The British Tourist Boards' Staff Pension & Life Assurance Scheme

Scheme Registration Number: 10085336

Trustees' Annual Report and Financial Statements for the Year Ended 31 March 2022

Contents

Foreword by the Chairman of Trustees

I am pleased to present this first annual report and accounts following the appointment of Dalriada Trustees, whom I am representing, as the new professional trustee with effect from 1 April 2022.

The Trustee Board of the British Tourist Boards' Staff Pension and Life Assurance Scheme ("BTBSPLAS" or "the Scheme") held four meetings and a separate investment managers' day during the financial year ended on 31 March 2022 as well as a number of interim quarterly conference calls to discuss key issues when the need arose. A significant amount of preparation work in advance of trustee board meetings has been undertaken by the various board sub-committees and working groups, including Audit, Communications, GMP Equalisation, Investment, Pensions Buy-In, Scheme Administration and Valuation. As the national COVID-19 lockdown restrictions were eased, the Trustee Board returned to holding in-person rather than virtual meetings beginning with the November meeting in Edinburgh.

As at 31 March 2022, the value of total net assets under management in the four sections of the Scheme was £376.8 million (2020/21: £366.4 million). This represents a net increase of £10.4 million from the same position the previous year after allowing for cash outflows and net returns on investments. A class breakdown of the assets under management for each of the four sections is given on page 15 of this report.

By the end of the first half of the financial year, growth had slowed as the positive impact of the economic re-opening had faded. Global equities gave up earlier gains as strong earnings growth was largely offset by easing economic momentum and the prospect of more restrictive monetary policy. The Omicron variant was fortunately less virulent than previously thought. Its milder symptoms and dominance throughout the winter months helped accelerate the transition of COVID-19 from pandemic to endemic status, allowing a more permanent normalisation of business activity. The end of the financial year was marked by the outbreak of the Russia-Ukraine Conflict in late February 2022. Its impact on commodity prices has exacerbated existing inflationary pressures caused by the global demand for goods, weighing on the growth outlook as input and living costs rise and central banks tighten monetary policy. The impact of higher inflation and energy prices on real consumer incomes has increased the downside risks for economic growth.

The Trustee Board completed the statutory triennial valuation of the Visit London Section, reporting the value of the assets and liabilities to The Pensions Regulator as at 31 March 2021. The results of this full valuation of the Visit London Section are shown below in Table 1, along with the yearly update figures for the other three sections. The next scheduled full valuation of the VisitBritain, VisitScotland and Welsh Government (formerly, Visit Wales) Sections will take place on 31 March 2023.

	VisitBritain	**VisitScotland**	**Welsh Government**	**Visit London**
Valuation Type	Interim Update at 2021	Interim Update at 2021	Interim Update at 2021	Full Triennial
Technical Provisions (L)	£183.3m	£88.4m	£53.7m	£30.1m
Value of Assets (A)	£189.0m	£90.8m	£56.8m	£32.0m
Surplus / Deficit (A-L)	£5.7m	£2.4m	£3.1m	£1.9m
Funding Level (A/L)	103%	103%	106%	106%

During the past financial year, the Trustee Board, supported by the Investment Sub-Committee, continued to monitor closely the investment holdings to ensure that fund managers offered value for money and remained on track to meet their performance targets. Following consultation with the participating employers, the Trustee Board published in November 2021 an updated Statement of Investment Principles ('the SIP') outlining the revised strategic investment objectives for each of the four individual sections, the approach to choosing investments, risk appetite, environmental, social and governance ("ESG" including climate change) matters and the range of investments to be held. The document is available to read on the Scheme's website.

A full breakdown of the range of assets held by each of the four sections as at 31 March 2022 is provided on page 15.

As the funding and investment trajectories of each of the four sections increasingly diverge (with only the VisitScotland Section open to future accrual), the mix of assets held in each section has similarly changed in terms of the proportions held in growth-seeking assets and matching assets relative to the liabilities and risk appetite. I describe below some of the main transactions which the Trustee Board agreed to during the financial year.

The decision was reached to allocate 10% (c. £9.5m) to infrastructure, with the Trustee Board appointing Industry Fund Management Investors ("IFM Investors") to manage this on behalf of the VisitScotland Section. This will be funded via an equivalent reduction in the Section's equity allocation and cash holdings. Good infrastructure assets are those that provide essential services to communities and have strong market positions. The key benefits for investing in infrastructure are low correlations to other asset classes, typically lower volatility than liquid assets such as equities, and long-term predictable cash-flows, often inflation-linkage built into the contractual terms of the asset. Infrastructure was only a viable consideration for the VisitScotland Section due to the illiquid nature of the asset class, and for the far longer time horizon this Section has (by virtue of its funding position and being open to new members).

The decision was also taken to increase the level of hedging in the VisitBritain and VisitScotland Sections to mitigate against adverse movements in both inflation and interest rates. VisitBritain increased its target hedge ratio to 85%, with hedging increased to meet this target during the financial year. VisitScotland increased its target hedge ratio to 60% and is increasing hedging in increments to reach this target. It had reached 40% by 31 March 2022.

The Trustee Board had been aware that the overall Scheme's equities were significantly overweight to UK equities relative to a 'neutral' regional allocation: neutral being an equity portfolio weighted by market capitalisation or by regional GDP. During the past financial year, the final tranche of activity was completed to remove the UK overweight and US underweight bias within the regional index-tracking funds managed by Legal & General Investment Management following the decision first reached in Summer 2020. This led to a reduction in UK equities with the proceeds of £1.3 million and £1.5 million for the VisitBritain and VisitScotland Sections respectively reinvested into the North American Index Fund in February 2022.

As at 6 April 2022, I can confirm that the Scheme's direct exposure to Russia and Ukraine was immaterial, at less than 0.1% of total assets under management, equating to approximately £370,000. This exposure is indirectly obtained through the diversified growth fund holdings with Baillie Gifford and Insight; and Legal & General Investment Management's diversified multi-factor equity fund. In response to the Russia-Ukraine Conflict, these managers are undertaking a range of actions including the screening of investee companies against official sanction lists, cessation of relationships with sanctioned banks and the suspension of the purchase of Russian securities, sovereign and corporate debt.

Keeping members' personal data secure and preventing members from being the victims of fraud remain key priorities for the Board. I am pleased to report that the Scheme was not subject to any instances of either scam activity or fraud during the past financial year.

Holding accurate, robust and up-to-date data on members is key to the successful running of any pension scheme in order to serve better the interests of those members. The Trustee Board started in 2021 a new project with the scheme administrator, Buck to review, check and validate the various items of data we hold on a sample number of members. When completed later in 2022, the outcome of this work will ensure that the Trustee Board is able to upload on time members' information to the Pensions Dashboard when our Scheme is staged in 2023, undertake the equalisation of Guaranteed Minimum Pensions (GMP) for those members with periods of service between 17 May 1990 and 5 April 1997 and also switch over to greater use of e-communications when writing to members with key announcements and notices.

As Chairman, I would like to pay thanks to the Trustees and all our professional advisors for their resolve, patience and hard work over what has been another eventful year. Sadly, we said goodbye to Steven Scott who stood down as the scheme actuary in December 2021. His colleague, Robert Evans from XPS Pensions Group replaced him in the role in February 2022. Although our new auditors are Armstrong Watson Audit Limited, Brendan O'Connor remains our audit director responsible for our scheme having transferred to the firm. Having received employer approval to appoint one additional member-nominated trustee, Jeremy Thomas, a current VisitScotland employee, was selected for Trustee Board in March 2022. Fiona Pollard, a member of the VisitEngland Advisory Board, became an observer on behalf of VisitBritain on the Investment Sub-Committee in May 2021.

And, finally, on behalf of the Trustee Board and all the professional advisors, I would like to pay special thanks to my predecessor, David Kidd, for the enormous contribution he has made to the development of the Scheme since 2010. Hugely respected for his wise counsel and unfailing good humour, he steered the Scheme through many challenges and opportunities over the years, leaving a legacy for which we are incredibly grateful.

Chris Roberts

Chairman of Trustees

September 2022

Trustees' Report

The Trustee Board is pleased to present this thirty-eighth Annual Report of the British Tourist Boards' Staff Pension and Life Assurance Scheme which is presented in a format that complies 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)
3 Grosvenor Gardens
London
SW1W 0BD
Registered no: 05055109

VisitScotland
Ocean Point One
94 Ocean Drive
Edinburgh
EH6 6JH
Registered no: SC264598

Welsh Government (for Pension Protection Fund purposes only)
Crown Building
Cathays Park
Cardiff
CF10 3NQ

<u>VisitBritain</u>

Active members of the VisitBritain Section on 31 March 2020 became deferred as a result of the Employer's decision to cease future accrual. Those who remain employed by VisitBritain continue to enjoy a final salary link on their deferred benefits.

Trustees' Report (continued)

Scheme Management (continued)

Welsh Government

The Welsh Government (Visit Wales) 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 Government should the funding of the Scheme significantly worsen in the future. As a result of the financial guarantee provided by the Welsh Government, it remained a participating employer for PPF purposes, however as of 30 June 2019 as a result of sectionalisation this is no longer the case.

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

Visit London

Visit London 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 Visit London members of the Scheme when they fall due. The assets of the Visit London Section of the Scheme are now predominantly invested in low risk government bonds and an insured annuity policy, with the aim of ensuring that there are sufficient funds in the Scheme to pay all Visit London members' future pension benefits as they become payable. Visit London also holds a small allocation in a multi-asset fund which aims to deliver positive returns to cover the costs of running the Section.

3. Trustees

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

- The Law Debenture Pension Trust Corporation plc
  (represented by David Kidd) (Chair) (Employer Nominated) (resigned 31 March 2022)
- Dalriada Trustees Limited
  (represented by Chris Roberts) (Chair) (Employer Nominated) (appointed 1 April 2022)
- Ms Mary Chapman (Member Nominated)
- Mr Richard Lamont (Employer Nominated)
- Ms Mary Lynch (Member Nominated)
- Mr Anthony Murphy (Member Nominated)
- Mr Jeremy Thomas (Member Nominated) (appointed March 2022)
- Mr William Smart (Employer Nominated)
- Mr Henry Bankes (Employer Nominated)
- Ms Susan Dickie (Employer Nominated)
- Secretary to the Trustees, Pegasus Pensions plc
  (Represented by Catherine Palarca)

Trustees' Report (continued)

Scheme Management (continued)

3. Trustees (continued)

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 quarterly Trustee Board meetings, investment panel 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.

4. Technical assistance

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

(a) **Investment**

During the financial year the assets of the Scheme were invested with Baillie Gifford Life Limited ("Baillie Gifford"), Threadneedle Investments (Channel Islands) Limited ("Threadneedle"), Legal and General Investment Management Limited ("L&G"), BlackRock Investment Management Limited ("BlackRock"), Partners Group AG ("Partners Group") and Absolute Insight Funds plc ("Insight").

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

Members' additional voluntary contributions are invested in policies with the Prudential Assurance Company, Reassure and Utmost Life.

