management focus employed by both managers a look-through basis has not been used for these mandates. Instead, the risks have been accounted for in 'other price risk'.

Interest rate risk

The Scheme invests through pooled investment vehicles in assets that contain interest rate risk through its liability driven investment mandate and diversified credit mandate both managed by BlackRock. The Trustees invest the liability driven investment mandate in leveraged index-linked gilts that should move broadly in-line with the Scheme's liabilities as a consequence of changing interest rates.

Notes to the Financial Statements (continued)

17. Investment risk disclosures (continued)

Interest rate risk (continued)

The total indirect interest rate risk is as follows:

	31 March 2016 £'000	31 March 2015 £'000
PIVs	**69,828**	62,554

The Scheme also invests in two absolute return mandates managed by Baillie Gifford and Newton. The underlying assets held in these mandates may contain indirect interest rate risk, however due to the dynamic asset allocation and holistic risk management focus employed by both managers a look-through basis has not been used for these mandates. Instead, the risks have been accounted for in 'other price risk'.

Other price risk

Other price risk includes the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate, credit or currency risk), whether those changes are caused by factors specific to the financial instruments or their issuer, or factors affecting all similarly traded financial instruments in the market.

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes equities held in pooled vehicles, units held in a pooled property investment vehicle and units held in absolute return pooled investment vehicles. The Scheme manages this exposure by constructing a diversified portfolio of instruments across various markets. According to the Scheme's Statement of Investment Principles, each investment manager is expected to manage diversified portfolios and to spread assets across a wide range of individual assets with different characteristics. In addition, the asset allocation is detailed in the Appendix of the Statement of Investment Principles document and is monitored on a regular basis by the Trustees.

The total indirect other price risk is as follows:

	31 March 2016 £	31 March 2015 £
Equity held in PIVs	**92,041**	97,666
Absolute return held in PIVs	**52,819**	53,172
Property held in PIVs	**25,233**	22,610
	170,093	173,448

Notes to the Financial Statements (continued)

17. Investment risk disclosures (continued)

Additional risks

The Trustees have also identified a number of additional key risks that will impact on the Scheme's funding level and contribute to funding risk. These include:

- cashflow risk: the Trustees will manage this risk by taking into account the timing of future payments in order to minimise the probability that there is a shortfall in liquid assets relative to the Scheme's liabilities;
- asset concentration risk: the Trustees will manage this risk by determining an investment policy with a view to spreading the risks of investing in any one investment market, currency or asset class;
- covenant risk: the Trustees will manage this risk by considering the strength of the sponsoring employer when setting investment strategy, and by consulting with the employer as to the suitability of the proposed strategy;
- operational risk: the Trustees will manage this risk by ensuring that all advisors and third party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.

Notes to the Financial Statements (continued)

18. Current assets

	2016 £'000	2015 £'000
Contributions due from employer in respect of:		
Employer	108	301
Employee	29	28
Other debtors	127	309
Cash balances	2,474	973
	2,738	1,611

19. Current liabilities

	2016 £'000	2015 £'000
Unpaid benefits	27	32
Accrued expenses	247	125
Contributions paid in advance	568	-
Taxation due on refunds to members	3	2
	845	159

Contributions paid in advance relate to Deficit and Admin contributions due from VisitBritain for the 2016-17 Scheme year. These were prepaid in December 2015.

20. Related party transactions

During the year, the Scheme received employee contributions and accrued pension rights in respect of certain Trustees of the Scheme. These transactions were in accordance with the Scheme Rules and were on the same basis as for other members.

The participating employers meet the costs associated with the Law Debenture Pension Trust Corporation plc acting as an employer nominated Trustee of the Scheme. The amount paid in 2015-2016 was £53,506 plus VAT (2014-15: £48,328).

At 31 March 2016 the Scheme had a debtor balance of £57,072 (2014-15: £16,784) owed from the Principal Employer within other debtors in note 18. This is in respect of VAT paid by the Scheme which can be reclaimed by the Principal Employer.

Contributions paid in advance relate to Deficit and Admin contributions due from VisitBritain for the 2016-17 Scheme year. These were prepaid in December 2015.

Appendices

Summary Funding Statement (Main Section)

July 2014

Dear Member

This Summary Funding Statement is sent to you on behalf of the Trustees of the British Tourist Boards' Staff Pension & Life Assurance Scheme (Main Section) ('the Trustees' of 'the Scheme'). The Main Section of the Scheme excludes the assets and liabilities held in respect of former employees of VisitLondon. These assets and liabilities are held in a fully segregated section.

You do not need to do anything as a result of receiving this Statement. The purpose of the Statement is to give you information about the funding of the Scheme.

For more general information on the Scheme, please visit the BTB Pensions website at http://www.btbpensionscheme.org.uk/.

The Frequently Asked Questions included at the end of this statement are intended to assist you in understanding the purpose of the Statement and the information provided within it.