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

(b) **Actuarial**

The Scheme Actuary is Robert Evans of XPS Pensions Group, 11 Strand, London WC2N 5HR. Jonathan Seed resigned effective 30 April 2021 and was replaced by Steven Scott who resigned effective 9 December 2021. Robert Evans was appointed effective 9 December 2021. Jonathan Seed and Steven Scott both provided the following statement for the purposes of Regulation 5(4) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996:

"I know of no circumstances connected with my resignation as Scheme Actuary to the Scheme which, in my opinion, significantly affect the interests of the members or prospective members of, or beneficiaries under, the Scheme."

The latest actuarial valuation was carried out as at 31 March 2020. The results of this valuation, together with a summary of the main assumptions used are shown in the Report on Actuarial Liabilities on pages 20 to 26.

(c) **Legal**

The Trustees are advised on legal matters relating to the Scheme by Squire Patton Boggs (UK) LLP of 2 & A Half Devonshire Square, Cutlers Gardens, London, EC2M 4YH.

Scheme Management (continued)

4. Technical assistance (continued)

(d) **Audit**

The Independent Auditor to the Scheme is Armstrong Watson Audit Limited of 1st Floor, 24 Blythswood Square, Glasgow,G2 4BG.

On 12 November 2021 Haysmacintyre LLP resigned as Scheme Auditors. On resignation they stated there were no circumstances connected with their resignation which they considered significantly affected the interests of the members of, or beneficiaries under, the Scheme. Armstrong Watson Audit Limited were appointed in their place with effect from 1 December 2021.

(e) **Bank**

The Scheme bank account, managed by Buck Consultants Limited, is held with Lloyds Bank providing banking facilities for each of the four individual Sections.

(f) **Administration**

The administration for the Scheme is provided by Buck from its Ipswich office. Enquiries about the Scheme generally or about an individual's entitlement to benefit should be addressed to Buck (Ipswich), PO Box 323, Mitcheldean, Gloucestershire, GL14 9BL or by e-mail to btb@buck.com

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 available for benefits on page 36 shows that the Scheme had net assets with a value of £376,822,000 at 31 March 2022 (2021: £366,425,000). This represents an increase of £10,397,000 from the position at 31 March 2021. This increase is comprised of a net decrease of £7,867,000 from dealings with members and net returns on investments of £18,264,000. The financial statements have been prepared and audited in accordance with regulations made under section 41 (1) and (6) of the Pensions Act 1995.

7. Contributions

Following the Actuarial Valuation as at 31 March 2020, the Schedules of Contributions were agreed and certified by the Scheme Actuary as follows, VisitBritain and Welsh Government on 17 March 2021, and VisitScotland on 27 April 2021. These set out the level of contributions, including administrative expenses, payable from 1 April 2021 to 1 April 2026 for VisitBritain and Welsh Government and from 1 April 2021 to 31 March 2033 for VisitScotland.

Scheme Management (continued)

8. GMP Equalisation

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. A supplemental ruling in November 2020 clarified the position in relation to historic transfers out. This ruling requires the rectification of any shortfall in these transfer values, calculated on the basis of unequalised GMPs. The Trustees are reviewing, with their advisors, the implication of the rulings as a whole on the Scheme. Once this review is finalised, then the Trustees will put in place a plan to ensure the equalisation of benefits and will communicate with members. The Trustees do not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

9. Membership

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

	31.3.2022	**31.3.2021**
Active contributing members	268	265
Deferred members	1,120	1,148
Pensioners	882	854
	2,270	2,267

Active contributing members		
Number of active members at commencement	265	361
Adjustments	(9)	(3)
Entrants in period, including those returning from maternity and sabbatical leave	34	10
Members leaving with defined benefits	(13)	(97)
Members leaving with undetermined benefits, or becoming inactive	(6)	(3)
Members leaving with contribution refunds	(1)	(1)
Retirements	(1)	(1)
Deaths	(1)	-
Transfer out	-	(1)
Active and contributing members at account date	**268**	265

Scheme Management (continued)

9. Membership

Deferred members		
Number of deferred members at commencement	1,148	1,082
Adjustments*	1	5
New Entrants	13	97
Transferred out	(3)	(6)
Retirements	(34)	(26)
Commuted Benefits from previous period	(1)	-
Unclaimed deferred benefits	(1)	(1)
Deaths	(3)	(3)
Deferred members at account date	**1,120**	1,148

Pensioners		
Number of pensioners at commencement	854	832
Adjustments*	3	(1)
Spouse pension during year	7	12
New pensioners in year	35	27
Deaths	(17)	(16)
Pensioner members at account date	**882**	**854**

10. Increases in pensions

Certain preserved pensions and all pensions in payment were increased during the Scheme year in accordance with The Pensions Increase (Review) Order 2021 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 6 April 2021 (and therefore apply to the year covered in this annual report) the increase was 3.1% (2021 – 0.5%), on benefits accrued from 6 April 1997 the increase was 4.9% (2021 – 1.1%). Pensions that began on or after 6 April 2021 received an increase on a pro rata basis. There are no discretionary pension increases granted to the members.

Trustees' Report (continued)

Scheme Management (continued)

11. 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.

12. Complaints

Internal Disputes Resolution Procedure

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, Catherine Palarca, at Pegasus Pensions plc at catherine.palarca@lawdeb.com.

The Pensions Ombudsman

The Pensions Ombudsman will assist members and beneficiaries of the Scheme in connection with difficulties which they have failed to resolve with the Trustees or Administrator of the Scheme and may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme.

1st Floor 10 Colonnade

Canary Wharf

London

E14 4PU

Telephone:	0800 917 4487
Website address:	www.pensions-ombudsman.org.uk

Trustees' Report (continued)

Scheme Management (continued)

12. Complaints (continued)

<u>The Money and Pensions Service</u>

The Money and Pensions Service creates one organisation from the three existing providers of government-sponsored financial guidance:

- The Money Advice Service
- The Pensions Advisory Service
- Pension Wise

The Money and Pensions Service brought together for the first time the provision of debt advice, money guidance and pensions guidance. For pensions guidance the Money and Pensions Service will provide information to the public on matters relating to workplace and personal pensions. From 30 June 2021, the new consumer-face of MaPS is Money Helper.

Telephone: 0115 965 9570

Email: pensions.enquiries@moneyhelper.org.uk

Website: www.moneyhelper.org.uk

13. Summary funding statement

The most recent annual Summary Funding Statements, based on the methodology of the Triennial Valuation as at 31 March 2020 and a yearly update as at 31 March 2022, specific to the VisitBritain, VisitScotland and Welsh Government Sections of the Scheme, were issued to members. These are included in this report on pages 51 to 58. The Triennial Valuation of the Visit London Section as at 31 March 2021 was completed during the year and the Summary Funding Statement were be sent to members of this Section within statutory timescales.

14. Commutation factors

Following the statutory triennial valuation of the Visit London Section as at 31 March 2018, the Trustees reviewed in February 2020 the appropriateness of the cash commutation factors in place for members of this section. This review led to a change in the factors with effect from March 2020.

The factors are age-related so that the cash sum provided takes into account the period over which the pension would have been paid. The factors also take into account the low risk investment strategy adopted by the Visit London Section.

Please note that the amount of tax free cash taken at retirement is subject to HMRC limits. Retirement quotations 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 in place for each of the four sections from time to 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 2022

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

	Employee	Employer	Total
Required by the Schedule of Contributions	**£’000**	**£’000**	**£’000**
Normal contributions	500	2,393	**2,893**
Deficit funding contributions	-	300	**300**
Contributions towards administrative costs	-	460	**460**
Total	**500**	**3,153**	**3,653**
Other contributions payable			
Additional voluntary contributions not required under the Schedule of Contributions	92	-	**92**
Total	**592**	**3,153**	**3,745**

Chris Roberts

Signed on behalf of the Trustees: …………………………………………………………..

(Trustee)

Tony Murphy

…………………………………………………………..

(Trustee)

15-Sep-2022 | 11:52 BST

Date: …………………………………………..

Investment Matters

Overview

The Trustees, with the assistance of their appointed investment adviser, determine the overall investment strategy for each Section of the Scheme and set 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 8. The Trustees have delegated day-to-day management of the Scheme's investments 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 and 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 ('SIP'). The SIP includes the Trustees' policy relating to the consideration of financially material factors in the investment arrangements, including the consideration of climate change. The SIP also contains the Trustees' policies on stewardship of assets which includes:

- the Trustees' approach to the exercise of voting rights attached to assets
- the Trustees' approach to undertaking engagement activity, including how the Trustee monitors and engages with its investment managers and any other stakeholders.

This statement may change from time to time according to advice received from the investment managers or the Trustees' investment adviser.

Any member may request a copy of the SIP or obtain a copy through the Scheme website https://btbpensionscheme.org.uk.

Custody of assets

The underlying assets are held by a number of custodians who have agreements with the investment manager of the assets. There is no direct relationship between the investment managers' custodians and the Trustee.

Departures from investment principles

During the year to 31 March 2022, each Section's investment allocation was broadly aligned with its strategic benchmark allocation. Changes to the strategic benchmark allocation were conducted over the year and are reflected in the updated asset allocation table below.

Employer-related investments

The Scheme did not hold any employer-related investments at the end of the Scheme year (2021: nil).

Trustees' Report (continued)

Investment Matters (continued)

Asset allocation

These are set out below as at 31 March 2022:

Strategic benchmark allocations				
Asset class	**VisitBritain**	**VisitScotland**	**WG**	**Visit London**
Equities	12.5%	32.5%	-	-
LGIM regional market-cap passive equity funds	*6.25%*	*16.25%*	-	-
LGIM Diversified Multi-Factor Equity Fund	*6.25%*	*16.25%*	-	-
Multi-asset	20%	12.5%	10%	10%
Baillie Gifford Diversified Growth Fund	*10%*	*6.25%*	*10%*	*10%*
Insight Broad Opportunities Fund	*10%*	*6.25%*	-	-
Partners Group Multi-Asset Credit Fund	12.5%	12.5%	10%	-
BlackRock Diversified Credit Fund	5%	2.5%	5%	-
Threadneedle Property Unit Trust	7.5%	7.5%	5%	-
Liability Driven Investments	37.5%	27.5%	17.5%	65%
BlackRock Leveraged Gilt / Index-Linked Gilt Funds	*37.5%*	*27.5%*	*17.5%*	-
LGIM Gilt and Index-Linked Gilt Funds	-	-	-	*65%*
BlackRock Liquidity Fund	5%	5%	5%	-
Aviva insured annuity policy	-	-	47.5%	25%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The value of invested assets of the Visit London Section as at 31 March 2022 was £30.2m consisting of: £21.4m invested in LGIM's Gilt and Index-Linked Gilt Funds; £7.1m invested an insured annuity policy with Aviva; and £1.7m invested in the Baillie Gifford Diversified Growth Fund.

At the year-end, all of the Scheme's investments were considered to be marketable on a short-term basis with the exception of the Partners Group Fund and the Aviva insured annuity policies.

Trustees' Report (continued)

Investment Matters (continued)

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**
Threadneedle Property Unit Trust	21.7%	*23.1%*	7.6%	*8.1%*	7.5%	*7.8%*
LGIM Market-Cap Equity	11.1%	*11.2%*	7.1%	*7.2%*	6.0%	*6.1%*
LGIM Diversified Multi-Factor Equity Fund	9.1%	*7.7%*	N/A	*N/A*	N/A	*N/A*
Partners Group MAC IV	4.9%	*5.3%*	4.6%	*5.5%*	N/A	*N/A*
Baillie Gifford Diversified Growth Fund	3.6%	*3.8%*	3.6%	*3.9%*	3.1%	*4.0%*
Insight Broad Opportunities Fund	3.5%	*4.1%*	3.6%	*4.3%*	N/A	*N/A*
BlackRock LSF GBP Diversified Credit Fund	0.6%	*2.2%*	3.8%	*2.4%*	5.3%	*2.5%*
BlackRock LDI	8.7%	*8.9%*	5.8%	*6.0%*	5.7%	*5.9%*
BlackRock Liquidity	0.1%	*0.1%*	0.4%	*0.2%*	N/A	*N/A*

BlackRock Liquidity Fund inception date is 31 December 2019. 3-year performance is since inception.

Investment risk disclosures

Investment risks are disclosed in note 19 on pages 45 to 48.

Statement of Trustees' Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) are the responsibility of the Trustees. Pension scheme regulations require, and the Trustees are responsible for ensuring that those financial statements:

- 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, and
- contain the information specified in Regulation 3A of 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'.

In discharging the above responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an Annual Report.

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.

The Trustees are responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employers and the 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 member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employers 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.

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:

British Tourist Boards' Staff Pension and Life Assurance Scheme
c/o Buck (Ipswich)
PO Box 323
Mitcheldean
Gloucestershire
GL14 9BL

Email: btb@buck.com

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 on behalf of the Trustees by:

Chris Roberts

.... **Date:** 15-Sep-2022 | 11:39 BST

Trustee

Tony Murphy

.... **Date:** 15-Sep-2022 | 11:52 BST

Trustee

AVC Governance Statement

1. As Trustees of the British Tourist Boards' Staff Pension and Life Assurance Scheme ("the Scheme"), we have reviewed and assessed that our systems, processes and controls across the key governance functions relating specifically to the Scheme's Additional Voluntary Contribution ("AVC") arrangements are consistent with Regulatory governance requirements.

2. In doing so, the Trustees have taken into account the fact that the main purpose of the Scheme is to provide members with a defined benefit pension on retirement from the main section of the Scheme. As such, the AVC benefit forms a small part of the overall Scheme benefit. The Trustees have therefore taken a proportionate approach when applying the governance requirements.

3. Based on our assessment, we believe that we have adopted an appropriate and proportionate approach which takes into account the standards of practice set out in the Defined Contribution (DC) code and associated regulatory guidance. This helps to demonstrate the presence of DC quality features, which we believe will help deliver better outcomes for members at retirement.

4. To ensure that an appropriate standard of governance is applied to the management of AVC funds, we will carry out the following work at the stated intervals:

    - A triennial review of the legacy AVC arrangements in place. The review will consider the following criteria for each AVC provider:
    - Financial strength of provider and commitment to the AVC marketplace
    - Recognised and respected brand
    - Investment performance of the funds under management

      The Scheme administrator completed a review of the AVC arrangements by 31 March 2021.

    - The Trustees will provide an annual communication to AVC members detailing the investment performance and charging structure of the AVC arrangements in place and highlighting the need for members to review their own AVC arrangements and take independent advice.

5. Whilst the Trustees are not required to produce a governance statement, the Trustees wish to reassure members that appropriate governance measures are in place with respect to the AVC funds held within the Scheme.

Signed: Chris Roberts

Chairman of the Trustees
British Tourist Boards' Staff Pension and Life Assurance Scheme

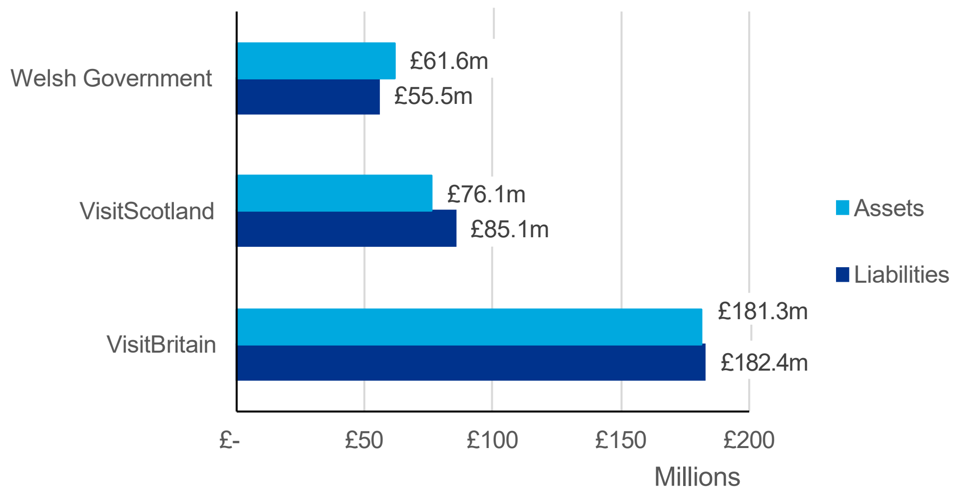
Date: 15-Sep-2022 | 11:39 BST

Report on Actuarial Liabilities

VisitBritain, VisitScotland and Welsh Government Sections

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 as set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuations of the VisitBritain, VisitScotland and Welsh Government Sections of the Scheme were carried out as at 31 March 2020. The key results are as follows:



Main funding assessment

In funding each Section of 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 each Section based on a prudent estimate of the amount needed to meet all payments in respect of the benefits earned up to the valuation date.

VisitBritain Section

The Funding Assessment gives a target reserve of £182.4m as at 31 March 2020. This compares with an asset value as at the same date of £181.3m. Thus, there was a funding deficit of £1.1m and a funding level (assets as a percentage of the target reserve) of 99%.

It is expected that returns achieved on the existing assets will be sufficient to recover the deficit over the period to 31 March 2024, so no deficit recovery contributions are payable. VisitBritain will only pay contributions towards Scheme expenses.

Report on Actuarial Liabilities (continued)

VisitScotland Section

The Funding Assessment gives a target reserve of £85.1m as at 31 March 2020. This compares with an asset value as at the same date of £76.1m. Thus, there was a funding deficit of £9.0m and a funding level (assets as a percentage of the target reserve) of 89%.

To fund the continuing accrual of benefits, VisitScotland will contribute 24.1% of pensionable salary. This is in addition to member contributions of 5% and contributions towards Scheme expenses.

In addition, VisitScotland will pay deficit recovery contributions until 31 March 2033 at the rate of £300,000 per annum. These contributions will increase by 2.5% per annum on 1 April each year with the first increase due on 1 April 2022.

Welsh Government Section

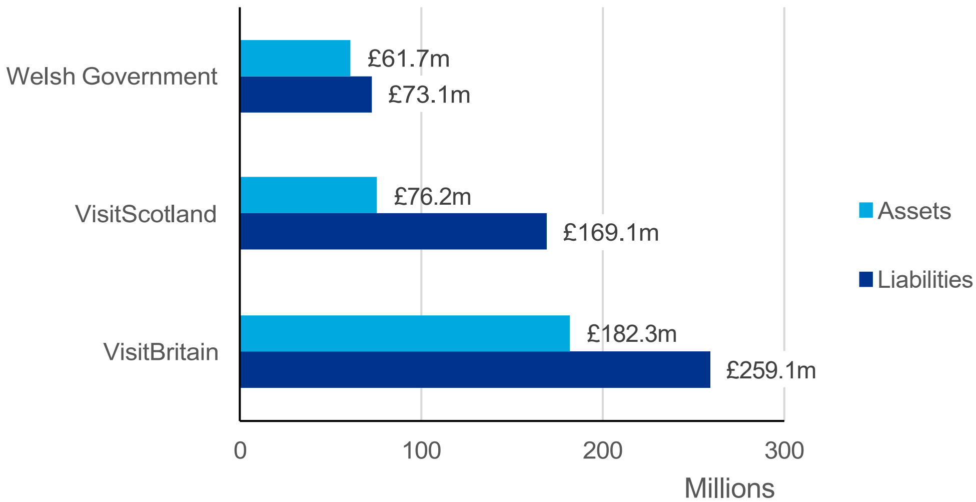
The Funding Assessment gives a target reserve of £55.5m as at 31 March 2020. This compares with an asset value as at the same date of £61.6m. Thus, there was a funding surplus of £6.1m and a funding level (assets as a percentage of the target reserve) of 111%.

As the Welsh Government Section was fully funded as at 31 March 2020 no deficit recovery contributions are required. Welsh Government will only pay contributions towards Scheme expenses.

Report on Actuarial Liabilities (continued)

Winding-up assessment

The Trustees also completed a winding-up assessment of each Section of the Scheme as at 31 March 2020. 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 liabilities are 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.

The winding-up deficit and funding levels for each Section are as follows:

- VisitBritain – winding-up deficit of £76.8m and a funding level of 70%
- VisitScotland – winding-up deficit of £92.8m and a funding level of 45%
- Welsh Government – winding-up deficit of £11.4m and a funding level of 84%

Method

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

Report on Actuarial Liabilities (continued)

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.

Discount rates (past service and, for Visit Scotland, future service too)

	Funding assumptions as at 31 March 2020
Discount rate before retirement	
- VisitBritain (VB)	Gilt yield curve plus 3% per annum
- VisitScotland (VS)	Gilt yield curve plus 3.5% per annum
- Welsh Government (WG)	Gilt yield curve plus 0.75% per annum
Discount rate after retirement	
- VisitBritain (VB)	Gilt yield curve plus 1% per annum
- VisitScotland (VS)	Gilt yield curve plus 1.5% per annum
- Welsh Government (WG)	Gilt yield curve plus 0.75% per annum

Inflation assumptions

	Funding assumptions as at 31 March 2020
Future price inflation (RPI)	RPI curve minus 0.1% per annum
Future price inflation (CPI)	RPI minus 0.9% per annum
Salary growth	RPI minus 0.5% per annum
Revaluation of deferred pensions before retirement:	
Deferred revaluation – excess over GMP	CPI
Deferred revaluation – GMP	CPI
Pension increases in payment:	
Pre88 GMP – nil	Nil
Pre88 GMP – CPI maximum 3%*	CPI capped at 3%
Post88 GMP – CPI maximum 3%	CPI capped at 3%
Pre 97 – PI Orders (CPI)	CPI uncapped
Post 97 – RPI max 5%	RPI capped at 5%

** in respect of members who reached state pension age between 6 April 2016 and 5 April 2021.*

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 for future longevity improvements to take account of the most recently available model available from the Continuous Mortality Investigation ('CMI'). The key demographic assumptions are set out in the table below:

	Funding assumptions as at 31 March 2020
Base table	S2PA
Adjustment to base table - VisitBritain (VB) - VisitScotland (VS) - Welsh Government (WG)	M/F 90%/92% 98%/98% 96%/94%
Projection model / long term rate	CMI 2019 / 1.5%
Proportion married	85% at age 60, reducing thereafter
Commutation	10% of pension

Visit London Section

The most recent full actuarial valuation of the Visit London Section ("the Section") was carried out as at 31 March 2021. The key results are as follows:

Main funding assessment

In funding the Section, 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 Section 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 reserves of £30.1m as at 31 March 2021. This compares with an asset value as at the same date of £32.0m. Thus, there was a funding surplus of £1.9m and a funding level (assets as a percentage of the target reserve) of 106%.