The latest actuarial valuation

Every three years, the Scheme's actuary must carry out a valuation of the Scheme's assets and technical provisions. The technical provisions are an estimate, based on actuarial principles, of the amount of assets needed to cover the Scheme's liabilities. Liabilities include pensions in payment and benefits accrued by current and former employees which will be payable in the future.

The most recent formal actuarial valuation of the Scheme was carried out as at 31 March 2012. The participating employers within the Main Section of the Scheme are VisitBritain, VisitScotland and the Welsh Assembly Government ('the Employers'). The following table summarises the funding position as at that date, assuming that the Scheme would continue to operate as a going concern and would not be wound up:

	31 March 2012 £m
The value of the Scheme's assets was:	198.1
The value of the Scheme's liabilities was:	234.0
There was a shortfall of:	(35.9)
This gives a funding level of:	85%

Because the Scheme has a shortfall, the Employers are required to make additional contributions that are expected to remove the shortfall over a defined period of time.

Appendices (continued)

Summary Funding Statement (Main Section) (continued)

Contributions

VisitBritain and VisitScotland ('the Contributing Employers') have agreed to pay extra annual contributions as follows towards removing the shortfall in the Scheme:

- VisitBritain will pay contributions of £637,706 for the period from 1 April 2012 to 31 March 2013. This will increase to £658,113 for the period from 1 April 2013 to 31 March 2014. VisitBritain's contributions will then reduce to £360,000 per annum from 1 April 2014, increasing by 2.6% each year for the period to 31 March 2033.

- VisitScotland will pay contributions equal to £231,464 for the period from 1 April 2012 to 31 March 2013. This will increase to £238,871 for the period from 1 April 2013 to 31 March 2014. VisitScotland's contributions will then reduce to £140,000 per annum from 1 April 2014, increasing by 2.6% each year for the period to 31 March 2033.

In addition to the contributions stated above, the Contributing Employers will also pay contributions at the following rates to meet the expected cost of future service benefits:

- 24.4% of Pensionable Salary for members with a Normal Retirement Age of 60

- 13.1% of Pensionable Salary for members with a Normal Retirement Age of 65

The Contributing Employers will also pay contributions in respect of the Scheme's administrative expenses. The Welsh Assembly Government also retains a liability to pay contributions in certain circumstances.

More up-to-date information

An annual funding update was carried out as at 31 March 2014. The results of this funding update have been provided to the Trustees and have therefore been included in this statement.

The following table summarises the accrued funding position as at 31 March 2014, assuming that the Scheme would continue to operate as a going concern and would not be wound up. The table also shows the Scheme's funding position as at 31 March 2012 and 31 March 2013 for comparison.

Appendices (continued)

Summary Funding Statement (Main Section) (continued)

	31 March 2014 (£m)	31 March 2013 (£m)	31 March 2012 (£m)
The value of the Scheme's assets was:	223.2	218.0	198.1
The value of the Scheme's liabilities was:	256.0	260.2	234.0
There was a shortfall of:	(32.8)	(42.2)	(35.9)
This gives a funding level of:	87%	84%	85%

Change in funding position since the previous Summary Funding Statement

The funding level has increased slightly between 31 March 2013 and 31 March 2014. This is due to the additional contributions paid by the Employers and changes in market conditions which have reduced the liabilities significantly.

Winding up

If the Scheme had to be wound up, the Employers would have to pay extra money into the Scheme to make sure the benefits earned by members could be provided by an insurance company.

It is required by law that, as part of the Scheme's valuation, the Actuary should assess the funding position of the Scheme assuming it had been wound up as at 31 March 2012. This does not imply that the Employers were considering winding-up the Scheme.

The following table summarises the funding position at that date, assuming that the Scheme had wound up:

	31 March 2012 £m
The value of the Scheme's assets was:	199.6
The value of the Scheme's winding up liabilities was:	360.0
There was a shortfall of:	(160.4)
This gives a funding level of:	55%

Appendices (continued)

Summary Funding Statement (Main Section) (continued)

The shortfall is an estimate of the additional sum that the Employers would need to have paid to ensure that all members' benefits could have been paid in full had the Scheme wound up on 31 March 2012.

The Pensions Regulator

The Pension Regulator is the regulatory body responsible for enforcing the law on occupational pension schemes such as the Scheme.

In certain circumstances the Pensions Regulator can decide how the Scheme's liabilities must be calculated or can set the period for eliminating any funding shortfall. The Regulator can also specify the level of employer contributions to be paid – rather than leaving these issues to be determined by the Trustees – and has the power to modify the Scheme's future accrual of benefits. No such circumstances have arisen.

Payments to the Employers

Money can only be paid back to the Employers from the Scheme in very limited circumstances such as when the Scheme's assets are higher than the cost of buying the benefits out with an insurance company.

There has not been any payment to the Employers out of Scheme funds since the date of the last Summary Funding Statement.

For and on behalf of the Trustees of the British Tourist Boards' Staff Pension & Life Assurance Scheme (Main Section).