Report on Actuarial Liabilities (continued)

Main funding assessment (continued)

The previous valuation was undertaken as at 31 March 2018. That valuation revealed a funding surplus of £2.2m.

The key influences on the funding position between the two valuations were as follows:

- Changes in the underlying actuarial assumptions used to value the liabilities has significantly increased the value placed on the liabilities.
- This was partially offset by a change to the demographic assumptions as at 31 March 2021.

Winding-up assessment

The Trustees also completed a winding-up assessment of the Section as at 31 March 2021. This determines the extent to which the Section's assets would be sufficient to secure members' benefits by the purchase of insurance policies if the Section were to be closed and wound up. The winding-up assessment places a value on the Section's liabilities of £34.1m compared with the asset value of £32.2m as shown in the graph below. This gives a winding-up funding level of 95%.

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 Section'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. The Funding Assessment liabilities have been calculated using the following assumptions.

	Funding Assumptions at 31 March 2021
Discount rate	Bank of England fixed rate interest curve plus 0.15% addition at all terms.
Future price inflation (RPI)	Bank of England RPI inflation curve
Future price inflation (CPI)	Retail price inflation less 0.75% pre 2030 and equal to RPI post 2030
Revaluation of deferred pensions before retirement	Equal to the CPI assumption
Pension increases in payment	
- Post 1988 GMP – CPI max 3%	Equal to the CPI assumption capped at 3% p.a. *
- Pre 97 excess over GMP – CPI	Equal to the CPI assumption
- Post 97 pension – CPI (uncapped) subject to a minimum of RPI (max 5%)	Equal to the RPI assumption capped at 5% p.a.

**2021 valuation assumed members who reached State Pension Age after 6 April 2016 receive full CPI increases in payment.*

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. The key demographic assumptions are set out in the table below:

Mortality	Funding Assumptions at 31 March 2021
In service/deferment	As per mortality in retirement
In retirement	93% SAPS S3PXA light tables for males, 94% SAPS S3PXA light tables for females, with CMI 2020 projections with a long-term improvement trend of 1.5% p.a. and initial addition of 0.2% p.a. for both males and females
Retirement	Members assumed to retire at Normal Retirement Age

Actuary's Certification of the Schedule of Contributions

British Tourist Boards' Staff Pension and Life Assurance Scheme – Main Section

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 June 2019.

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 June 2019.

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 Jonathan Seed	**Date** 28 June 2019.
Name Jonathan Seed	**Qualification** Fellow of the Institute and Faculty of Actuaries
Address Scotia House Stirling FK9 4TZ	**Employer** XPS Pensions

Actuary's certification of schedule of contributions

British Tourist Boards' Staff Pension and Life Assurance Scheme
The VisitBritain 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 on 31 March 2020 to be met by the end of the period specified in the recovery plan dated 4 February 2021.

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 4 February 2021.

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
Jonathan Seed

Date
17 March 2021

Name
Jonathan Seed

Qualification
Fellow of the Institute
and Faculty of Actuaries

Address
Scotia House
Castle Business Park
Stirling
FK9 4TZ

Employer
XPS Pensions Consulting Limited

Actuary's certification of schedule of contributions

British Tourist Boards' Staff Pension and Life Assurance Scheme
The VisitScotland 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 April 2021.

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 April 2021.

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

Jonathan Seed

Date 27 April 2021

Name
Jonathan Seed

Qualification
Fellow of the Institute
and Faculty of Actuaries

Address
Scotia House
Castle Business Park
Stirling
FK9 4TZ

Employer
XPS Pensions

Actuary's certification of schedule of contributions

British Tourist Boards' Staff Pension and Life Assurance Scheme
The Welsh Government 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, which was met as at 31 March 2020, will continue to be met over the period covered by this schedule.

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 26 February 2021.

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 Jonathan Seed	**Date** 17 March 2021
Name Jonathan Seed	**Qualification** Fellow of the Institute and Faculty of Actuaries
Address Scotia House Castle Business Park Stirling FK9 4TZ	**Employer** XPS Pensions Consulting Limited

Independent Auditor's Report to the Trustees of the British Tourist Boards' Staff Pension and Life Assurance Scheme

Opinion

We have audited the financial statements of the British Tourist Boards' Staff Pension & Life Assurance Scheme ("the Scheme") for the year ended 31 March 2022 which comprise the Fund Account, the Statement of Net Assets and notes to the financial statements, including significant accounting policies. 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 Republic of Ireland.

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 2022, 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 Regulation 3A of and 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme'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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Trustees of the British Tourist Boards' Staff Pension and Life Assurance Scheme (continued)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Scheme's Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to wind up the Scheme, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the Scheme, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements and reporting frameworks for pension schemes, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Pensions Acts 1995 and 2004 and associated Regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates.

Independent Auditor's Report to the Trustees of the British Tourist Boards' Staff Pension and Life Assurance Scheme (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Audit procedures performed by the engagement team included:

- Inspecting any relevant correspondence with the Pensions Regulator and HMRC;
- Consideration of scheme compliance with applicable laws including the Pension Acts of 1995, 2004, 2008, 2011, and 2014, and the Pension Schemes Acts of 1993, 2015 and 2017;
- Consideration of scheme compliance with applicable regulations including 2018 SORP Financial Reports of Pension Schemes, Occupational Pension Schemes (Disclosure of information) Regulations 1996 and the Occupational and Personal Pension Schemes (Disclosure of information) Regulations 2013;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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 auditors' 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.

Armstrong Watson Audit Ltd

Armstrong Watson Audit Limited
Statutory Auditors
Glasgow

Date: 15/09/2022

Independent Auditor's Statement about Contributions, under Regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustees of the British Tourist Boards' 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 2022 which is set out in the Trustees' Report on page 13.

In our opinion contributions for the Scheme year ended 31 March 2022, as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 28 June 2019, 17 March 2021 and 27 April 2021.

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 Schedules 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 Schedules of Contributions.

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 Employers and the members of the Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of any member of the Scheme and for monitoring whether contributions are made to the Scheme by the participating Employers in accordance with the Schedule of Contributions.

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

Use of our Statement

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.

Armstrong Watson Audit Ltd

Armstrong Watson Audit Limited
Statutory Auditors
Glasgow

Date: 15/09/2022

Fund Account

	Note	2022 £'000	2021 £'000
Contributions and benefits			
Employer contributions	6	3,153	2,756
Employee contributions	6	592	467
Total contributions		**3,745**	**3,223**
Other income	7	71	2
		3,816	**3,225**
Benefits paid or payable	8	(10,263)	(9,635)
Payment to and on account of leavers	9	(401)	(3,795)
Administrative expenses	10	(990)	(1,120)
Other payments	11	(29)	(18)
		(11,683)	**(14,568)**
Net withdrawals from dealings with members		**(7,867)**	**(11,343)**
Returns on investments			
Investment income	12	8,303	21,661
Change in market value of investments	13	10,282	4,862
Investment management expenses	15	(321)	(291)
Net returns on investments		**18,264**	**26,232**
Net increase in the fund during the year		**10,397**	**14,889**
Net assets of the Scheme at 1 April		366,425	351,536
Net assets of the Scheme at 31 March		**376,822**	**366,425**

The accompanying notes on pages 37 to 49 are an integral part of these financial statements.

Statement of Net Assets available for benefits

	Note	At 31 March 2022 £'000	At 31 March 2021 £'000
Investment assets:	13		
Pooled investment vehicles	17	326,745	309,534
AVC investments	18	560	456
Insurance policies – annuities		40,275	43,350
Cash		435	386
Other investment balances		261	280
Total investments		**368,276**	**354,006**
Current assets	21	9,042	12,809
Current liabilities	22	(496)	(390)
Net assets of the Scheme at 31 March		**376,822**	**366,425**

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 20 to 26 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 37 to 49 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 15 September 2022.

Chris Roberts

Signed on behalf of the Trustees: ………………………………………………………..

(Trustee)

Tony Murphy

………………………………………………………..

(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 United Kingdom and Republic of Ireland issued by the Financial Reporting Council and with guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised 2018).

2. Going Concern

The financial statements have been prepared on the going concern basis. The Trustees expect the Scheme to have adequate funds available from the Scheme assets and the Participating Employers to enable it to continue as a going concern for the foreseeable future.

3. Significant judgements and estimates

In applying the Scheme's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amount of assets and liabilities. The Trustees' judgements, estimates and assumptions on the bulk buy-ins are based on the best and most reliable evidence available at the time when the calculations were made and are based on member data, historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the revision is made, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

4. Identification of the Financial Statements

The Scheme is established as a Trust under English law. The address for enquires to the Scheme is included in the Trustees' Report.

5. 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 Employers, except for the first contribution due where the employee has been auto-enrolled by the Employers 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.

Additional contributions are accounted for when received.

5. Accounting Policies (continued)

Contributions (continued)

Employer deficit funding and administration 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 Employers 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 later of 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.

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.

Expenses

Expenses are accounted for on an accruals basis, net of recoverable VAT.

Investment income

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

Income from pooled investment vehicles is accounted for when declared by the fund manager.

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.

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.

6. Contributions

	2022 £'000	2021 £'000
Employer contributions		
Normal	2,393	2,320
Deficit funding contributions	300	200
Contributions towards administrative costs	460	236
	3,153	**2,756**
Employee contributions		
Normal	500	462
Additional voluntary contributions, including added years	92	5
	592	467
	3,745	**3,223**

A Schedule of Contributions was certified on 28 June 2019 which states that no additional contributions to the Scheme are required in respect of the shortfall in funding. Under the same Schedule a credit was apportioned to the VisitBritain section which was offset against that section's annual expense contribution. Employers will continue to pay contributions in respect of administrative expenses of £220,000 per annum for VisitBritain, £150,000 per annum for VisitScotland and £80,000 per annum for the Welsh Government increasing by 2.45% annually from 1 April 2020.

A new Schedule of Contributions for VisitBritain was certified on 17 March 2021 which states the Employer will pay £223,000 per annum towards the cost of administering the Scheme which will increase at 2.45% per annum, with the first increase applying on 1 April 2022.

A new Schedule of Contributions for the Welsh Government was certified on 17 March 2021 which states the Employer will pay £87,000 per annum towards the cost of administering the Scheme which will increase at 2.45% per annum, with the first increase applying on 1 April 2022.

A new Schedule of Contributions for VisitScotland was certified on 27 April 2021 which states the employer will pay £300,000 per from 1 April 2021 to 31 March 2033 in respect of the shortfall in funding.

7. Other income

	2022 £'000	2021 £'000
Death benefit claim	70	-
Sundry income	1	2
	71	**2**

Notes to the Financial Statements (continued)

8. Benefits paid or payable

	2022 £'000	2021 £'000
Pensions	9,000	9,058
Commutations of pensions and lump sum retirement benefits	1,181	536
Lump sums on death in retirement	78	7
Refund of contributions on death	4	34
	10,263	**9,635**

9. Payments to and on account of leavers

	2022 £'000	2021 £'000
Refunds to members leaving service	19	18
Individual transfers out to other arrangements	382	3,777
	401	**3,795**

10. Administrative expenses

	2022 £'000	2021 £'000
Administration and processing	352	148
Audit and accountancy fees	17	26
Legal and other professional fees	260	450
Actuarial expenses	191	278
Other expenses	9	64
Levies	6	-
Irrecoverable VAT	155	154
	990	**1,120**

11. Other payments

	2022 £'000	2021 £'000
Life assurance premiums	**29**	**18**

Notes to the Financial Statements (continued)

12. Investment income

	2022 £'000	2021 £'000
Management fee rebate	37	32
Annuity income	2,586	1,435
Income from pooled investment vehicles	5,680	20,194
	8,303	**21,661**

13. Reconciliation of investments

	Value at 1 April 2021 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 31 March 2022 £'000
Pooled investment vehicles	309,534	103,021	(99,097)	13,287	326,745
Insurance policies - annuities	43,350	-	-	(3,075)	40,275
AVC investments[1]	456	92	(58)	70	560
	353,340	**103,113**	**(99,155)**	**10,282**	**367,580**
Cash	386				435
Other investment balances	280				261
	354,006				**368,276**

[1] 2021 Reassure contributions are included in the above AVC investment purchases

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.

Notes to the Financial Statements (continued)

13. Reconciliation of investments (continued)

Concentration of Investment

The Scheme holds the following investments which exceed 5% of the net assets of the Scheme 31 March 2022:

	Total 2022 £'000	Scheme's net assets %	Total 2021 £'000	Scheme's net assets %
Partners Group MAC 2017 Fund	23,448	6.22	37,440	10.22
Baillie Gifford Diversified Growth Fund	34,015	9.03	35,001	9.55
Threadneedle Property Unit Trust Class A Units	27,373	7.26	25,330	6.91
Legal & General Gilts (Visit London)	21,369	5.67	21,582	5.89
LGIM Diversified Multi-Factor Equity Fund	30,430	8.08	37,381	10.20
BlackRock Liability Hedging	96,277	25.55	57,967	15.82
BlackRock Cash & Commitments	-	-	19,985	5.46
Insight Broad Opportunities Fund	27,700	7.35	30,731	8.39
Insurance policies – annuities	40,275	10.69	43,350	11.83

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.

14. Investment management expenses

	2022 £'000	2021 £'000
Administration, management and custody	**321**	**291**

15. 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.

16. Pooled investment vehicles

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

	2022 £'000	2021 £'000
Equity	56,965	66,546
Bonds	180,692	151,925
Property	27,373	25,330
Absolute Return	61,715	65,733
	326,745	**309,534**

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.

17. 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:

	2022 £'000	2021 £'000
Utmost Life & Pensions Limited (formerly, The Equitable Life)	5	5
Prudential Assurance Company	420	422
ReAssure (formerly, Legal & General)	135	29
	560	**456**

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

18. 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 2022	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Pooled investment vehicles (PIVs)	-	269,293	57,452	**326,745**
AVC investments	-	140	420	**560**
Insurance policies - annuities	-	-	40,275	**40,275**
Cash	435	-	-	**435**
Other investment balances	261	-	-	**261**
	696	**269,433**	**98,147**	**368,276**

As at 31 March 2021	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Pooled investment vehicles	-	246,764	62,770	**309,534**
AVC investments	-	139	317	**456**
Insurance policies - annuities	-	-	43,350	**43,350**
Cash	386	-	-	**386**
Other investment balances	280	-	-	**280**
	666	**246,903**	**106,437**	**354,006**

Notes to the Financial Statements (continued)

19. 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 as follows:

- Gilts mandate managed by Legal and General for the Visit London Section.
- Liability driven investment mandate (comprising of levered gilt and index-linked gilt pooled funds) and diversified credit mandate, both managed by BlackRock for the VisitBritain, VisitScotland and WG Sections.
- Private lending mandate managed by Partners Group for the VisitBritain, VisitScotland and WG Sections.

The credit risk from the L&G gilts mandate and BlackRock liability driven investment mandate is mitigated by investing solely in gilts and index-linked gilts that are high quality investment grade bonds backed by the full credit and faith of the United Kingdom government. In order to achieve leverage in the liability driven investment and diversified credit funds BlackRock enter cashflow swaps with a wide range of counterparties monitored by them.

The credit risk from the BlackRock diversified credit mandate and Partners Group private lending mandate is mitigated by the managers' investing in a diversified portfolio of assets to minimise the impact of default by any one issuer as well as the managers' continuous analysis on the credit quality of the securities held within the mandates.

The total indirect credit risk is as follows:

As at 31 March 2022	Investment Grade	Non-investment Grade	Unrated	Total
	£'000	£'000	£'000	£'000
PIVs	**151,048**	**-**	**30,079**	**181,127**

Notes to the Financial Statements (continued)

19. Investment risk disclosures (continued)

Credit risk (continued)

As at 31 March 2021	Investment Grade	Non-investment Grade	Unrated	Total
	£'000	£'000	£'000	£'000
PIVs	114,366	120	37,440	151,926

The Scheme also invests in two absolute return mandates managed by Baillie Gifford and Insight. 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 managers use 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 managers. The risk is further mitigated by the Trustees investing in regulated markets and regularly reviewing the investment managers in conjunction with their investment advisor, Hymans Robertson.

The Scheme also has direct credit risk through the insured annuity policies held with Aviva for the WG Section and the Visit London Section. This risk is mitigated by the assessment of the insurer's credit worthiness by the Trustees at the point of purchasing the annuity policies. Further, the risk is mitigated by the insurance company being required by regulations to hold minimal levels of capital to protect against the insolvency of the insurer.

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 Legal and General. It is the Trustees policy to hedge all currency risk arising from the overseas equity holdings held within the Legal and General market-cap equity portfolio, which amounts to approximately 25% of the Scheme's total indirect currency risk. Legal and General has discretion on the level of currency hedging within the L&G multi-factor equity fund and as at the year-end L&G hedged approximately 50% of the overseas currency risk within this fund. The Scheme's total net unhedged exposure at the year-end was as follows:

	2022 £'000	2021 £'000
PIVs	**16,051**	19,774

19. Investment risk disclosures (continued)

Currency risk (continued)

The Scheme also invests in two absolute return mandates managed by Baillie Gifford and Insight. 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 gilts mandate managed by Legal and General, its liability driven investment and diversified credit mandates, both managed by BlackRock and its private lending mandate managed by Partners Group. The Trustees invest the liability driven investment mandate in leveraged gilts and index-linked gilts that should move broadly in-line with the Scheme's liabilities as a consequence of changing interest rates and inflation rates. The total indirect interest rate risk is as follows:

	2022 £'000	2021 £'000
PIVs	**181,127**	151,925

The Scheme also invests in two absolute return mandates managed by Baillie Gifford and Insight. 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:

	2022 £'000	2021 £'000
Equity held in PIVs	56,965	66,546
Absolute return held in PIVs	61,715	65,733
Property held in PIVs	27,373	25,330
	146,053	**157,609**

19. Investment risk disclosures (continued)

Additional risks

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

- Cash-flow risk: the Trustees 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 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 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 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.

20. Current assets

	2022 £'000	2021 £'000
Contributions due from the employer in respect of:		
Employer	-	207
Employees	-	39
Other debtors	2	14
Life assurance premium refunds	-	9
Cash balances	9,040	12,540
	9,042	**12,809**

Notes to the Financial Statements (continued)

21. Current liabilities

	2022 £'000	2021 £'000
Unpaid benefits	14	22
Accrued expenses	361	341
Prepaid annuity	117	-
Taxation due on refunds to members	4	-
Accrued life assurance premiums	-	27
	496	**390**

22. 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 2021/22 was £96,214 plus VAT (2020/21: £92,550).

The Scheme met the costs associated with the Pegasus Pensions plc for secretarial work carried out in 2021/22 for £83,765 (2020/21: £85,167). This amount was paid directly from the Scheme and is included in Note 8.

At 31 March 2022 the Scheme had a debtor balance of £2,726 (2020-21: £14,083) owed from the Principal Employer within other debtors in Note 20. This is in respect of VAT paid by the Scheme which can be reclaimed by the Principal Employer.

23. GMP equalisation

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. A supplemental ruling in November 2020 clarified the position in relation to historic transfers out. This ruling requires the rectification of any shortfall in these transfer values, calculated on the basis of unequalised GMPs. The Trustees are reviewing, with their advisors, the implication of the rulings as a whole on the Scheme. Once this review is finalised, then the Trustees will put in place a plan to ensure the equalisation of benefits and will communicate with members. The Trustees do not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

APPENDICES

I) Summary Funding Statement: VisitBritain Section

II) Summary Funding Statement: VisitScotland Section

III) Summary Funding Statement: Welsh Government Section

IV) Summary Funding Statement: Visit London Section

V) Annual Engagement Policy Implementation Statement

VI) Schemes detailed net assets by section (unaudited)

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

Summary Funding Statement 31 March 2021

What's this statement for?

The Trustees are required to provide you with this statement giving you an update about the Scheme's financial security. We hope you find it useful and easy to understand, but if you have any questions please contact the Scheme's Administrators.

By email: btb@buck.com

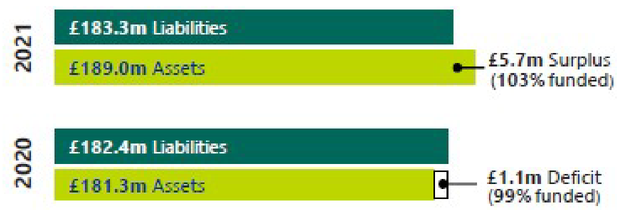
By post: British Tourist Boards' Staff Pension and Life Assurance Scheme, Buck Admin Team, Buck (Ipswich), P O Box 323, Mitcheldean, GL14 9BL.

By phone: 01473 293474

The last actuarial valuation at 31 March 2020 and the 31 March 2021 actuarial update

An actuarial valuation is an exercise to compare how much money the Scheme has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Scheme's assets are more than its liabilities, there is a 'surplus'; if they are less, there is a 'shortfall' or 'deficit'.

Full valuations usually take place every three years and the last one was on 31 March 2020, with a yearly update carried out on 31 March 2021. The results of these valuations are shown on the right.



Summary of the Recovery Plan

There was a shortfall at the 2020 valuation and this is expected to be met through additional returns achieved on the Scheme's assets over and above the cautious estimate made for valuation purposes.

VisitBritain "the Employer" will continue to pay regular contributions to meet their share of the cost of running the Scheme.

Change in funding position since the previous statement and the 2020 valuation

The funding position has improved since both the 2019 statement and the 2020 valuation. This is mainly due to returns on the Fund's investments being higher than expected.

Payments to the Employers

We have to tell you that there have not been any payments made to any of the participating employers (VisitBritain, VisitScotland or the Welsh Government) out of the Scheme's assets since the last summary funding statement.

Winding-up

Whilst the Section is still running, benefits will be paid in full even if the funding position deteriorates. If the VisitBritain Section did wind-up, the duty to pay all members' benefits may be transferred to an insurance company.

In the 2020 valuation, it was estimated that the amount needed to secure all the Section's benefits with an insurance company was £259m, which was £77m more than the Section's assets. This is just an indication and does not mean that the Trustees or Employer are considering winding up the Section.

If, in the event of wind-up, there weren't enough assets to secure all benefits, the Employer would have to make up the difference. In the event that the Employer is not able to pay for any shortfall there is a Government Guarantee that has been put in place to ensure that you will get all of the benefits you have built up.

As a result of this guarantee the Section is not eligible for the Pension Protection Fund ('PPF').