Appendices (continued)

Summary Funding Statement (VisitLondon Section)

British Tourist Boards' Staff Pension & Life Assurance Scheme - VisitLondon Section ('the Scheme')
Summary Funding Statement at 31 March 2015

As a person entitled to benefits from the Scheme we are writing to give you an update of the funding position. We will send you a statement like this each year to provide you with the latest funding information for the Scheme.

Actuarial Valuation at 31 March 2015

The latest actuarial valuation of the Scheme, which has recently been completed, showed that the funding position was as follows:

Actuarial Valuation as at 31 March 2015	
Scheme assets (£m)	27.4
Amount needed to provide benefits (£m)	27.1
Surplus (£m)	0.3
Funding level (%)	101%

The next formal valuation of the Scheme will be carried out as at 31 March 2018.

How the Scheme is being financed

Following the insolvency of VisitLondon (the "Employer") a special payment of £6.0m was made in June 2011 to remove the Funding Shortfall at that time and to bring the Scheme to a fully funded position on a low risk basis. In addition, the Trustees have invested the Scheme's assets to pay the benefits of the Scheme as they fall due as there are no further Employer contributions to be made to the Scheme.

What is the Scheme invested in?

The Trustees' policy is to invest the majority of the assets in order to match the nature and term of the benefit payments that need to be made. A small proportion of assets is invested in diversified funds aimed at generating long term returns above inflation.

The asset split as at 31 March 2015 was:-

88% Index Linked Gilts; 12% Diversified Growth Funds

Change in funding position since previous statement

The following table summarises the most recent funding information for the Scheme, along with the position as at 31 March 2014 for comparison:

Actuarial Update as at	31 March 2015 (£m)	31 March 2014 (£m)
Scheme assets	27.4	22.3
Amount needed to provide benefits	27.1	22.0
Surplus	0.3	0.3
Funding level	101%	102%

The funding position is broadly unchanged since the last update and the Scheme remains fully funded. The slight fall in funding level is due to use of more prudent assumptions at the 2015 valuation. The Trustees' investment strategy protected the Scheme against the fall in long term interest rates and associated increase in liabilities that took place between 31 March 2014 and 31 March 2015.

Payments to the Employer

As the Employer is insolvent, no money can be paid back to it.

Where can I get more information?

If you have any other questions, or would like more information please contact the Trustees (contact details are provided below). Please help us to keep in touch with you by telling us if you change address. Alternatively, further information can be found on the BTB Pensions website http://www.btbpensionscheme.org.uk

Address: Trustees of the The British Tourist Boards' Staff Pension and Life Assurance Scheme, C/o Capita Employee Benefits, Hartshead House, 2 Cutlers Gate, Sheffield, S4 7TL
Or email : btbstaffpension@capita.co.uk

Yours sincerely
The Trustees of the British Tourist Boards' Staff Pension & Life Assurance Scheme (VisitLondon Section)

Page 1

Appendices (continued)

Summary Funding Statement (VisitLondon Section) (continued)

British Tourist Boards' Staff Pension & Life Assurance Scheme - VisitLondon section ('the Scheme')
How the Scheme works

How are my benefits paid for?

As the Employer is insolvent there are no further contributions. Scheme assets are invested in a common fund to pay benefits to Scheme members and dependants. The money is not held in separate funds for each individual.

How is the amount the Scheme needs to pay benefits calculated?

The Trustees agreed a funding plan (the *Statement of Funding Principles*) with the Trustees which aims to ensure there is enough money in the Scheme to pay for benefits as they fall due. The funding level is monitored by regular updates of the funding position prepared by the Scheme Actuary (known as actuarial valuations).

What would happen if the Scheme were to be wound up?

'Winding up' a pension scheme means terminating the scheme. In this circumstance the Scheme's assets would be used to secure individual members' benefits with an insurance company.

If the Scheme were to wind up, you may not get the full amount of benefits you have built up if there are insufficient Scheme assets to enable all members' benefits to be fully secured.

As there is no Employer the Scheme is not eligible to be covered by the Government's Pension Protection Fund (PPF).

Why does the funding plan not call for full solvency at all times?

The 'full solvency' position assumes that benefits will be secured with an insurance company. Insurers are obliged to take a very cautious view of the future and need to make a profit as well as hold prudent reserves. The cost of securing pensions in this way also incorporates the future expenses involved in administering the Scheme. By contrast, the current funding plan assumes that the Scheme will continue and the corresponding cost of providing benefits as they fall due is lower.

The Pensions Regulator

In certain circumstances the Pensions Regulator can direct how the amount needed to provide benefits must be calculated, can set the period for eliminating any funding shortfall, can specify the level of employer contributions to be paid and has the power to modify a pension scheme's future accrual of benefits. No such circumstances have arisen in relation to the Scheme.

Winding-up

The Trustees are not thinking of winding-up the Scheme however we are required to provide this information by law. The estimated amount needed to ensure that all members' benefits could be fully secured if the Scheme were to be wound up was £32.4m as at 31 March 2015. This compares with a total asset value of £27.4m, meaning that there was a winding-up shortfall of £5m.

We would stress that there is no intention of winding up the Scheme and that the Scheme is fully funded on the ongoing funding basis.