How the Scheme works

This section has some information about this statement and the Scheme. If you would like any more information about the Scheme or your benefits, please contact the Scheme's Administrators.

How is my pension paid for?

The Scheme is a defined benefit pension arrangement. This means members build up benefits based on length of service and their salary. The Scheme has a pool of money (assets) to pay for these benefits as they become due; it does not hold assets separately for each individual.

The Trustees' goal is for the Scheme to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Scheme needs?

As part of the three-yearly actuarial valuation, the Trustees agree separate funding plans (the Statement of Funding Principles) with each Employer, which aims to make sure there is enough money in each section to pay for pensions now and into the future.

Each Employer also pays the cost of running their section of the Scheme every year. This is why the Scheme relies on the Employers' continuing support.

Why don't the Trustees aim to have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Scheme. This means the cost of securing pensions in this way is considerably more expensive than if the Scheme runs normally with the continuing support of the Employer.

Aiming to have enough money to cover that cost would likely mean that the Scheme will have far more than it actually needs if it keeps running.

Stay in touch

If any of your personal details change, such as your home address or marital surname, please can you inform Buck, the Scheme Administrator as soon as possible so that your membership record can be updated. Their contact details are given at the top of this communication.

Alternatively, you can make many such changes yourself by logging into your online pension account managed by Buck. Please visit www.btbpensionscheme.org.uk and click on the member portal login button at the top of the homepage.

The Pensions Regulator

In certain circumstances the Pensions Regulator can:

- Direct how the Scheme's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of Employer contributions to be paid
- Change the way members build up benefits in the future

None of these things have happened in the Scheme.

How are the Scheme's assets invested?

The Trustees' policy is to invest in a broad range of assets.

As at 31 March 2021, the Scheme's assets were invested in the following way:

L&G Equities	17%
Partners Multi-Asset Credit	12%
Insight Broad Opportunities	13%
Baillie Gifford Diversified Growth Fund	12%
Threadneedle Property	8%
Blackrock (LDI)	38%

In addition the Trustees hold insurance policies to meet future benefit payments for certain members.

Thinking of leaving the Scheme?

If you are thinking of leaving the Scheme, you must be especially aware that there are scammers who are seeking to take advantage of the current situation. You can find out more at www.fca.org.uk/scamsmart and remember to take advice from a financial adviser who is regulated by the Financial Conduct Authority (FCA) and specifically authorised to provide advice on pension transfers. You can find one local to you at www.unbiased.co.uk.

Remember, choosing to transfer at any age is a significant step and will not be appropriate for all members.

British Tourist Boards' Staff Pension & Life Assurance Scheme (the "Scheme") – The VisitScotland Section (the "VS Section")

Summary Funding Statement 31 March 2021

What's this statement for?

The Trustees are required to provide you with this statement giving you an update about the Scheme's financial security. We hope you find it useful and easy to understand, but if you have any questions please contact the Scheme's Administrators.

By email: btb@buck.com

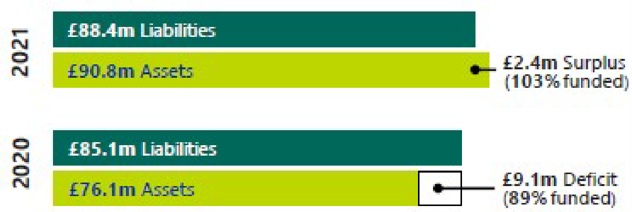
By post: British Tourist Boards' Staff Pension and Life Assurance Scheme, Buck Admin Team, Buck (Ipswich), P O Box 323, Mitcheldean, GL14 9BL.

By phone: 01473 293474

The last actuarial valuation at 31 March 2020 and the 31 March 2021 actuarial update

An actuarial valuation is an exercise to compare how much money the Scheme has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Scheme's assets are more than its liabilities, there is a 'surplus'; if they are less, there is a 'shortfall' or 'deficit'.

Full valuations usually take place every three years and the last one was on 31 March 2020, with a yearly update carried out on 31 March 2021. The results of these valuations are shown on the right.



Summary of the Recovery Plan

Because there was a shortfall at the 2020 valuation, VisitScotland (the "Employer") has agreed to pay extra contributions of £300,000 every year increasing at 2.5% per annum for 13 years.

These contributions are on top of the regular amount that the Employer pays towards new benefits building up each year and towards their share of Scheme expenses.

There is no change in the rate paid by members that are still building up benefits.

Change in funding position since the previous statement and the 2020 valuation

The funding of the Scheme improved since both the 2019 statement and the 2020 valuation. This is mainly due to returns on the Fund's investments being higher than expected.

Payment to the Employer

We have to tell you that there have not been any payments made to any of the participating employers (VisitBritain, VisitScotland or the Welsh Government) out of the Scheme's assets since the last summary funding statement.

Winding-up

Whilst the Section is still running, benefits will be paid in full even if the funding position deteriorates. If the VisitScotland Section did wind-up, the duty to pay all members' benefits may be transferred to an insurance company.

In the 2020 valuation, it was estimated that the amount needed to secure all the Section's benefits with an insurance company was £169m, which was £93m more than the Section's assets. This is just an indication and does not mean that the Trustees or Employer are considering winding up the Section.

If, in the event of wind-up, there weren't enough assets to secure all benefits, the Employer would have to make up the difference. In the event that the Employer is not able to pay for any shortfall, there is a Government Guarantee that has been put in place to ensure that you will get all of the benefits you have built up.

As a result of this guarantee the Section is not eligible for the Pension Protection Fund ('PPF').

How the Scheme works

This section has some information about this statement and the Scheme. If you would like any more information about the Scheme or your benefits, please contact the Scheme's Administrators.

How is my pension paid for?

The Scheme is a defined benefit pension arrangement. This means members build up benefits based on length of service and their salary. The Scheme has a pool of money (assets) to pay for these benefits as they become due; it does not hold assets separately for each individual.

The Trustees' goal is for the Scheme to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Scheme needs?

As part of the three-yearly actuarial valuation, the Trustees agree separate funding plans (the Statement of Funding Principles) with each Employer, which aims to make sure there is enough money in each section to pay for pensions now and into the future.

Each Employer also pays the cost of running their section of the Scheme every year. This is why the Scheme relies on the Employers' continuing support.

Why don't the Trustees aim to have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Scheme. This means the cost of securing pensions in this way is considerably more expensive than if the Scheme runs normally with the continuing support of the Employer.

Aiming to have enough money to cover that cost would likely mean that the Scheme will have far more than it actually needs if it keeps running.

Stay in touch

If any of your personal details change, such as your home address or marital surname, please can you inform Buck, the Scheme Administrator as soon as possible so that your membership record can be updated. Their contact details are given at the top of this communication.

Alternatively, you can make many such changes yourself by logging into your online pension account managed by Buck. Please visit www.btbpensionscheme.org.uk and click on the member portal login button at the top of the homepage.

The Pensions Regulator

In certain circumstances the Pensions Regulator can:

- Direct how the Scheme's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of Employer contributions to be paid
- Change the way members build up benefits in the future

None of these things have happened in the Scheme.

How are the Scheme's assets invested?

The Trustees' policy is to invest in a broad range of assets.

As at 31 March 2021, the Scheme's assets were invested in the following way:

L&G Equities	44%
Partners	11%
Insight	10%
Baillie Gifford Diversified Growth Fund	10%
Property	7%
Blackrock (LDI)	18%

In addition the Trustees hold insurance policies to meet future benefit payments for certain members.

Thinking of leaving the Scheme?

If you are thinking of leaving the Scheme, you must be especially aware that there are scammers who are seeking to take advantage of the current situation. You can find out more at www.fca.org.uk/scamsmart and remember to take advice from a financial adviser who is regulated by the Financial Conduct Authority (FCA) and specifically authorised to provide advice on pension transfers. You can find one local to you at www.unbiased.co.uk.

Remember, choosing to transfer at any age is a significant step and will not be appropriate for all members.

British Tourist Boards' Staff Pension & Life Assurance Scheme (the "Scheme") – The Welsh Government Section (the "WG Section")

Summary Funding Statement 31 March 2021

What's this statement for?

The Trustees are required to provide you with this statement giving you an update about the Scheme's financial security. We hope you find it useful and easy to understand, but if you have any questions please contact the Scheme's Administrators.

By email: btb@buck.com

By post: British Tourist Boards' Staff Pension and Life Assurance Scheme, Buck Admin Team, Buck (Ipswich), P O Box 323, Mitcheldean, GL14 9BL.

By phone: 01473 293474

The last actuarial valuation at 31 March 2020 and the 31 March 2021 actuarial update

An actuarial valuation is an exercise to compare how much money the Scheme has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Scheme's assets are more than its liabilities, there is a 'surplus'; if they are less, there is a 'shortfall' or 'deficit'.

Full valuations usually take place every three years and the last one was on 31 March 2020, with a yearly update carried out on 31 March 2021. The results of these valuations are shown on the right.

Summary of the Recovery Plan

As there was no shortfall at the 2020 valuation, no additional contributions are payable (other than those required to meet the Employer's share of the cost of running the Scheme).

Change in funding position since the previous statement and the 2020 valuation

The funding position appears to have worsened since both the 2019 statement and the 2020 valuation.

This is due to the purchase of insurance policies by the Trustees to secure the benefits payable to a subset of the pensioner membership. The cost of these insurance policies is greater than the liabilities calculated for valuation purposes and so the valuation surplus has fallen as a result.

Payments to the Employers

We have to tell you that there have not been any payments made to any of the participating employers (VisitBritain, VisitScotland or the Welsh Government) out of the Scheme's assets since the last summary funding statement.

Winding-up

Whilst the Section is still running, benefits will be paid in full even if the funding position deteriorates. If the Welsh Government Section did wind-up, the duty to pay all members' benefits may be transferred to an insurance company.

In the 2020 valuation, it was estimated that the amount needed to secure all the Section's benefits with an insurance company was £73m, which was £11m more than the Section's assets. This is just an indication and does not mean that the Trustees or Employer are considering winding up the Section.

If, in the event of wind-up, there weren't enough assets to secure all benefits, the Employer would have to make up the difference. In the event that the Employer is not able to pay for any shortfall there is a Government Guarantee that has been put in place to ensure that you will get all of the benefits you have built up.

As a result of this guarantee the Section is not eligible for the Pension Protection Fund ('PPF').

How the Scheme works

This section has some information about this statement and the Scheme. If you would like any more information about the Scheme or your benefits, please contact the Scheme's Administrators.

How is my pension paid for?

The Scheme is a defined benefit pension arrangement. This means members build up benefits based on length of service and their salary. The Scheme has a pool of money (assets) to pay for these benefits as they become due; it does not hold assets separately for each individual.

The Trustees' goal is for the Scheme to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Scheme needs?

As part of the three-yearly actuarial valuation, the Trustees agree separate funding plans (the Statement of Funding Principles) with each Employer, which aims to make sure there is enough money in each section to pay for pensions now and into the future.

Each Employer also pays the cost of running their section of the Scheme every year. This is why the Scheme relies on the Employers' continuing support.

Why don't the Trustees aim to have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Scheme. This means the cost of securing pensions in this way is considerably more expensive than if the Scheme runs normally with the continuing support of the Employer.

Aiming to have enough money to cover that cost would likely mean that the Scheme will have far more than it actually needs if it keeps running.

Stay in touch

If any of your personal details change, such as your home address or marital surname, please can you inform Buck, the Scheme Administrator as soon as possible so that your membership record can be updated. Their contact details are given at the top of this communication.

Alternatively, you can make many such changes yourself by logging into your online pension account managed by Buck. Please visit www.btbpensionscheme.org.uk and click on the member portal login button at the top of the homepage.

The Pensions Regulator

In certain circumstances the Pensions Regulator can:

- Direct how the Scheme's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of Employer contributions to be paid
- Change the way members build up benefits in the future

None of these things have happened in the Scheme.

How are the Scheme's assets invested?

The Trustees' policy is to invest in a broad range of assets.

As at 31 March 2021, the Scheme's assets were invested in the following way:

Partners	25%
Baillie Gifford Diversified Growth Fund	13%
Property	17%
Blackrock (LDI)	45%

In addition the Trustees hold insurance policies to meet future benefit payments for certain members.

Thinking of leaving the Scheme?

If you are thinking of leaving the Scheme, you must be especially aware that there are scammers who are seeking to take advantage of the current situation. You can find out more at www.fca.org.uk/scamsmart and remember to take advice from a financial adviser who is regulated by the Financial Conduct Authority (FCA) and specifically authorised to provide advice on pension transfers. You can find one local to you at www.unbiased.co.uk.

Remember, choosing to transfer at any age is a significant step and will not be appropriate for all members.

XPS Pensions

British Tourist Boards' Staff Pension & Life Assurance Scheme VisitLondon Section (the "Scheme")

Summary Funding Statement 31 March 2021

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 2021

The latest actuarial valuation of the Scheme showed that the funding position was as follows:

Assets	£32.0m
Liabilities	£30.1m
Surplus	**£1.9m**
Funding level	106%

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 no Employer contributions will be paid into the Scheme.

What is the Scheme invested in?

The Trustees' 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 2021 was:

Index Linked Gilts	94 %
Diversified Growth Funds	6 %

Change in funding position since previous statement

Full valuations usually take place every three years and the last one was on 31 March 2021, with a yearly update having occurred on 31 March 2020. The results of these valuations are shown below:

Actuarial Update as at	31 March 2021	31 March 2020
Assets	£32.0m	£31.3m
Liabilities	£30.1m	£30.1m
Surplus	**£1.9m**	**£1.2m**
Funding level	106%	104%

The surplus and funding level has increased since the date of the previous statement. This is due to changes in actuarial assumptions, returns achieved from the Scheme's growth assets over the year and savings made following the purchase of insurance policies to meet pensioner liabilities.

Winding-up

The estimated amount needed to ensure that all members' benefits could be paid in full if the Scheme had started winding up was £34.1m as at 31 March 2021, compared to assets of £32.2m, meaning there was a winding-up shortfall of £1.9m. There is no intention of winding up the Scheme – see overleaf for more details.

Where can I get more information?

If you have any other questions, would like any other valuation documentation or if any of your personal details change, such as your home address or marital surname, please can you inform Buck, the Scheme Administrator (details below) as soon as possible so that your membership record can be updated. Alternatively, you can make such changes yourself by logging into your online pension account managed by Buck. Please visit https://www.btbpensionscheme.org.uk/ and click on the member portal login button at the top of the page.

By email: **btb@buck.com**

By post: Trustees of the British Tourist Boards' Staff Pension and Life Assurance Scheme, C/o Buck (Ipswich), PO Box 323, Mitcheldean, GL14 9BL

Yours sincerely

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

XPS Pensions

British Tourist Boards' Staff Pension & Life Assurance Scheme VisitLondon Section (the "Scheme")

Summary Funding Statement 31 March 2021

How is my pension paid for?

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

How is the amount the Scheme needs in order to pay benefits worked out?

As part of the three-yearly actuarial valuation, the Trustees agree a funding plan (*the Statement of Funding Principles*), which aims to make sure there is enough money in the Scheme to pay for pensions now and into the future. 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 started to wind up?

'Winding up' a pension scheme means terminating the scheme. In this circumstance the Scheme's assets would be used to secure each individual member's 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 Pension Protection Fund (PPF).

Why don't the Trustees have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Scheme. This means the cost of securing pensions in this way is more expensive than if the Scheme runs normally. Aiming to have enough money to cover the wind up cost would likely mean that the Scheme will have more than it actually needs if it keeps running.

The current funding plan assumes that the Scheme will continue and the corresponding cost of providing benefits as they fall due is lower.

Payments to the Employer

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

The Pensions Regulator

In certain circumstances the Pensions Regulator can:

- Direct how the Scheme's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of Employer contributions to be paid
- Change the way members build up benefits in the future

None of these things have happened in the Scheme.

Protecting your data

New data protection laws came into force in May 2018, and placed new obligations on the Trustees and the Trustees' service providers when collecting and processing your personal data. XPS Pensions, the Scheme Actuary and Buck are data controllers of your personal data with the Trustees.

Your personal data is collected and processed in order to administer your benefits under the Scheme and will be disclosed to third parties in certain limited circumstances. The Trustees are required to make available to you a detailed explanation about various things, including how it will use your data, the legal basis for having your data and the rights you have in relation to the data held. This is contained in the privacy notice that you received. Copies can be obtained from the Scheme's administrators.

Thinking of leaving the Scheme?

If you are thinking of leaving the Scheme for any reason, you should talk to an independent financial adviser before doing so; you can find one local to you at **www.unbiased.co.uk.**

British Tourist Boards' Staff Pension and Life Assurance Scheme Annual Engagement Policy Implementation Statement

Statement of Compliance with the British Tourist Boards' Staff Pension and Life Assurance Scheme's Stewardship Policy for the year ending 31 March 2022.

Introduction

This is the Trustees' statement prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustees have complied with the Scheme's Stewardship Policy during the period from 1 April 2021 to 31 March 2022.

Stewardship policy

The Trustees' Stewardship Policy is included in the Scheme's Statement of Investment Principles (SIP) document and sets out how the Trustees will behave as an active owner of the Scheme's assets which includes the Trustees' approach to:

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustees monitor and engage with their investment managers and any other stakeholders.

The Scheme's Stewardship Policy is reviewed at least every three years in line with the Scheme's SIP, or sooner if there is a requirement to do so. The Trustees last reviewed the Scheme's SIP in August 2020 however there were no amendments made to the Trustees' policies on stewardship of assets.

You can review the Scheme's Stewardship Policy, which can be found within the Scheme's Statement of Investment Principles, at https://www.btbpensionscheme.org.uk/for-members/library/#1493809696224-3cdd248f-d06f73f1-0d79

Policy Wording

The Trustees have delegated voting and engagement activity in respect of the underlying assets to the Scheme's investment managers. The Trustees believe it is important that their investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance.

Policy implementation

The Trustees' own engagement activity is focused on their dialogue with their investment managers which is undertaken in conjunction with their investment advisors. The Trustees meet regularly with the Scheme's investment managers and the Trustees consider managers' exercise of their stewardship responsibilities both during these meetings and through reporting provided by their investment advisor.

The Trustees also monitor their compliance with their Stewardship Policy on a regular basis and are satisfied that they have complied with the Scheme's Stewardship Policy over the year to 31 March 2022.

Voting activity

The Trustees seek to ensure that the Scheme's managers are excising voting rights and where appropriate and monitor managers voting patterns. The Trustees also monitor investment manager's voting on particular companies or issues that affect more than one company.

The Scheme has investments in equity assets with attaching voting rights through pooled equity funds managed by LGIM. The Scheme also has exposure to equity assets through the Baillie Gifford and Insight multi-asset funds. The investment managers have reported on how votes were cast in each of these mandates as set out in the table below as at 31 March 2022.

As at 31 March 2021	Baillie Gifford Diversified Growth Fund	Insight Broad Opportunities Fund	LGIM Diversified Multi-Factor Equity Fund	LGIM UK Equity Index Fund	LGIM North America Equity Index Fund	LGIM Europe (ex UK) Index Fund	LGIM Japan Equity Index Fund	LGIM Asia Pacific ex Japan Index Fund
Proportion of Scheme assets (in aggregate)	9.0%	7.4%	8.2%	0.9%	4.7%	0.7%	0.4%	0.4%
No. of meetings eligible to vote at during the year	133	12	1,276	772	794	549	512	499
No. of resolutions eligible to vote on during the year	1,537	141	16,077	10,813	9,495	9,447	6,109	3,457
% of resolutions voted	88.1%	100.0%	99.9%	99.9%	100.0%	99.8%	100.0%	99.9%
% of resolutions voted with management	96.0%	99.3%	80.9%	93.1%	71.8%	82.2%	86.6%	73.4%
% of resolutions voted against management	3.4%	0.7%	17.9%	6.9%	28.2%	17.1%	13.3%	26.4%
% of resolutions abstained	0.6%	0.0%	1.2%	0.0%	0.0%	0.7%	0.0%	0.2%
% of meetings with at least one vote against management	18.1%	8.3%	68.3%	43.6%	7.8%	76.9%	75.0%	72.9%

Significant votes

The Trustees have asked their managers to report on – in the manager's opinion – the most significant votes cast within the funds they manage on behalf of the Scheme. The managers were asked to explain the reasons why votes identified were significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company and the outcome of the vote. While the term 'significant votes' hasn't been defined, guidance suggests that a vote should be considered significant if it relates to situations where there is disagreement between the manager (on behalf of investors) and the company; including matters such as shareholder rights, corporate governance, corporate strategy and corporate behaviour. However, some resolutions which may be significant from an investment point of view, such as uncontroversial mergers and takeovers, may not be included.

Each manager responsible for managing equity assets on the Scheme's behalf has provided the Trustees with a long-list of significant votes. Insight did not provide examples of significant votes for reasons detailed below. From that long-list the Trustees have identified the following votes as being of greater relevance to the Scheme:

LGIM

Domino's Pizza Group Plc, UK, 22 April 2021

The company management put forward a resolution to re-elect Matt Shattock as Director on 22 April 2021. LGIM voted against the resolution (against management). We set out LGIM's comments on the resolution below:

"The company is deemed to not meet minimum standards with regards to climate risk management and disclosure. LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, our flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change. LGIM will continue to engage with the company and monitor progress."

This vote was considered of greater relevance to the Scheme as it evidenced the manager voting against company management due to issues relating to climate change.

Frasers Group plc, UK, 29 September 2021

LGIM voted against a resolution to receive and adopt report and accounts on 29 September 2021. We set out LGIM's comments on the resolution below:

"LGIM's corporate governance policy requires all UK-listed companies to meet the requirements of the Modern Slavery Act 2015. Section 54 of the Act requires companies to provide a statement setting out the steps they have taken to ensure that slavery and human trafficking is not taking place in their own operations or within their supply chain. In addition, the statement should be signed by the board of directors. LGIM will sanction any company that has failed to meet the requirements of the Act for two consecutive years. Not only do we consider this to be serious governance failing, we see this as both a humanitarian crisis and a risk to a company's operating model. In 2016, it is estimated that there were more than 40 million cases of modern slavery globally; the true figure today is thought to be significantly higher, LGIM is part of a collaborative engagement group that is trying to ensure UK companies comply with this legislation."

This vote was considered of greater relevance to the Scheme as it evidenced the manager voting in relation to one human rights / inequality.

Baillie Gifford

Galaxy Entertainment Group Ltd, 13 May 2021

Baillie Gifford opposed multiple resolutions relating to the incentive plan as they did not believe they were in the interests of shareholders. They opposed the Share Option Scheme specifically due to poor disclosure and the potential conflict of having the plan administrators eligible to participate in the plan. Baillie Gifford provided the following narrative for this vote:

"We have opposed similar resolutions in previous years and will continue to advise the company of our concerns and seek to obtain proposals that we can support. This resolution is significant because it received greater than 20% opposition."

They also opposed two resolutions which sought authority to issue equity because of the potential dilution levels. Baillie Gifford provided the following narrative for this vote:

"Our principle concern was with the poor disclosure of how performance is calculated and awards granted under the Share Option Scheme. The resolution received a significant dissent with a 22% opposition. Following the AGM we contacted the company to encourage improved disclosure in this area. This resolution is significant because it received greater than 20% opposition."

Insight

Insight did not provide case studies detailing significant votes because they do not feel that the structure of the Broad Opportunities Fund's equity positions (i.e. the means of exposure, often using derivatives) make it possible to provide comparable examples to conventional equity exposure. Insight's comment on this matter is set out below (unchanged from previous year):

"The strategy invests in listed closed-end investment companies with a focus on cash-generative investments in social infrastructure, renewable energy and asset-backed aviation finance. The corporate structure of closed-end investment companies held in the strategy includes an independent board which is responsible for providing an overall oversight function on behalf of all shareholders. This governance framework includes a range of aspects including setting out investment objectives, and on an ongoing basis ensuring that the underlying strategy and portfolio activities within it remain within the agreed framework. This governance framework, that is with an independent board acting on behalf of shareholders, generally limits contentious issues that can arise with other listed entities. As a result, examples of significant votes cast that may be comparable to other listed entities are not applicable to the strategy's exposures."

Engagement activity

To comply with the Scheme's Stewardship Policy the Trustees aim to meet with the Scheme's investment managers at least once a year. The Trustees will usually do this through an annual 'manager day' meeting. The last manager day meeting took place in December 2021.

Prior to each manager meeting, the Trustees and their investment advisor sets each manager a comprehensive agenda to assist the Trustees in holding each manager to account. The agenda covers a wide range of topics including review of short and long term performance in the market context, market outlook, risks and opportunities, and responsible investing. In addition, the Trustees' investment advisor prepared a paper prior to the meeting setting out the policies included within the SIP and how the Trustees could comply with the policies through the manager day meeting.

In addition to regular manager day meetings, the Trustee may also meet with the Scheme's managers on an ad-hoc basis, for example to discuss any relevant market themes, concerns or opportunities. An example of this was an infrastructure manager selection exercise for the VisitScotland Section of the Scheme.

The below table sets out the engagement meetings with managers over the year to 31 March 2022. We also draw out details of any stewardship / responsible investment matters discussed between the Trustees and the managers.

Meeting date	Manager / fund	Stewardship / responsible investment matters discussed	Outcome
19 January 2022	IFM Investors	VisitScotland Section infrastructure manager selection exercise – responsible investment considerations.	As part of the selection exercise, the trustees took the opportunity to understand the manager's approach to responsible investment within the context of an infrastructure mandate. IFM were able to give several case studies that supported their commitment to net zero (with a target date of 2050), in particular supporting companies that are leading on the energy transition. In addition, IFM is on the steering committee for the United Nations Principles of Responsible Investment (UNPRI), conducts detailed and transparent ESG reporting and adheres to the Taskforce on Climate-related Financial Disclosures (TCFD) framework. As such, the trustees were satisfied that IFM is committed to responsible investment.
7 December 2021	LGIM market-cap equity portfolio LGIM Diversified Multi-Factor Equity Fund	Broad range of ESG and stewardship matters pertinent to the Scheme.	The Trustees were comfortable with the Manager's approach to responsible investment and their engagement practices. LGIM have worked to make ESG materials more accessible through online portals and trustee education materials. Significant work has been done in the last two years on ESG, providing stewardship, adding new exclusions, and monitoring the carbon footprint (which has lowered the carbon footprint of the multi-factor fund by 50%, with plans to be carbon neutral by 2050). It was also confirmed that four companies were disinvested, following engagement, due to LGIM's climate pledge not being consistent with investment in these companies.
7 December 2021	Partners Group Multi-Asset Credit Fund 2017	Broad range of ESG and stewardship matters pertinent to the Scheme.	The Trustees were comfortable with the Manager's approach to responsible investment and their engagement practices. Partners Group have been UNPRI signatories since 2008 and achieved an A+ rating for the last 6 years. ESG is now part of all processes and Partners Group is moving towards further embedding ESG within their lending criteria (e.g. via ratchets). They outlined their new concept of sustainability-linked loans, where the interest rate varies depending on ESG goals. Partners Group set ESG key performance indicators (KPIs) for borrowers. If the company meets their KPIs by a

			set date, the interest rate decreases by an agreed number of basis points (typically up to 5). This provides a small saving for the company, but also allows for tracking of KPIs and allows Partners to have influence over the ESG factors.
7 December 2021	Columbia Threadneedle Property Unit Trust	Broad range of ESG and stewardship matters pertinent to the Scheme.	The Trustees were comfortable with the Manager's approach to responsible investment and their engagement practices. The manager discussed his vision for an increased emphasis on ESG going forward, which will be boosted by their merger with Bank of Montreal. Discussion was also held regarding the carbon efficiency of rebuilding vs retrofitting offices; with the manager suggesting that retrofitting can be more carbon efficient than rebuilding, but that the focus on ESG means that how buildings are built is likely to change and so incremental improvements in sustainability and cost efficiency are likely to occur.
7 December 2021	BlackRock LDI portfolio BlackRock Diversified Credit Fund	Broad range of ESG and stewardship matters pertinent to the Scheme.	The Trustees were comfortable with the Manager's approach to responsible investment and their engagement practices. The Trustees noted that conventional stewardship and engagement practises were not of material relevance for this mandate given the underlying assets being held (government bonds and synthetic credit). However, BlackRock did provide an overview on ESG and sustainability. Blackrock is focussing on three key areas: building technology and tools for measurement, creating investment solutions to align client thinking, and stewardship (improving transparency on how companies are held accountable). Also highlighted was the possibility of including green gilts in the LDI portfolio – government bonds ringfenced for projects dedicated to tackling environmental challenges.
7 December 2021	Insight Broad opportunities Fund	Broad range of ESG and stewardship matters pertinent to the Scheme.	The Trustees were comfortable with the Manager's approach to responsible investment and their engagement practices. Insight gave a detailed overview of how each of the UNPRI's six principles were embedded within the management of the fund, noting an improving ESG rating distribution and lower carbon intensity of the fund. Also discussed was their approach to stewardship and engagement, with recent case studies highlighted.

7 December 2021	Baillie Gifford Diversified Growth Fund	Broad range of ESG and stewardship matters pertinent to the Scheme.	The Trustees were comfortable with the Manager's approach to responsible investment and their engagement practices. Baillie Gifford were challenged by the Trustees on how they consider ESG factors when investing in Chinese equities. The manager acknowledged general concerns around ESG in China, however stated that the Chinese market does also contain a number of companies with strong sustainability credentials. In general terms, ESG has been incorporated into strategy since outset, as they believe it makes financial sense from a long-term view. Baillie Gifford uses an 8-question framework when picking investments. They gave examples of disinvestments following engagement; Kepple Infrastructure Trust, due to insufficient clarity on how they intend to transition carbon-based infrastructure and coal assets out of the fund; and Kepco Korea Electric, which failed to respond to Baillie Gifford on ESG matters.

Manager engagement activity

The Trustees expects its investment managers to engage with company management on the Scheme's behalf on relevant issues. As part of the manager day meeting, each manager was asked to provide case studies of engagement activity on the Scheme's behalf. Of particular importance to the Trustees is the managers' engagement framework which sets out how they identify companies to engage with, what format the engagement is in (i.e. meetings, letters, press releases) and how the managers then evaluate the impact of their engagement. Following the manager day meeting in 2021, the Trustees are satisfied that each manager is carrying out their engagement responsibilities on behalf of the Scheme.

Use of a proxy advisor

The Trustees investment managers have made use of the services of the following proxy voting advisors over the Scheme year:

Manager	Proxy Advisor used
LGIM	LGIM use **Institutional Shareholder Services ("ISS")** electronic voting platform to carry out proxy voting. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure ISS votes in accordance with LGIM's position on ESG, the manager has put in place a custom voting policy with specific voting instructions.
Insight	Insight use the services of **Minerva Analytics (Minerva)** for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva provides research expertise and voting tools through sophisticated proprietary IT systems allowing Insight to take and demonstrate responsibility for voting decisions. Independent corporate governance analysis is drawn from market, national and international legal and best practice provisions from jurisdictions around the world. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote.
Baillie Gifford	Baillie Gifford have access to the voting recommendations of proxy advisors (**ISS and Glass Lewis**) but do not delegate or outsource any stewardship activities or follow or rely upon their recommendations when deciding how to vote on resolutions. All client voting decisions are made in-house. Baillie Gifford vote in line with their in-house policy and not with the proxy voting providers' policies. They also employ specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information.

Scheme's detailed net assets by section (unaudited)

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

	VB 2022 £'000	VS 2022 £'000	VL 2022 £'000	WG 2022 £'000	Total 2022 £'000	Total 2021 £'000
Legal & General UK Equity Index	1,300	1,986	-	-	3,286	16,744
Partners Group MAC 2017 Fund	13,098	5,871	-	4,479	23,448	37,440
Partners Group MAC VI Fund	3,316	3,316	-	-	6,632	-
Baillie Gifford Diversified Growth Fund	18,434	8,650	1,732	5,199	34,015	35,001
Threadneedle Property Unit Trust Class A Units	16,336	7,322	-	3,715	27,373	25,330
Legal & General Gilts (Visit London)	-	-	21,369	-	21,369	21,582
Legal & General North America Equity Index	6,840	10,897	-	-	17,737	7,073
Legal & General Europe (ex-UK) Equity Index	1,068	1,392	-	-	2,460	2,322
Legal & General Japan Equity Index	662	882	-	-	1,544	1,516
Legal & General Asia Pacific (ex-Japan) Equity	652	856	-	-	1,508	1,511
LGIM Diversified Multi-Factor Equity Fund	14,411	16,019	-	-	30,430	37,381
BlackRock Fixed Income	9,527	2,152	-	3,234	14,913	14,951
BlackRock Liability Hedging	71,892	14,205	-	10,179	96,276	57,967
BlackRock Cash & Commitments	6,098	9,960	-	1,996	18,054	19,985
Insight Broad Opportunities Fund	18,746	8,954	-	-	27,700	30,731
AVCs	112	439	6	3	560	456
Insurance policies – annuities	7,926	1,068	7,075	24,206	40,275	43,350
Cash	170	32	-	233	435	386
Other investment balances	149	77	-	35	261	280
Invested assets	**190,737**	**94,078**	**30,182**	**53,279**	**368,276**	**354,006**
Current assets less current liabilities	2,727	3,010	259	2,550	8,546	12,419
Total net assets	**193,464**	**97,088**	**30,441**	**55,829**	**376,822**	**366,425**